



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

01/10/2014

Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found at http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm

Table of Contents			
Agency	Page	Agency	Page
Department of Human Services	1	College Student Aid Commission	14
Economic Development Authority	4	Board of Educational Examiners	15
Environmental Protection Commission	5	Department of Education	16
Department of Homeland Security and Emergency Management	6	Architectural Examining Board	17
Department of Inspections and Appeals	6	Engineering and Land Surveying Examining Board	18
Iowa Finance Authority	8	Pharmacy Board	19
Iowa Public Employees' Retirement System	8	Professional Licensure Division	19
Labor Services Division	9	Department of Public Safety	20
Natural Resource Commission	10	Secretary of State	20
Department of Public Health	10	Department of Transportation	20
Department of Revenue	13	Treasurer of State	21

*Agencies highlighted in yellow have one or more rules with a fiscal impact of \$100,000 per year or more.

Department of Human Services

ARC 1206C

Rule Summary Provides for the use of contested case proceedings for bidders that appeal the Department's decision on contract awards through a competitive procurement process.

Agency Stated Authority: Iowa Code sections 17A and 234.6.

Fiscal Impact **Agency Response:** This change is estimated to cost the state approximately \$9,000 annually.

LSA Response: The Department does not plan to hire additional staff for the administration of these rules. However, the Department will pay the Department of Inspections and Appeals (DIA) to preside over these cases. Based on the amount the Department paid the DIA during the fourth quarter of 2012 for other contested cases and the number of cases presided over, it is estimated that the average amount paid per case will be \$354. This amount multiplied by 25 cases is \$8,850 per year.

ARC 1208C

Rule Summary This revision requires participants to receive a clear written reminder for any noncompliance of their Family Investment Agreement (FIA) including not submitting verification time and attendance prior to moving to a sanction for noncompliance.

Agency Stated Authority: Iowa Code section 239B.4.

Fiscal Impact **Agency Response:** Minimal fiscal impact. Limited Benefit Plans (LBPs) are imposed and can be lifted if documentation is submitted. For those that do not submit the documentation, the LBP will not be implemented as quickly resulting in some families receiving benefits for one more month before the sanction begins.

There may be a fiscal impact on first and subsequent LBPs since the proposed rules will require a written reminder on LBPs due to failure to provide time and attendance or job search logs. This will delay imposing the sanctions and could result in some families receiving one extra month of FIP benefits. The fiscal impact statement for the proposed rules to change from weekly reporting to monthly reporting for the PROMISE JOBS individual job search component provides an estimate of the costs related to the job search component. Some families may receive an additional month of benefits for other components because of the written notice, but this is anticipated to be offset by the savings explained below. In addition, families with subsequent LBPs will no longer be able to take action to end the LBP until after the six-month period of ineligibility has ended. This results in savings in monthly FIP benefits for at least six months for these families. These savings are anticipated to be more than the costs explained above, resulting in a net savings of less than \$100,000 annually.

LSA Response: The LSA concurs.

ARC 1207C

Rule Summary

Limits where Electronic Access Cards (EACs) can be used. Participant households are prohibited from using their EAC to access benefits at any of the following locations: a liquor store, a casino, a gambling casino, a gaming establishment, or a retail establishment that provides adult-oriented entertainment where performers disrobe or perform in an unclothed state for entertainment. A participant that is proved to have used their EAC card at one of the above locations is considered to have committed a fraudulent act and must repay the amount accessed at the location subject to a household ineligibility period.

Agency Stated Authority: Iowa Code section 239B.4(6).

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: It is anticipated that very few participant households will be required to repay benefits and be subject to a period of ineligibility because of this change; therefore any savings that may result is expected to be minimal.

ARC 1257C

Rule Summary

Implements the assistance provision of the Individual Assistance Grant program by the Department in the event of a disaster. The Department will establish contracts for service for local provision of assistance to individuals affected by Governor-designated disaster events.

Agency Stated Authority: Iowa Code section 29C.

Fiscal Impact

Agency Response: The fiscal impact to the General Fund is estimated to result in additional costs of \$18,846 to \$41,948 annually for additional administrative costs. The organization or organizations that choose to submit bids in the RFP process for the statewide contract must include a percentage to cover both their own administrative costs and the administrative costs of any local subcontractors. No increase or decrease in state costs is assumed for Department of Human Services inspecting damaged property or for adding a new category of allowable home repair expenses.

LSA Response: The LSA concurs. The total spending on this program for Governor-declared disasters in recent years is:

- SFY10 - \$690,352
- SFY11 - \$471,144
- SFY12 - \$699,129

ARC 1213C and 1214C

Rule Summary Allows Iowa to process eligibility determinations for the Iowa Health and Wellness Program (IHAWP) for current IowaCare members based on income verified via Food Assistance applications, income verified on Medicaid cases associated with the IowaCare member, Iowa Workforce Development (IWD) wage and unemployment insurance benefits, and income data received from the Income and Eligibility Verification System (IEVS) from the federal government.

Agency Stated Authority: Iowa Code section 249A.4 and Senate File 446, section 185.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The IHAWP is paid for with 100.0% federal dollars in the first three years of the Program and transitioning IowaCare members in this manner may save staff resources.

ARC 1211C and 1212C

Rule Summary Allows Iowa to keep the current Family Planning eligibility system until June 30, 2014. Iowa submitted a request to the federal government to keep the Family Planning System separate from the new Medicaid eligibility system due to the time constraints of developing a new medical assistance eligibility system to process applications as required under the Affordable Care Act. The Family Planning system will continue to process applications under non-Modified Adjusted Gross Income (MAGI) determinations.

Agency Stated Authority: Iowa Code section 249A.4 and Senate File 446, section 7(6).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: This rule change will result in a six-month continuation of current income determination processes for the Iowa Family Planning Waiver. The continuation of existing practices results in no additional fiscal impact.

ARC 1228C

Rule Summary Updates uniform child support guidelines and criteria to conform to Iowa Supreme Court guidelines changes, to conform to a statutory change regarding Administrative Paternity adopted in 2012, and other technical changes related to establishment and modification of child support. The Federal Family Support Act of 1988 requires each state to maintain uniform child support guidelines and criteria, and to review the guidelines and criteria at least once every four years. The Iowa General Assembly has entrusted the Iowa Supreme Court with this responsibility.

Agency Stated Authority: Iowa Code sections 217.6, 252B.3(3), 252H.4(4).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1209C

Rule Summary Requires child care centers to post their provisional license status in an obvious, visible place within the center and requires center staff to notify parents immediately following an incident involving inappropriate sexually acting out behavior.

Agency Stated Authority: Iowa Code chapters 237A.2, 237A.5, 237A.8, and 237A.12.

Fiscal Impact **Agency Response:** The rules revise Chapter 109 and 110 by removing old references and updating definitions. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14611) Estelle Montgomery (Ext. 16764)

Economic Development Authority (IEDA)

ARC 1249C

Rule Summary Establishes an Employee Stock Ownership Plan Technical Assistance Program pursuant to HF 648 (Bond Repayment and Miscellaneous Appropriations Act).

Agency Stated Authority: Iowa Code section 15.106A and 2013 Iowa Acts, HF 648, section 9.

Fiscal Impact **Agency Response:** Total General Fund expenditures of \$500,000 from the appropriation were provided.

LSA Response: The LSA concurs.

ARC 1258C

Rule Summary Terminates the rule making begun with ARC 0447C because the Adopted and Final version of the proposed amendments were not filed by the Adopted Filing Deadline.

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact **Agency Response:** No fiscal impact to the state.

LSA Response: No fiscal impact.

ARC 1248C

Rule Summary Updates the existing Targeted Jobs Withholding Tax Credit Program in the following ways:

- Updates definitions and adopts new definitions.
- Requires the IEDA to be a party to withholding agreements.
- Allows the IEDA to negotiate the amount of credits awarded and the duration of withholding agreements.
- Extends the sunset date for the program.
- Requires the IEDA Board to approve or deny new agreements and outlines the conditions for an agreement to be denied.
- Sets a performance period for both retained jobs and created jobs and clarifies the conditions for a program to be terminated.
- Specify the elements that must be included in local development agreements.
- Requires pilot project cities to submit an annual report to the IEDA.

Agency Stated Authority: Iowa Code section 15.106A, 2013 Iowa Acts SF 433 (Targeted Jobs Withholding Changes Act), and 2012 Iowa Acts chapter 1018 (SF 2212 Economic Development—Miscellaneous Changes Act).

Fiscal Impact

Agency Response: Fiscal impact cannot be determined. While it's likely that the amount of withholding credits will decrease now that the IEDA has the ability to negotiate the amount of withholding tax credits awarded, there is insufficient data for agreements entered into since the end of FY 2013 to make an accurate prediction.

LSA Response: Extending the pilot project five years and expanding it to businesses located outside of urban renewal areas will increase the diversion of withholding tax deposits from the State General Fund by an estimated \$154.7 million over 15 fiscal years, beginning in FY 2014 and extending through FY 2027. (https://www.legis.iowa.gov/DOCS/FiscalNotes/85_1661SZv0_FN.pdf)

General Fund Revenue Reduction Due to Withholding Tax Diversion					
In millions of dollars, total = \$ -154.7 million					
FY 2014	\$	-1.0	FY 2021	\$	-17.3
FY 2015		-3.1	FY 2022		-17.3
FY 2016		-6.4	FY 2023		-17.2
FY 2017		-9.8	FY 2024		-14.1
FY 2018		-13.5	FY 2025		-10.8
FY 2019		-16.0	FY 2026		-7.3
FY 2020		-17.3	FY 2027		-3.6

STAFF CONTACT: Kent Ohms (Ext. 52200)

Environmental Protection Commission

ARC 1227C

Rule Summary

Updates rules for the nonattainment New Source Review (NSR) federal permitting program. The construction of new major sources of air pollution or major modifications of existing sources of air pollution in areas that have not attained the National Ambient Air Quality Standards (NAAQS) is governed by federal nonattainment NSR regulations.

By adopting these regulations, the Department of Natural Resources (DNR) may issue permits in these areas. In Iowa, a portion of Council Bluffs is in nonattainment with the lead NAAQS and a portion of Muscatine is in nonattainment with the sulfur dioxide (SO2) NAAQS.

Changes include:

- Chapter 20: Updates information on the content of Chapters 22 and 31 regarding the nonattainment NSR rules.
- Chapter 20: Revises the definition of excess emissions to update the references to the nonattainment NSR and prevention of significant deterioration (PSD) rules.

- Chapter 22: Updates references to the nonattainment NSR and PSD rules. Removes references to outdated EPA guidance documents.
- Chapter 22: Rescinds rule 22.5 and replaces it with a new rule that requires applicable owners or operators of a stationary source to comply with the nonattainment NSR program rules in rule 31.20. Rule 22.5 will continue to apply to areas designated nonattainment on or before May 18, 1998.
- Chapter 22: Updates the list of attainment or unclassifiable areas in the state.
- Chapter 31: Includes background information on nonattainment NSR rules and notes the location of nonattainment NSR provisions for nonattainment areas in place on or before May 18, 1998.
- Chapter 31: Revises rules relating to conformity of general federal actions to Iowa's State Implementation Plan.
- Chapter 31: Adopts the federal nonattainment NSR rules.
- Chapter 33: Notes the location of the nonattainment NSR rule provisions.

Agency Stated Authority: Iowa Code section [455B.133](#) and Code of Federal Regulations [51.165](#).

Fiscal Impact

Agency Response: No fiscal impact to the state. Major sources of air pollution located near a nonattainment area that have a significant impact in the nonattainment area violate the air quality rules and may be required to reduce the impact of their emissions.

LSA Response: No fiscal impact to the state. The DNR did not receive any public comments but did update reference dates to reflect the most recent date for the list of attainment or unclassifiable areas in the state.

STAFF CONTACT: Deb Kozel (Ext. 16767)

Department of Homeland Security and Emergency Management

ARC 1241C

Rule Summary

Provides a new adopted date for the Iowa Hazard Mitigation Plan. The plan is reviewed and approved by FEMA every three years.

Agency Stated Authority: Iowa Code sections [17A.3](#) and [29C.8](#).

Fiscal Impact

Agency Response: The fiscal impact of this rule is dependent on federal major disaster declarations occurring. The plan is one of the requirements for the state to receive federal disaster recovery funds.

LSA Response: Based on the information available at this time, the LSA agrees with the department response.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Department of Inspections and Appeals

ARC 1230C

Rule Summary

Adds the Center for Improvement in Healthcare Quality (CIHQ) to the list of hospital accreditation organizations.

Agency Stated Authority: Iowa Code section [135B.7](#).

Fiscal Impact **Agency Response:** The rulemaking adds a fourth organization to the list of accrediting bodies authorized by the federal Centers for Medicare and Medicaid Services (CMS) to conduct hospital inspections. There is no cost to the state as a result of this rulemaking. Hospitals that seek accreditation through the CIHQ will pay a fee similar to other accreditation fees - The Joint Commission, the American Osteopathic Association, and Det Norske Veritas.

LSA Response: Hospitals will have another option for accreditation and inspection but are not required to be accredited by the new organization. No changes are made to the rules regarding the information these accrediting agencies supply to the DIA from inspections. There is no fiscal impact to the state.

ARC 1242C

Rule Summary Requires hospitals to conduct criminal record checks and child abuse and dependent adult abuse record checks for prospective employees.

Agency Stated Authority: SF 347 and Iowa Code section 10A and 135B.34.

Fiscal Impact **Agency Response:** Hospitals will be under the same requirements as all other health care facilities to conduct background checks of potential employees. Hospitals have conducted background checks for some time, and the process described in these rules is currently in use by Iowa hospitals to conduct background checks of potential employees. Hospitals will pay the costs associated with background checks. The charges for the background checks are calculated by the Division of Criminal Investigation (DCI) that conducts the checks. No fiscal impact to the state.

LSA Response: With the hospitals paying the costs of the background checks, there will be no fiscal impact to the state.

ARC 1205C

Rule Summary Makes technical changes and deletes references to the resident advocate committee at a health care facility. Resident advocate committees with oversight by the State Office of the Long Term Care Ombudsman are no longer in existence, having been repealed by 2013 Acts, SF 184 (Department of Aging Act), and replaced with the Certified Volunteer Long Term Care Ombudsman Program established in Iowa Code section 231.45. In addition, the technical amendments remove references to resident advocate committees and the State Office of the Long Term Care Ombudsman from Administrative Code chapters 62, 63, 64, and 65. These chapters regulate facilities primarily serving persons with mental illness or intellectual disabilities that the State Office of the Long Term Care Ombudsman does not serve, pursuant to Iowa Code section 231.422a. These amendments are identical to those filed on October 2, 2013, as ARC 1082C.

Agency Stated Authority: SF 184 (Department on Aging Act) and Iowa Code chapter 231.

Fiscal Impact **Agency Response:** The rulemaking removes references to the Resident Advocate Committees and replaces them with the Certified Volunteer Long Term Care Ombudsman. No fiscal impact to the state.

LSA Response: The LSA concurs.

ARC 1204C

Rule Summary Removes references to Iowa Code chapter 235B, Dependent Adult Abuse Services Information Registry, and replaces them with references to Iowa Code chapter 235E, Dependent Adult Abuse in Facilities and Programs, and Chapter 52, Dependent

Adult Abuse in Facilities and Programs. Iowa Code chapter 235E specifically addresses dependent adult abuse in facilities and programs regulated by the DIA. These amendments are identical to those filed on October 2, 2013, as ARC 1083C.

Agency Stated Authority: Iowa Code chapter 235E.

Fiscal Impact **Agency Response:** The adopted rule makes technical changes to the various chapters reflecting the creation of Iowa Code chapter 235E. The rule strikes references to Chapter 235B and inserts references to Iowa Code chapter 235E.

LSA Response: No fiscal impact to the State.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Ron Robinson (Ext. 16256)

Iowa Finance Authority

ARC 1252C

Rule Summary Amends rules to eliminate specific categories of projects within the Multifamily Housing Loan Program. Fees are also amended.

Agency Stated Authority: Iowa Code section 17A.3(1)(b), 16.2, 16.51, and 16.5(1).

Fiscal Impact **Agency Response:** No fiscal impact to the state.

LSA Response: Since many of the projects originated under the Low Income Housing Tax Credit Program are associated with the Multifamily Loan Program, and fees are generally only charged with one program per project, no fiscal impact is anticipated with the adjusted fees.

ARC 1253C

Rule Summary Amends the Military Home Ownership Assistance Program to allow a recipient to use a loan from a lender that is at least 25 points lower than those offered through Iowa Finance Authority Programs offered on the same date.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), 16.5(1)(r), 16.5(1)(m), and 16.54(5).

Fiscal Impact **Agency Response:** No fiscal impact to the state. This change will not increase the amount of assistance distributed under the program.

LSA Response: No fiscal impact.

STAFF CONTACT: Kent Ohms (Ext. 52200)

Iowa Public Employees' Retirement System

ARC 1256C

Rule Summary Updates rules to implement required changes following a recent United States Supreme Court decision. The Iowa Public Employees' Retirement System (IPERS) will:

- Apply suggested language by tax counsel regarding group trusts to implement contribution rates for regular and special service members beginning July 1, 2014.
- Implement new spousal signature requirements for refund applications; remove the requirement for a notary public on retirement applications.

- Clarify requirements of a completed retirement or disability retirement application when submitted by a member.
- Update a rule to conform with the language of its controlling statute.
- Remove language regarding same gender spouse or former spouse or same sex spouse or former spouse or Administrable Domestic Relations Order (ADRO) or any definitions of and/or related provisions to conform IPERS with the Internal Revenue Service reporting requirements for distributions to non-spouse successor alternate payees.
- Update several rules regarding IPERS' administration of Domestic Relations Orders.

Agency Stated Authority: Iowa Code sections 97B.4 and 97B.15.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Labor Services Division

ARC 1232C

Rule Summary Adopts by reference the most recent version of the American Society of Mechanical Engineers (ASME) A18.1 "Safety Standard for Platform Lifts and Stairway Chairlifts."

Agency Stated Authority: Iowa Code section 89A.3.

Fiscal Impact Agency Response: No fiscal impact to the state.

LSA Response: No fiscal impact.

ARC 1240C

Rule Summary Creates a new General Requirements for Athletic Events (Boxing, Mixed Martial Arts, and Wrestling) chapter to set forth standardized rules for promoter responsibilities and administrative requirements for all events and establishes fees pursuant to 2013 Iowa Acts SF 430 (FY 2014 Economic Development Appropriations Act). Repeals previous rules related to fees and administration. Amends miscellaneous provisions. The amount of health insurance coverage required by a promoter for each fighter is decreased from \$25,000 to \$10,000. Boxing Fee Grants are amended to include only revenue from professional boxing events.

Agency Stated Authority: Iowa Code section 90A.7 and SF 430.

Fiscal Impact Agency Response: The anticipated fiscal impact of the new fees is less than \$50,000 annually. During FY 2013, there were 85 professional wrestling events and 59 other events.

LSA Response: Minimal fiscal impact. These new fees are estimated to generate approximately \$50,000 annually for the Amateur Boxing Grants Fund.

STAFF CONTACT: Kent Ohms (Ext. 52200)

Natural Resource Commission

ARC 1226C

Rule Summary Changes rules related to snowmobiling. The changes resulted from a process improvement event held by the DNR with the Iowa State Snowmobile Association (ISSA) on October 3-7, 2011. Amendments include:

- Changes application submittal date from July 1 to May 1 each year. This allows more time for making trail repairs and trail development.
- Specifies project selection criteria for the purchase, repair, and operation of grooming equipment, for trail development, and for land acquisition.
- Specifies that funds received from the Cost-Share Program are subject to audit by the DNR and the State Auditor's Office.
- Specifies requirements for funding land acquisition such as easements and leases.
- Clarifies rules related to the reimbursement of expenses to the ISSA and eligible expenditures.
- Provides additional oversight regarding payments to the ISSA. This includes selection criteria by the DNR, recommendations made by a selection committee, and approval by the DNR Director.
- Moves the rules for the Snowmobile Cost-Share Program from Chapter 28 to Chapter 47 with other snowmobile rules.

Agency Stated Authority: Iowa Code section 321G.2.

Fiscal Impact **Agency Response:** No fiscal impact to the state. Two public meetings were held and there were no comments. No changes were made to the rule.

LSA Response: No fiscal impact to the state. Iowa State University completed a Snowmobile Economic Impact Study for 2009-2010 and found that the 28,265 snowmobile registrants in Iowa spent an estimated \$76.3 million on snowmobile equipment and activities. Of that amount, \$50.9 million was spent in Iowa. In addition, out-of-state snowmobilers spent approximately \$557,000 in Iowa during the same time period.

STAFF CONTACT: Debra Kozel (Ext. 16767)

Department of Public Health

ARC 1229C

Rule Summary Implements SF 419 (2013 Iowa Acts) to modify the Iowa Immunization Registry to include vision screening records specified in SF 419. Amends the type of medical provider that will have access to the Registry for the purpose of health screenings as well as how records are to be shared between agencies.

Agency Stated Authority: SF 419.

Fiscal Impact **Agency Response:** These amendments are necessary to implement SF 419, that became effective on enactment on April 26, 2013. The Department will incur cost for the development of the Vision Health Screening Module. The one-time software programming cost to develop the Vision Module in the Immunization Registry Information System (IRIS) is \$178,451. Annual ongoing hosting and maintenance costs are estimated at \$39,384. Total State General Fund fiscal impact of \$217,835 is estimated for FY 2014.

LSA Response: The LSA concurs with the Department, but assumes maintenance costs will not be necessary until development. Thus, a total State General Fund fiscal impact of \$178,500 is estimated for FY 2014.

ARC 1215C

Rule Summary Updates partner notification procedures for occupational exposures to blood-borne pathogens and removes prohibitions on home testing.

Agency Stated Authority: Iowa Code section 141A.2.

Fiscal Impact **Agency Response:** These rules remove old references and updating definitions. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

ARC 1218C

Rule Summary Describes minimum requirements expected of a licensed contractor, master, journey or apprentice working in the plumbing, mechanical, HVAC-refrigeration, sheet metal, and hydronics disciplines by the Iowa Plumbing and Mechanical Systems Board.

Agency Stated Authority: Iowa Code section 105.4.

Fiscal Impact **Agency Response:** These rules make technical updates to definitions. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

ARC 1219C

Rule Summary Adds definitions for the disciplines of mechanical, HVAC-refrigeration, and sheet metal to the current definitions for license and licensee. The new disciplines are also incorporated in the purpose of the board and addressing investigations of violations.

Agency Stated Authority: SF 427.

Fiscal Impact **Agency Response:** These amendments are necessary to implement SF 427 (2013 Iowa Acts) that became effective on enactment on April 26, 2013. The rules add updates to definitions. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

ARC 1220C

Rule Summary Implements SF 427 by updating definitions and measures to bring them current with practices and specifies circumstances when an application for licensure is deemed incomplete.

Agency Stated Authority: SF 427.

Fiscal Impact **Agency Response:** These amendments are necessary to implement SF 427. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

ARC 1221C

Rule Summary Implements SF 427 by increasing the number of hours of continuing education a licensee may obtain through computer-based courses to decrease the burden on licensees that may result from traveling to in-person continuing education courses.

Agency Stated Authority: SF 427.

Fiscal Impact **Agency Response:** These amendments are necessary to implement SF 427. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

ARC 1222C

Rule Summary Clarifies additional grounds for licensee discipline due to failure to comply with a compliance review of continuing education practice outside the scope of a licensee practicing as a journeyman without the supervision of a master, practicing in a trade for that the licensee does not hold a board-issued license, contracting for 105-covered work in Iowa without a contractor's license, practicing with a lapsed license, and practicing as a contractor without the required bonding and insurance. Imposes a civil penalty that may be administratively issued and establishes procedures that will allow the Board to participate in the state offset program to attempt to collect delinquent to civil penalties.

Agency Stated Authority: SF 427.

Fiscal Impact **Agency Response:** These amendments are necessary to implement SF 427. These actions will have no fiscal impact on any regulated entities.

LSA Response: While this does make it easier for the Board to impose and collect fines, the frequency of the need to use these measures is so minimal that the LSA concurs with no fiscal impact.

ARC 1223C

Rule Summary Removes language that may hinder a licensee from the opportunity to raise any potential defense in a contested case disciplinary proceeding, regardless of whether a licensee timely files an answer and regardless of the contents of the answer.

Agency Stated Authority: Iowa Code section 105.4 and 272C.5.

Fiscal Impact **Agency Response:** The rules remove and update technical language. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

ARC 1224C

Rule Summary Identifies the three new disciplines of mechanical, HVAC-refrigeration, and sheet metal that will add to the disciplines that may be recognized for the purpose of reciprocity.

Agency Stated Authority: SF 427.

Fiscal Impact **Agency Response:** These amendments are necessary to implement SF 427. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

ARC 1225C

Rule Summary Ensures equitable funding and tobacco control services for all Iowa counties, regardless of population in respect to community partnerships established as part of a comprehensive tobacco use prevention and control initiative.

Agency Stated Authority: Iowa Code section 142A.4.

Fiscal Impact **Agency Response:** The rules align administrative code with current best practices. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

Department of Revenue

ARC 1231C

Rule Summary Clarifies existing rules and rule provisions related to various department rules regarding administration, individual income tax, corporation income tax, and franchise tax. The clarifications include:

- Specifies that tax must be due in order for a taxpayer to be eligible for the voluntary disclosure program.
- Changes references to divisions within the department as a result of restructuring and correcting post office box numbers and mailing addresses.
- Clarifies that the 30-day period to appeal a decision of a presiding officer to the Director of Revenue includes Saturdays, Sundays, and legal holidays.
- Makes various technical changes, including those related to electronic filing.
- Removes obsolete language and references and corrects terminology.
- Inserts references to IRS rules, court rulings, and other statutes.
- Updates the list of refundable tax credits for individual income tax purposes.
- Clarifies that the filing threshold for individual income tax must reflect an adjustment for the pension exclusion and phase-out exclusion for Social Security benefits.
- Corrects references to various Iowa Code sections.
- Changes the Iowa capital gains exclusion for individual income tax to clarify provisions regarding material participation for work done as an investor, work done involving rental activities, and recordkeeping requirements.
- Provides that the federal net investment income tax, also known as the unearned income Medicare contribution tax, is considered to be federal income tax that can be deducted for individual income tax.
- Updates the sequence of tax credits allowed to be claimed for individual income tax.
- Clarifies that deductions for charitable contributions for corporation income tax will not be allowed if the taxpayer claimed a charitable conservation tax credit, school tuition organization tax credit, Endow Iowa tax credit, or from farm to food donation tax credit for the same contribution.
- Clarifies that the deduction for charitable contributions for franchise tax will not be allowed if the taxpayer claimed an Endow Iowa tax credit for the same contribution.

Agency Stated Authority: Iowa Code chapters 421 and 422.

Fiscal Impact **Agency Response:** These rules clarify existing rules and rule provisions regarding administration, individual income tax, corporation income tax, and franchise tax. Individuals, corporations, and financial institutions filing income tax returns will benefit from the additional guidance in the filing of returns. No fiscal impact to the State.

LSA Response: The Department merged seven sections from two divisions to form a new Tax Management Division with three sections causing some of the changes referring to units within the Department. No fiscal impact to the State.

ARC 1250C

Rule Summary Provides an interest rate of 5.0% per annum (0.4% per month) for unpaid taxes and refunds owed for the 2014 calendar year. Iowa Code section 421.7 requires the Director of Revenue to determine and publish the interest rate for each calendar year. This rule is identical to that filed on October 30, 2013, as ARC 1162C.

Agency Stated Authority: Iowa Code sections 421.7, 421.14, and 422.68.

Fiscal Impact **Agency Response:** The interest rate for 2014 matches the interest rate for 2010-2013. No fiscal impact to the state.

LSA Response: The interest rate has not changed, so the fiscal impact is unchanged from the recent past. The rate is 2.0% above the average prime rate as defined in Iowa Code section 421.7(5).

ARC 1238C

Rule Summary Implements changes made to the structure and process of the Property Assessment Appeal Board (PAAB). These changes include:

- Requiring two PAAB members to be property appraisers and the third member to be an attorney.
- Setting the salary of PAAB members within a range established by the Legislature instead of equal to a district court judge.
- Striking language associated with the Property Assessment Appeal Board Review Committee since the Committee was eliminated.
- Modifying timeframes and procedures as prescribed in SF 295.

Agency Stated Authority: SF 295 and Iowa Code section 421.1A.

Fiscal Impact **Agency Response:** The rule makes changes to the Board's administrative procedures primarily affecting the procedures in contested cases filed with the Board. The rules clarify existing practice and add rules in accordance with the Uniform Rules for Agency Procedure. The changes will benefit the parties as they provide additional clarification of procedures in the contested case process. The salary changes will reduce the Department's budgetary needs slightly. The annual salary of a PAAB member for FY 2013 was \$137,700. The annual salary of a PAAB member for FY 2014 is \$112,070. This is a reduction of \$25,630 per member and a total reduction for all three PAAB members of \$76,890 excluding benefits.

LSA Response: The PAAB is funded by an allocation from the Department of Revenue's resources. These cost savings in salary and benefits will accrue to the Department and be available for other uses.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Ron Robinson (Ext. 16256)

College Student Aid Commission

ARC 1216C

Rule Summary Eliminates references to the Advisory Committee on Postsecondary Registration to reflect a recent change in Iowa Code chapter 21. Amends procedures to reflect changes that have been instituted over the past several years and includes a list of Iowa colleges and universities exempt from the postsecondary registration process.

Agency Stated Authority: Iowa Code section 261.3.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: No fiscal impact. The Advisory Committee on Postsecondary Registration was inactive, so there is no administrative cost savings associated with the change.

STAFF CONTACT: Robin Madison (Ext. 15270)

Board of Educational Examiners

ARC 1236C

Rule Summary Replaces the term “Guidance Counselor” with “Professional School Counselor.” This matches the new American School Counseling Association National Model. The proposed amendments address both the name change and a move in the model from individual and small group counseling to classroom and large group counseling.

Corrects a mistake in Chapter 13 regarding Class G licenses. Current rules require that an individual attend an approved program for a Class G license. Only programs within the state are approved. In practice, Board staff issues Class G licenses to individuals in out-of-state counseling programs.

Corrects a mistake in Chapter 13 that states that the endorsement holder has not completed the professional education core. Endorsements under Chapter 13 are issued to teachers that have completed the professional education core. Updates include references to eliminate unnecessary text in the rules.

Agency Stated Authority: Iowa Code section 272.2.

Fiscal Impact Agency Response: The proposed amendments will not require any state expenditure.

LSA Response: No fiscal impact.

ARC 1235C

Rule Summary Updates the current family and consumer sciences language to reflect 21st century skills and capacities. Updates career pathways and national standards for family and consumer sciences in career and technical education. The primary family and consumer sciences endorsement already carries the instructional authority of the related endorsements in Chapter 17, thus the proposal to eliminate those endorsements.

Agency Stated Authority: Iowa Code section 272.2.

Fiscal Impact Agency Response: The proposed amendments will not require any state expenditure.

LSA Response: No fiscal impact.

ARC 1234C

Rule Summary Allows a person to obtain an administrator license after completing an administrative program, regardless of whether the person has been hired for an administrative position. If the applicant waits to obtain licensure until a significant amount of time has passed since completion of their program, licensure requirements may change and the applicant will have to complete additional coursework.

Agency Stated Authority: Iowa Code section 272.2.

Fiscal Impact **Agency Response:** The proposed amendments will not require any state expenditures.

LSA Response: No fiscal impact.

Rule Summary Updates the paraeducator rules to reflect current needs in the field. The proposed amendments strike redundant language regarding reasons applicants may be disqualified. These disqualifiers are found elsewhere in the Board's rules. **ARC 1233C**

Agency Stated Authority: Iowa Code section 272.2.

Fiscal Impact **Agency Response:** The proposed amendments will not require any state expenditures.

LSA Response: No fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

Department of Education

Rule Summary Allows the student member of the State Board of Education to serve an additional one-year term without reapplying for the position if their service begins in their junior year. Previously, the student member had to reapply to serve a second year. Removes the requirement that student applicants submit a third letter of recommendation. A notification requirement from the selection committee to the State Board is removed. The committee submits the list of two to five finalists to the Governor who appoints the student member. **ARC 1244C**

Agency Stated Authority: Iowa Code section 256.7(5) and HF 454 (Department of Education Code Correction Act).

Fiscal Impact **Agency Response:** There is no cost to any of the items changed in these rules.

LSA Response: No fiscal impact.

Rule Summary Allows parents choosing private instruction to enroll their child in competent private instruction, independent private instruction, or private instruction by a nonlicensed person (also deemed a form of competent private instruction for certain purposes). Updates the access to and the costs of annual achievement evaluations for students under private instruction. The changes reflect HF 215 (Education Reform Appropriations Act) enacted during the 2013 Legislative Session. In addition, the Department changes align the Chapter with the requirements of special education law and make a technical correction concerning blood lead testing. **ARC 1246C**

Agency Stated Authority: Iowa Code section 299A.10 and 2013 Iowa Acts, HF 215 and HF 454.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: No fiscal impact.

ARC 1245C

Rule Summary Implements Iowa Code section 279.68 (SF 2284 – Education Reform Act) enacted during the 2012 Legislative Session. Provides direction to Iowa school districts to provide literacy services to students in grades three and below, as well as potential retention and remediation programs should students not attain grade level proficiency after completing grade three instruction. The third grade reading retention piece and interaction is activated due to an appropriation by the General Assembly.

Beginning May 1, 2017, unless the school district is granted a waiver, if a student's reading deficiency is not remedied by the end of grade three, as demonstrated by scoring on a locally determined or statewide assessment, the school district must notify the student's parent or guardian that the parent or guardian may enroll the student in an intensive summer reading program. If the parent does not enroll a child in an intensive summer reading program and the student is not eligible for the good cause exemption the student must be retained in the third grade. If the student is exempt from participating in an intensive summer reading program for good cause or completes the intensive summer reading program, but is not reading proficient upon completion of the program, the student may be promoted to the fourth grade.

Agency Stated Authority: Iowa Code sections 256.7(5) and 279.68.

Fiscal Impact **Agency Response:** The requirements of this program could be implemented with existing resources but may need additional resources. Future appropriations from the General Assembly are unclear in this area of public policy. In any case, the costs are from the underlying law, not the rule that is putting the law into practice.

LSA Response: The Department of Education received a General Fund appropriation of \$8.0 million for FY 2014 to allocate to school districts to implement reading instruction strategies for those students identified as having a substantial deficiency in reading. School districts will receive \$4.0 million based on 2014 certified enrollment and \$4.0 million split among all 346 school districts. Based on this allocation, the most a school district will receive is \$280,851 (Des Moines Independent) and the least is \$12,199 (LuVerne).

STAFF CONTACT: John Parker (Ext. 52249)

Architectural Examining Board

ARC 1251C

Rule Summary Updates staff titles and mailing address. Allows for an electronic roster of those that failed to renew their registration rather than sending notice of the failure to renew through certified mail.

Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact **Agency Response:** No fiscal impact to the state. The amendments update the address of the Professional Licensing Bureau and change language to reflect current titles and procedures.

LSA Response: Currently architects renew their registrations biennially by June 30. Approximately 970 are up for renewal each year. In May, the Board sends postcard renewal reminders, and in July, an email reminder is sent to registrants that have not renewed and a list of registrants that failed to renew is posted on the Board's

website. Since the rule change for notice of failure to renew reflects current practice, costs will not change.

ARC 1210C

Rule Summary Allows for a 30-day grace period to renew certificates of registration for architects that do not renew by June 30. The Board policy allowed this practice for many years. The rule change implements past Board practice and is consistent with renewal practices of other boards within the Professional Licensing Bureau. These changes are identical to those originally published on August 21, 2013, as ARC 0978C.

Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact **Agency Response:** These changes are cost neutral. Costs may be reduced to both the architects, that may now renew rather than go through the reinstatement process, and to the state for more streamlined renewal and reinstatement process.

LSA Response: Currently there are 1,966 architects registered in Iowa; 1,846 are active; 90 are inactive; and 30 are retired. They renew their registration biennially, so approximately 970 are up for renewal each year. In May, the Board sends renewal postcard reminders, and in July, an email is sent to those that have not renewed. In FY 2012, 45 architects were late renewing, and 118 allowed their registrations to lapse. In FY 2013, 79 were late, and 77 did not renew. Since the rule change reflects current practice, costs will not change.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Engineering and Land Surveying Examining Board

ARC 1254C

Rule Summary Makes changes for computer-based testing for engineering and land surveying licensure to replace paper tests beginning in January 2014. The registration fees for examination applicants will increase by \$100 for Fundamentals of Engineering applicants and \$55 for Fundamentals of Surveying applicants. The registration fees are paid to the administrator of the examinations and not to the state or the Engineering and Land Surveying Examining Board. Testing sites will be located across the state, and testing will be available throughout the year, instead of two times a year. Examinations will be offered during four two-month periods: (1) January/February, (2) April/May, (3) July/August, and (4) October/November.

Agency Stated Authority: Iowa Code section 524B.

Fiscal Impact **Agency Response:** The registration fees are paid to the administrator of the examinations. There is no fiscal impact to Iowa. There are cost savings from moving the exams to computer-based testing by eliminating shipping the pencil and paper examinations to NCEES for scoring. Changes to the exam can be made immediately since printing is not required. The computer-based tests are more convenient for candidates since they now can schedule and take the examination throughout the year rather than being assigned to an April or October test time. The results will be available within 7 to 10 days of completing the examination rather than the current 10 weeks for the pencil and paper examinations.

LSA Response: There is no cost to the state since the fees and fee increases are paid by the persons taking the examinations. An average of 458 Fundamentals of Engineering examinees and 18 Fundamentals of Surveying examinees annually over the past three years. The current tests are paper and pencil tests with a fee of \$125 for engineers and \$170 for surveyors. The fees are paid directly to NCEES for

administering the examination. Beginning in 2014 the fees for both computer-based exams will be \$225 and will continue to be paid directly to NCEES.

Examinations are currently offered in three locations: Des Moines, Coralville, and Davenport. The computer-based tests will be registered through Iowa but can be taken at testing centers spread throughout the U.S. The NCEES has contracted with Pearson VUE to administer the computer-based examinations. Pearson VUE has a network of testing centers located throughout the world and administers many other organizations' examinations, such as the GMAT. The NCEES has contracted with Pearson VUE on a per-seat basis to administer these exams. The NCEES has combined the cost of the seat time at the Pearson VUE test center along with the NCEES exam development and scoring costs to arrive at the \$225 examination fee. These fees are assessed directly to the candidates that pay the fee at the time they create an online record with the NCEES and register for the examination.

The State or the Engineering and Land Surveying Examining Board has licensing registration, renewal, and reinstatement fees, certificate fees, and other charges that support its operations. The fees are not affected by this rule change.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Pharmacy Board

ARC 1237C

Rule Summary Revises intern pharmacist registration requirements, the number of hours required, and reporting of completed internship training. In addition, reorganizes and clarifies the internship requirements for foreign pharmacy graduate licensure candidates.

Agency Stated Authority: Iowa Code sections 147 and 155A.6.

Fiscal Impact **Agency Response:** The rules remove old references, and update definitions. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

Professional Licensure Division

ARC 1201C

Rule Summary Clarifies the number of continuing education hours a chiropractic physician licensee must obtain by type of presentation.

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** The rules remove old references, and update definitions. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

ARC 1255C

Rule Summary Removes language to define clinical continuing education and clarifies processes and treatments that are considered respiratory therapy.

Agency Stated Authority: Iowa Code section 152B.6.

Fiscal Impact **Agency Response:** The rules remove old references, and update definitions. These actions will have no fiscal impact on any regulated entities.

LSA Response: No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

Department of Public Safety

ARC 1239C

Rule Summary Reduces continuing education requirements to be consistent with federal regulations for manufactured home installers. Under current state regulations, licensees must attend two training sessions or attend a two-day training event. Federal regulations require a one-day training event.

Agency Stated Authority: Iowa Code chapter 103A.

Fiscal Impact **Agency Response:** Since the majority of the training is out-of-state, changing to a one-day training event from a two-day training event will save time and money for the licensees.

LSA Response: Based on the information available at this time, the LSA agrees with the Agency response.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Secretary of State

ARC 1243C

Rule Summary Provides that a document filed using the Electronic Document Management System (EDMS) administered by the Judicial Branch is deemed in compliance with the notarization of electronic records.

Agency Stated Authority: Iowa Code sections 17A.3 and 9B.27.

Fiscal Impact **Agency Response:** No fiscal impact to the state. No obligation is imposed.

LSA Response: No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Department of Transportation

ARC 1202C

Rule Summary Eases restrictions on the Tourist-Oriented Directional Signing program. Program signs are official signing located within the right-of-way of a primary highway that identifies and directs motorists to activities or sites. Allows businesses from communities up to 5,000 residents to qualify, and increases the maximum qualifying distance that signs may be placed. Allows a business to maintain a tourist-oriented sign and private sign. Eases hour-of-operation restrictions on businesses eligible for the program.

Agency Stated Authority: Iowa Code sections 307.10, 307.12, and 321.252.

Fiscal Impact **Agency Response:** Minimal fiscal impact. Signage applications may increase due to these amendments, but any change is anticipated to be minimal. Initial costs for

sign installation and ongoing maintenance are covered by program fees billed to the participants.

LSA Response: The LSA concurs. According to the Department of Transportation (DOT), changes will allow businesses in 49 communities to apply. The DOT reviews and approves signage applications, and produces, installs, and maintains the signs. Each sign costs participants \$350 initially, and \$50 annually to renew. Typically, applicants purchase two signs per highway. Fees are deposited in the Highway Beautification Fund.

ARC 1203C

Rule Summary Amends private directional signing regulations. Removes a restriction that prevents the placement of a private directional sign within the daylight area of an intersection. Prohibits a private directional sign within a daylight area that obstructs or impairs motorist vision near an intersection or a railroad crossing. Requires trademark logos to be approved by the DOT. Updates nondiscrimination language. Eliminates a requirement that the Tourist Signing Committee approve signs 32 square feet in size or less.

Agency Stated Authority: Iowa Code section 306C.11, 307.10, and 307.12.

Fiscal Impact **Agency Response:** No fiscal impact. Affected businesses and attractions are responsible for the construction of their own signs. This program merely regulates them and any change in administrative costs to the state is expected to be very slight.

LSA Response: The LSA concurs. Rule changes could increase applications for private directional signs. The initial fee for signs over 32 square feet is \$100 per permit, with an annual fee of \$15. Fees are placed in the Highway Beautification Fund. The DOT stated that this program currently has 75 participants.

STAFF CONTACT: Adam Broich (Ext. 18223)

Treasurer of State

ARC 1217C

Rule Summary Specifies requirements that state agencies must follow to ensure public funds of the state are secured as required by Iowa Code chapter 12C.

Agency Stated Authority: Iowa Code section 12C.1.

Fiscal Impact **Agency Response:** No fiscal impact to the state and no additional costs will be incurred.

LSA Response: No fiscal impact. Potential increased vendor costs due to vendors not being able to hold public dollars in their own bank accounts. All public funds must flow directly into a State Treasurer's account in an Iowa financial institution.

STAFF CONTACT: Ron Robinson (Ext. 16256)
