



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

March 7, 2014

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

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Board of Pharmacy

ARC 1308C

Rule Summary Clarifies that a pharmacy is considered closed when the pharmacist is not present and must be secured from public access. While closed, the technician or support person must prepare and maintain a log identifying each period the individual worked in the pharmacy while the pharmacy was closed and identify each activity performed during that time period.

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** No fiscal impact for the rules.

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The change is a policy change that will not impact the State or Board's revenue or expenditures.

ARC 1307C

Rule Summary Allows a pharmacy that utilizes a decentralized Automated Medication Distribution System (AMDS) to authorize specific members of an emergency medical service program to replenish the program's drug supplies from the AMDS. A pharmacist is required to verify and document the access and removal of drugs by service program personnel within 72 hours of removal.

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** No fiscal impact for the rules.

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The change is a policy change that will not impact the state or Board's revenue or expenditures.

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ARC 1309C

Rule Summary Specifies that a medication strip pack prepared for a patient utilizing an automated dispensing system is not a unit dose package and identifies other strip pack provisions.

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact **Agency Response:** No fiscal impact for the rules.

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The change is a policy change that will not impact the state or Board's revenue or expenditures.

STAFF CONTACT: Estelle Montgomery (515- 281-6764) estelle.montgomery@legis.iowa.gov

Department of Human Services

ARC 1329C

Rule Summary Creates definitions for the new Autism Support Program. The purpose of the program is to provide funding for applied behavioral analysis and care coordination services to eligible children under nine. The rules identify eligibility standards, application and authorization processes, provider network qualifications, and appeal processes for the program.

Agency Stated Authority: SF 446 (FY 2014 Health and Human Services Appropriations Act).

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

LSA Response: The General Assembly appropriated \$2.0 million from the General Fund for this Program beginning January 1, 2014 in SF 446.

ARC 1297C

Rule Summary Adds diagnoses/conditions that will be covered for allogeneic and autologous bone marrow transplants, now generally known as "stemcell" transplants. Amends heart transplant rules to make artificial hearts and Ventricular Assist Devices (VADs) covered with preprocedure review as temporary life-support systems until a human heart becomes available for transplant. In addition, new introductory language is added to describe the general types of medical circumstances that allow heart transplants, consistent with existing language for other types of transplants addressed in the rules. Adopts a technical correction to change the existing reference to the "Iowa Foundation for Medical Care" to the "Iowa Medicaid Enterprise Medical Services Prior Authorization Unit."

Agency Stated Authority: Iowa Code section 249A.4.

Fiscal Impact **Agency Response:** No fiscal impact. Stem cell transplants and ventricular assist devices have routinely been approved through the exception to policy process for a number of years. As such, it is not anticipated that adding them to rules will increase expenditures for these categories.

LSA Response: The LSA concurs.

ARC 1311C

Rule Summary Removes obsolete federal funding language due to the Community Empowerment Initiative transitioning to State funding in 2013.

Agency Stated Authority: SF 446.

Fiscal Impact **Agency Response:** No fiscal impact for the rules.

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The change reduces redundancy and removes rules that no longer apply.

STAFF CONTACTS: Jess Benson (515-281-4611) jess.benson@legis.iowa.gov
Estelle Montgomery (515-281-6764) estelle.montgomery@legis.iowa.gov

Department of Education

ARC 1330C

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 they begin their service in their junior year. Previously, students had to reapply to serve a second year. Removes a 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.

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.

ARC 1340C

Rule Summary Modifies rules for classes provided by the community colleges for drivers that have violated Operating While Intoxicated (OWI) laws. Modifications include:

- Specifies that the Department of Education (DE) will maintain a listing of all approved programs and publish the listing on its website.
- Specifies requirements for out-of-state courses, including comparability to Iowa courses, a length of at least eight contact hours, and classroom delivery (prohibiting online delivery).
- Specifies requirements for Iowa courses, including that the courses be delivered in a classroom setting with at least 12 hours of instructional time over a minimum of a two-day period and that the courses be taught by instructors certified by the curriculum provider.
- Eliminates fee information specific to correctional institutions and references to a court-ordered 28-hour weekend course. Specifies that the court may allow an offender to combine the required course with a program that incorporates jail time and allows reasonable fees.
- Requires the DE to establish a drinking driver education advisory committee to advise the Department, with membership to include representatives of agencies currently offering the drinking driver program and other stakeholders.

Agency Stated Authority: Iowa Code section 256.7(5).

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

LSA Response: The LSA concurs.

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ARC 1341C

Rule Summary Replaces the current chart and explanation concerning how Iowa schools operate their nutrition program. It is replaced with a statement of alignment with federal Department of Agriculture regulations.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** The regulation of school nutrition programs remains unchanged in Iowa. Schools will simply make other choices to comply without a fiscal impact from the status quo.

LSA Response: No fiscal impact.

ARC 1331C

Rule Summary Implements Iowa Code section 279.68 (SF 2284 – Education Reform Act) passed during the 2012 Legislative Session. Provides direction to Iowa school districts on how to provide literacy services to students in grades three and below, as well as potential retention and remediation programs if students do not attain grade level proficiency after completing grade three instructions. The third grade reading retention piece and interaction was 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 the child in an intensive summer reading program and the student is ineligible 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.

The amendment is modified from the Notice, to incorporate some public comment suggestions.

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

Fiscal Impact **Agency Response:** The requirements of this Program could be done with existing resources but may need additional resources. Future appropriations from the legislature 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 students with a substantial deficiency in reading. School districts will receive \$4.0 million based on the October 2013 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).

ARC 1339C

Rule Summary Allows teacher preparation programs to choose between approved assessment programs. Previously, teacher preparation candidates needed to pass the Praxis test. Allows teacher preparation programs the option of another state approved assessment for their students to demonstrate their skills in content and pedagogy.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** This is giving Iowa teacher preparation programs an option but has no impact on state government.

LSA Response: No fiscal impact.

ARC 1338C

Rule Summary Updates and reorganizes the standards for professional development. Changes are meant to organize the material and make updates to reflect current practices.

Agency Stated Authority: Iowa Code section 256.7(5).

Fiscal Impact **Agency Response:** This is not an item with a fiscal impact in either the status quo or with changes to the State of Iowa.

LSA Response: No fiscal impact.

STAFF CONTACT: John Parker (515-725-2249) john.parker@legis.iowa.gov

Environmental Protection Commission

ARC 1337C

Rule Summary Amends rules related to the passage of HF 311 (FY 2014 Water Related Changes Act) for a general stormwater permit. To meet the public notice requirement the applicant must provide public notice in one newspaper instead of two.

The proposed rule also removes the requirement that stormwater permit holders submit to the Department of Natural Resources (DNR) transfer agreements executed when buildings in development lots are transferred. The buyer and seller may decide together if the lots are to be covered under the seller's permit authorization or the buyer's.

Agency Stated Authority: Iowa Code sections 455B.105(3), 455B.173, and HF 311 (FY 2014 Water Related Changes Act).

Fiscal Impact **Agency Response:** No fiscal impact and no additional costs are required to make this change. The State is already administering this Program. There will be a fiscal impact for permit applicants that were required to publish two notices. The average cost of publishing a public notice is approximately \$20, although costs vary. According to the DNR stormwater permit database, the DNR issued approximately 1,600 new general permit authorizations in 2012. Requiring one public notice instead of two will save approximately \$32,000 statewide for applicants.

LSA Response: No fiscal impact to the state. Public comments were accepted from November 23, 2013, to December 12, 2013. A public hearing was held on December 12, 2013, and no comments were received.

ARC 1336C

Rule Summary Implements HF 311 (FY 2014 Water Related Changes Act). The nonpoint source pollution control set-aside programs are part of the Clean Water State Revolving Fund. These programs, in conjunction with the Iowa Finance Authority and local

lenders, provide low-interest loans for nonpoint source pollution control projects. One of these programs is the Onsite Wastewater Assistance Program that provides low-interest loans for existing homeowners to repair or replace failing septic systems. The original law required that a homeowner reside outside the city limits to use the loan program. However, there are a significant number of homes inside the city limits or in incorporated, unsewered communities that are served by septic systems and do not have a sewer connection available.

Allows homeowners inside the city limits without a public sewer connection to access a low-interest loan from the Onsite Wastewater Assistance Program to repair or replace failing septic systems.

Agency Stated Authority: Iowa Code sections 466.8, 455B.291, and 455B.299.

Fiscal Impact

Agency Response: No fiscal impact. These statutory and rule changes will increase the number of loans distributed; however, existing staff will be able to absorb these additional loan approvals. Therefore, there will be no fiscal impact to the State.

LSA Response: No fiscal impact to the State. The public comment period ended December 12, 2013. No comments were received from the public regarding these amendments.

STAFF CONTACT: Deb Kozel (515-281-6767) deb.kozel@legis.iowa.gov

Department of Inspections and Appeals

ARC 1305C

Rule Summary

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

These amendments are identical to those published under Notice of Intended Action on December 11, 2013, as ARC 1230C.

Agency State 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 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 Department of Inspection and Appeals from their inspections. There will be no fiscal impact for the State.

ARC 1304C

Rule Summary

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

These amendments are identical to those published under Notice of Intended Action on December 11, 2013, as ARC 1242C.

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

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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 impact for the State.

ARC 1313C

Rule Summary Makes the following changes:

- Deletes the definitions of “alcoholic” and “drug addiction.”
- Increases the time a provisional nursing facility administrator may be appointed on a temporary basis from 6 to 12 months.
- Adds the requirement that an administrator shall not be absent from the nursing facility for more than three months without approval of the Department of Inspections and Appeals (DIA).
- Increases the minimum age of a person responsible for the facility in the absence of the administrator from 18 to 21 years.
- Clarifies that private pay residents shall be visited by or shall visit their physician at least twice a year.
- Makes other clarifications.

Agency Stated Authority: Iowa Code sections 135C.14 and 135C.36

Fiscal Impact **Agency Response:** No impact to the State.

LSA Response: The LSA concurs.

STAFF CONTACT: Dwayne Ferguson (515-281-6561) dwayne.ferguson@legis.iowa.gov

Labor Services Division

ARC 1333C

Rule Summary Increases fees for boiler inspections, certificates of inspection, and all other fees charged by the Boiler and Pressure Vessel Board by \$15.

Agency Stated Authority: Iowa Code section 89.14(8).

Fiscal Impact **Agency Response:** Increased annual fee revenue of \$428,000.

LSA Response: Base on the average of annual inspections performed by the state in recent years, the peak number of inspections conducted during that time frame, and the estimated number of active boiler and pressure vessel objects in Iowa, increased annual fee revenue is anticipated to be in the range of \$438,000 to \$450,000.

STAFF CONTACT: Kenneth Ohms (515-725-2200) kenneth.ohms@legis.iowa.gov

Nursing Board

ARC 1312C

Rule Summary Updates the mission statement, changes the election date of board officers, establishes standing committees' dates, and removes outdated rules references.

Agency Stated Authority: Iowa Code sections 17A.3 and 147.76.

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Fiscal Impact **Agency Response:** No fiscal impact for the rules.

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The change is technical clarifications for board processes and removal of outdated references.

STAFF CONTACT: Estelle Montgomery (515-281-6764) estelle.montgomery@legis.iowa.gov

Department of Public Health

ARC 1299C

Rule Summary Identifies licensee fees associated with plumbing and mechanical systems apprentice, journey, master, medical gas piping certificate, inactive license, contractor, and specialty licenses. States that all licenses are issued for a period of three years. In addition, until June 29, 2017, those renewing for less than three years will be prorated using a one-sixth deduction for each six-month period. Late fees and requirements for lapsed licenses are also included.

Agency Stated Authority: Senate File 427 (Plumbing, Mechanical, HVAC, Sheet Metal or Hydronic Professional Licensing), section 35.

Fiscal Impact **Agency Response:** No fiscal impact for the rules.

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. There is no increased cost to the Board and the fee revenue structure aligns with the Board's approved expenditures.

ARC 1317C

Rule Summary Specifies digital mammography review requirements to meet criteria set by the United States Food and Drug Administration 510K process. Removes references to outdated technology and adds references to require quality control procedures.

Agency Stated Authority: Iowa Code section 136C.3.

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

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The rule changes are technical and could lead to cost savings for the community.

ARC 1300C

Rule Summary Strikes the abuse education review panel and requires the Department of Public Health to review and approval of mandatory reporter training curricula.

Agency Stated Authority: Iowa Code section 135.11.

Fiscal Impact **Agency Response:** No fiscal impact for the rules.

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The change is technical.

ARC 1316C

Rule Summary Deletes the word "Department" and replaces it with "State Appeals Board" concerning County Medical Examiners reimbursement.

Agency Stated Authority: Iowa Code section 691.6.

Fiscal Impact **Agency Response:** The Iowa Department of Public Health (DPH) does not have funding allocated to reimburse Iowa counties for county medical examiner autopsy expenses ordered on deceased people that were brought into Iowa for emergency medical treatment or on infants that died from SIDS. The rule change specifies that reimbursement must be sent directly to the State Appeals Board for review and processing. Thus, there is no way to determine a fiscal impact at this time.

LSA Response: The LSA concurs with the Department. There is no precedent for this rule change to determine future fiscal impact.

Rule Summary **ARC 1315C**
Identifies Iowa Health Information Network procedures and policies for monitoring participant usage and the enforcement of compliance standards. In addition, outlines a participation opt-out process, violation of confidentiality, and procedures to request and receive an audit report.

Agency Stated Authority: Iowa Code section 135.156B.

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

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The rule changes are procedural.

STAFF CONTACT: Estelle Montgomery (515- 281-6764) estelle.montgomery@legis.iowa.gov

Racing and Gaming Commission

Rule Summary **ARC 1310C**
Provides for the following:

- Allows the Commission to suspend an occupational license for up to five years.
- Clarifies when debt arrangements greater than \$3.0 million must be submitted for Commission approval.
- Clarifies the allowable number of jockeys an agent may represent.
- Clarifies the definition of an administrator as it relates to the Iowa Racing and Gaming Commission.
- Clarifies shipping notification requirements for gambling games or implements of gambling.

Agency Stated Authority: Iowa Code sections 99D.7 and 99F.4.

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

LSA Response: No fiscal impact.

STAFF CONTACT: Ron Robinson (515-281-6256) ron.robinson@legis.iowa.gov

Department of Revenue

Rule Summary **ARC 1303C**
Clarifies existing rules and rule provisions 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 corrects 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.
- Clarifies the Iowa capital gains exclusion for individual income tax 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.

These amendments are identical to those published on December 11, 2013, as ARC 1231C.

Agency State 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 should 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. Clarifications of existing practices and technical changes will not create new costs.

Rule Summary**ARC 1306C**

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.
- Having the PAAB members salary set within a range established by the Legislature instead of being 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](#) (Property Tax Changes Act).

Notice of intended action was published in the Iowa Administrative Bulletin as ARC 1238C on December 11, 2013. Changes appear to be primarily editorial in nature.

Agency State Authority: [SF 295](#) and Iowa Code section [421.1A](#).

Fiscal Impact **Agency Response:** The rule makes changes to board 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 Property Assessment Appeal Board 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.

ARC 1332C

Rule Summary Provides that each fiscal year, beginning with FY 2015, the Department of Revenue is required to pay to county treasurers the amount of the commercial and industrial property tax replacement claims in their county, as specified in SF 295. The payments are made in two installments each year, September and March. The payments are made with a standing General Fund appropriation to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property. Beginning with FY 2015 and prior to FY 2018, the appropriation is a General Fund standing unlimited appropriation. Beginning in FY 2018, the standing appropriation cannot exceed the actual FY 2017 appropriation amount.

Notice of Intended Action was published in the Iowa Administrative Bulletin as ARC 1028C on September 18, 2013.

Agency Stated Authority: Iowa Code sections 421.14 and 422.68 and 2013 Iowa Acts, SF 295.

Fiscal Impact **Agency Response:** Iowa Code section 441.21A creates a standing General Fund appropriation, beginning in FY 2015, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property. Prior to FY 2018, the appropriation is a standing unlimited appropriation. Beginning in FY 2018, the standing appropriation cannot exceed the actual FY 2017 appropriation amount. The LSA fiscal note provides an estimate of the impact.

LSA Response: The estimated fiscal impact is unchanged from the Fiscal Note on SF 295. This fiscal note estimated the following General Fund appropriations: \$78.7 million in FY 2015, \$162.5 million in FY 2016, and \$153.7 million in FY 2017.

If the total rollback, beginning with FY 2018, is greater than the actual FY 2017 General Fund appropriation, and additional funding is not appropriated, each county will receive a prorated share of the actual amount appropriated. The Department has indicated that the proposed rule may have an impact on small business.

STAFF CONTACT: Dwayne Ferguson (515-281-6561) dwayne.ferguson@legis.iowa.gov

Department of Administrative Services

ARC 1302C

Rule Summary Makes the following changes:

- Updates the central procurement enterprise’s primary office address.

- Amends certain procurement rules so the threshold of \$100,000 to require competitive bids can be adjusted in accordance with Iowa Code section 314.1B.
- Eliminates the requirement that an agency be certified as a “procurement center of excellence” to procure nonmaster agreement goods up to \$50,000 per transaction in a competitive manner.
- Requires that when using a sole source contract in the absence of the head of a state agency, the sole source contract shall only be signed by the Department of Administrative Services (DAS) Director.

Agency Stated Authority: Iowa Code section 8A.311(11)(a).

Fiscal Impact

Agency Response: These are administrative changes only and will not have any fiscal impact.

LSA Response: The LSA concurs.

STAFF CONTACT: Dwayne Ferguson (515-281-6561) dwayne.ferguson@legis.iowa.gov

College Student Aid Commission

ARC 1318C

Rule Summary

Amends rules to reflect changes to the Commission’s address, updates the process for requests from the public to address the Commission, updates terminology, and removes outdated language pertaining to an advisory council.

Agency Stated Authority: Iowa Code section 261.3.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 1346C

Rule Summary

Updates the physical address of the College Student Aid Commission pertaining to the Commission’s procedures for rulemaking and petitions for declaratory orders. The Commission moved its offices in 2013 due to the demolition of the Mercy Capitol Hospital building.

Agency Stated Authority: Iowa Code section 261.3.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 1319C

Rule Summary

Provides new definitions of “Federal active duty” and “State-defined payment period” and amends rules regarding late applications for the National Guard Educational Assistance Program. Authorizes the Adjutant General to accept applications from otherwise eligible members of the National Guard that miss the application deadline for the Program but that were on active duty at the deadline. This provision implements SF 332 (National Guard Educational Assistance Program Act), enacted in the 2013 Legislative Session.

Agency Stated Authority: Iowa Code section 261.86.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 1320C

Rule Summary Implements the Rural Iowa Primary Care Loan Repayment Program, established in HF 2458 (Rural Iowa Primary Care Loan Repayment Program) during the 2012 Legislative Session. Funding provided for FY 2013 (\$106,000) was insufficient to initiate the program. As a result of additional funding in FY 2014, administrative rules are now being promulgated. The Program provides loan repayments of up to \$50,000 annually for no more than a four-year period for qualifying individuals pursuing a doctor of medicine degree at the University of Iowa College of Medicine or a doctor of osteopathy degree at Des Moines University. Qualifying participants must agree to serve in specific rural communities for five years.

Agency Stated Authority: Iowa Code section 261.113.

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

LSA Response: The Program received a \$1.6 million General Fund appropriation for FY 2014. The Commission receives an annual General Fund appropriation for administration. Program administration costs exceeding that appropriation are funded from the Commission's operating fund.

ARC 1321C

Rule Summary Implements the new Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program, established in HF 604 (Education Appropriations Act) during the 2013 Legislative Session. The Program provides annual loan repayments of up to \$5,000 annually for no more than a four-year period for qualifying individuals pursuing a doctorate of nursing practice degree or a masters of physician assistant studies degree. Qualifying participants must agree to serve in specific rural communities for five years.

Agency Stated Authority: Iowa Code section 261.113.

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

LSA Response: The Program received a \$400,000 General Fund appropriation for FY 2014 to fund loan repayments. The Commission receives an annual General Fund appropriation for administration. Program administration costs exceeding that appropriation are funded from the Commission's operating fund.

ARC 1345C

Rule Summary Updates rules for the Iowa Grant Program to include children of police officers killed in the line of duty to those qualifying for priority status. The amendment reflects a change in statute enacted in 2013.

Agency Stated Authority: Iowa Code section 261.96.

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

LSA Response: The LSA concurs. The Program receives an annual appropriation, and the College Student Aid Commission awards only up to the amount appropriated.

Board of Educational Examiners

		ARC 1344C
Rule Summary	Clarifies language regarding a licensed practitioner's ability to file an ethics complaint before the Board of Educational Examiners (BoEE).	
	Agency Stated Authority: Iowa Code section <u>272.2</u> .	
Fiscal Impact	Agency Response: The proposed amendments will not require any state expenditure.	
	LSA Response: No fiscal impact.	
		ARC 1343C
Rule Summary	Provides consistency for out-of-state applicants that provide an expired teaching license. The Board recently adopted an amendment to allow out-of-state applicants to provide an expired teaching license as part of their application. Additional rules were found that also required changes to allow for an expired license.	
	Agency Stated Authority: Iowa Code section <u>272.2</u> .	
Fiscal Impact	Agency Response: The proposed amendments will not require any state expenditure.	
	LSA Response: No fiscal impact.	
		ARC 1328C
Rule Summary	Replaces the term "Guidance Counselor" with "Professional School Counselor." This is in response to 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 Iowa Administrative Code (IAC) Chapter 13 regarding Class "G" licenses. Current rules require that an individual be in 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 IAC Chapter 13 that states the holder of the endorsement has not completed the professional education core. Endorsements under IAC 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 <u>272.2</u> .	
Fiscal Impact	Agency Response: The proposed amendments will not require any state expenditure.	
	LSA Response: No fiscal impact.	
		ARC 1324C
Rule Summary	Requires the passing of Iowa mandated assessments for substitute licensure for both Iowa graduates and out-of-state graduates.	
	Currently, Iowa graduates after January 1, 2013, that do not pass the required assessments are not eligible for substitute licensure, only a substitute authorization. Out-of-state graduates are currently eligible for a substitute license because they have completed a teacher preparation program and have obtained licensure in another state.	

Agency Stated Authority: Iowa Code section 272.2.

Fiscal Impact **Agency Response:** The proposed amendment will not require any State expenditure.

LSA Response: No fiscal impact.

ARC 1323C

Rule Summary Allows out-of-country teachers to be licensed using the International Exchange license rules, that do not require testing. If individuals desire to stay beyond their exchange period, they must meet the requirements for the out-of-country licensure.

The BoEE has encountered several teachers brought to Iowa under the auspices of exchanges arranged through either the U.S. Department of Education or the U.S. Department of State. In past years, board staff members have been able to evaluate the teachers' transcripts and issue Regional Exchange licenses. Due to changes in the out-of-country rules that now require successful completion of both content and pedagogy PRAXIS testing, the BoEE staff is no longer able to license these teachers.

Agency Stated Authority: Iowa Code section 272.2.

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

LSA Response: No fiscal impact.

ARC 1327C

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.

Published under the noticed rule, an amendment to IAC Chapter 17 related to family and consumer sciences was removed, because the BoEE intends to undertake a more comprehensive review of IAC Chapter 17 in the future.

Agency Stated Authority: Iowa Code section 272.2.

Fiscal Impact **Agency Response:** The amendment will not require any state expenditure.

LSA Response: No fiscal impact.

ARC 1326C

Rule Summary Allows an applicant to obtain an administrator license after completing an administrative program, regardless of whether the person had found an administrative position. If the applicant waits a significant amount of time since completion of their program, licensure requirements may have changed and the applicant must complete additional coursework.

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 1322C

Rule Summary Allows all Iowa Jobs for America's Graduates (iJAG) employees to have some level of certification. The required education coursework is offered by iJAG annually through mandatory training, and iJAG will be seeking a credit option. The BoEE will assist to ensure that the coursework meets the stated requirements. Candidates complete 18 days of training in their first year and 7-10 days annually in subsequent years. Currently, the iJAG Program employs both certified and noncertified staff throughout the State. High school credit is given in most cases.

Provisions regarding validity, renewal, and revocation and suspension were added to the language filed under Notice to mirror rules regarding other authorizations offered by the BoEE.

Agency Stated Authority: Iowa Code section 272.2.

Fiscal Impact **Agency Response:** The new rule will not require any State expenditure.

LSA Response: No fiscal impact. Costs associated with authorization will be paid by the applicant.

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 1325C**

Agency Stated Authority: Iowa Code section 272.2.

Fiscal Impact **Agency Response:** The amendments will not require any State expenditure.

LSA Response: No fiscal impact.

STAFF CONTACT: John Parker (515-725-2249) john.parker@legis.iowa.gov

Engineering and Land Surveying Examining Board

Rule Summary Amends 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 2-month periods:
(1) January/February, (2) April/May, (3) July/August, and (4) October/November.

These rules are identical to those filed as ARC 1254C and published in December 2013.

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 efficiencies from moving the exams to computer-based testing, 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 have been tested 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 National Council of Examiners for Engineering and Surveying (NCEES) for administering the examination. Beginning in 2014 the fees for both computer-based exams are \$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. 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. NCEES has contracted with Pearson VUE on a per-seat basis to administer these exams. NCEES has combined the cost of the seat time at the Pearson VUE test center along with 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 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 (515-281-6561) dwayne.ferguson@legis.iowa.gov

Insurance Division

ARC 1334C

Rule Summary Rescinds a subrule 191-20.4 related to form filings, including identification form number, signature line, and when deemed approved.

This amendment is identical to that published in the Notice of Intended Action on October 16, 2013, as ARC 1127C.

Agency Stated Authority: Code chapters 505, 509, 514A, 515, 515A, and 515F.

Fiscal Impact **Agency Response:** No fiscal impact to the State. So many insurance transactions now take place electronically that the requirements of the subrule are no longer practicable.

LSA Response: The LSA concurs.

STAFF CONTACT: Dwayne Ferguson (515-281-6561) dwayne.ferguson@legis.iowa.gov

Interior Design Examining Board

ARC 1298C

Rule Summary Reduces the registration fee and places the fee structure in the rules.

Agency Stated Authority: Iowa Code chapter 544C.

Fiscal Impact **Agency Response:** The number of current registrants will make this fiscal impact less than \$3,000 annually.

LSA Response: The registration and renewal fees are reduced from \$350 to \$275. There are currently 54 registered and active interior designers. Even with growth in the number of registrants, the annual reduction in fee revenue will be less than \$3,000.

STAFF CONTACT: Dwayne Ferguson (515-281-6561) dwayne.ferguson@legis.iowa.gov

Iowa Public Employees' Retirement System

ARC 1348C

- 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; removes 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 (515-281-7846) jennifer.acton@legis.iowa.gov

Professional Licensure Division

ARC 1314C

Rule Summary Updates and clarifies the continuing education requirements for renewal of a speech pathology and audiology license and removes outdated language addressing examination requirements.

Agency Stated Authority: Iowa Code section [147.76](#).

Fiscal Impact **Agency Response:** No fiscal impact for the rules.

LSA Response: The LSA concurs that there will be no fiscal impact for the rules. The change is a policy change that will not impact the revenue or expenditures.

STAFF CONTACT: Estelle Montgomery (515-281-6764) estelle.montgomery@legis.iowa.gov

Department of Public Safety

ARC 1301C

Rule Summary Implements the policy of adopting the energy code provisions that are closely connected to the mechanical code adopted in Iowa. Plumbing and mechanical codes are required to comply with the most current code cycle, pursuant to Iowa Code

section 105.4 as amended by SF 427, effective April 26, 2013. The most recent editions of the codes used in the construction industry reflect current industry standards, and adoption of the current codes helps to promote consistency in the regulations affecting the construction industry.

Agency Stated Authority: Iowa Code section 105.4.

Fiscal Impact

Agency Response: The proposed amendments will move Iowa toward compliance with the federal standards regarding energy efficiency. Some changes will increase costs of construction but result in an overall decrease in energy usage. Progress toward compliance will make some federal funding available. Predictions regarding fiscal impact are difficult to calculate.

LSA Response: The LSA agrees with the Department's assessment and is unable to determine a cost at this time.

STAFF CONTACT: Jennifer Acton (515-281-7846) jennifer.acton@legis.iowa.gov

Real Estate Commission

ARC 1347C

Rule Summary

Rescinds IAC chapters 22 and 23.

Agency Stated Authority: Iowa Code chapter 543B.

Fiscal Impact

Agency Response: The fiscal impact was associated with the Iowa Code change, not this rule change.

LSA Response: Senate File 438 (Real Estate License Fees Act) eliminated the \$25 allocation from each real estate salesperson's and broker's license fee that went to the Professional Licensing and Regulation Bureau, Banking Division, Department of Commerce for the Real Estate Education Fund. The Act repealed the Real Estate Education Fund and transferred the remaining funds to the Professional Licensing and Regulation Bureau to be used as a grant to a nonprofit real estate association to provide real estate education, scholarships, housing assistance, and related functions.

The \$25 previously allocated to the Real Estate Education Fund is now deposited in the State General Fund. This change increases the amount deposited in the State General Fund by an estimated \$90,000 annually beginning in FY 2014.

STAFF CONTACT: Dwayne Ferguson (515-281-6561) dwayne.ferguson@legis.iowa.gov
