



ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

Section 17A.4(3) Iowa Code Supplement 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 on our website at http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm.

DEPARTMENT OF ADMINISTRATIVE SERVICES

ARC 3926B

Rule Summary The amendment changes the start and end dates for customer council member terms from the current period of July through June to the new period of September through August. The Department of Administrative Services (DAS) customer complaint resolution process that must be approved by the Customer Councils is being changed to specify general standards rather than listing each specific step and time frame in the rules. The specific procedure for resolving customer complaints will be approved for each DAS Enterprise by the respective customer council.

Fiscal Impact No fiscal impact.

ARC 3918B

Rule Summary The purpose of this amendment is to eliminate the mandatory requirement to use a state contract for the purchase of airline tickets. The State will negotiate nonexclusive contracts for air travel, the use of which will be optional for state agencies and their employees. This change will allow an agency the flexibility to direct its employees to purchase tickets from the source determined by the agency to be the best value. Based on public comment received from other sources, the amendment has been revised to state that agencies shall develop internal policies so that agencies purchase or direct their employees to purchase tickets from the source determined by the agency to be the best value. This change was made because some agencies do not have employees purchase their own tickets. This amendment was not intended to require that employees purchase their own tickets if that is not the agency's policy.

Fiscal Impact Fiscal impact cannot be determined.

STAFF CONTACT: Ron Robinson (Ext. 16256)

BANKING DIVISION - DEPARTMENT OF COMMERCE

ARC 3919B

Rule Summary The amendments update existing rules, change the Banking Board to the Banking Council with advisory capacity only, and make changes to make language consistent with the reorganization of the Division of Banking which reflects title and duty changes of some of its positions.

Table of Contents:

Department of Administrative Services – p. 1	Labor Services Division – p. 5
Banking Division – p. 1	Natural Resources Commission – p. 6
College Student Aid Commission – p. 2	Medical Examiners Board – p. 6
Department of Corrections – p. 2	Board of Nursing – p. 6
Department of Economic Development – p. 2	Pharmacy Examiners Board – p. 6
Educational Examiners Board – p. 3	Professional Licensure Division – p. 7
Historical Division – p. 3	Department of Public Safety – p. 8
Department of Human Services – p. 3	Board of Regents – p. 8
Insurance Division – p. 4	Department of Revenue – p. 8
Department of Justice – p. 5	

Fiscal Impact No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

COLLEGE STUDENT AID COMMISSION

ARC 3921B

Rule Summary Makes a variety of changes regarding approval of out-of-state postsecondary schools for operation in Iowa. Expands the definition of and adds criteria the institutions must meet for approval. The most significant change is the addition of an advisory committee on postsecondary registration that will make recommendations to the Commission.

NOTE: A similar rules request was previously noticed as ARC 3739B. The Commission's previous rules notice for this item (ARC 3739B) is terminated. The current rules request no longer requires approval by the Iowa Coordinating Council for Post High School Education as was originally proposed. This change was made in an attempt to address the Rules Committee concerns regarding the process required for out-of-state postsecondary school approval.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Mary Shipman (Ext. 14617)

DEPARTMENT OF CORRECTIONS

ARC 3911B

Rule Summary Amends rules for technical changes and authorizes certain employees of Community-Based Corrections (CBC) District Departments to carry weapons.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

DEPARTMENT OF ECONOMIC DEVELOPMENT

ARC 3927B

Rule Summary Amendments establish wage guidelines for the Career Link Program, clarifies the method for distribution of unused funds, and extends the allowable training period from 12 to 24 months.

Fiscal Impact No State General Fund fiscal impact. The Program is funded with federal funds.

ARC 3928B

Rule Summary The rules exempt domestic violence shelters from a HUD requirement to report personally identifiable information about homeless domestic violence clients, define "domestic violence shelter" and clarify that these shelters may exclude personally identifiable information about homeless domestic violence clients when the shelters are entering data in the Service Point database. In addition, the rules modify the federally funded Emergency Shelter Grants Program (ESGP) and the companion State-funded Homeless Shelter Operation Grants (HSOG) Program.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Russell Trimble (Ext. 14613)

Administrative Rules – Fiscal Impact Summaries

February 4, 2005

3

EDUCATIONAL EXAMINERS BOARD

ARC 3922B
Rule Summary Changes requirements for the Teacher Intern Program (alternative licensure) to allow more flexibility and innovation. Extends the program to grades 7 and 8 (previously grades 9 to 12). Adds a provision for licensure of a teacher intern who has not completed the internship year.

Fiscal Impact Minimal fiscal impact.

ARC 3923B
Rule Summary Aligns licensure rules with teacher quality legislation, eliminates obsolete references to community college licensure, and reflects acceptance of college credits from a regionally accredited institution for purposes of license renewal.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

HISTORICAL DIVISION – DEPARTMENT OF CULTURAL AFFAIRS

ARC 3904B
Rule Summary Clarifies rules related to the Fair Information Practices of the State Archives.

Fiscal Impact No fiscal impact. No new requirements are placed on the public.

ARC 3905B
Rule Summary Clarifies public access policies of the State Historical Library and State Archives.

Fiscal Impact No fiscal impact. No new requirements are placed on the public.

STAFF CONTACT: Robin Madison (Ext. 15270)

DEPARTMENT OF HUMAN SERVICES

ARC 3936B
Rule Summary Provides for more specific individual data submittal requirements to be provided to the Department of Human Services for county management plans for individuals receiving disability services from programs under the auspices of the Department. The Department is filing this Rule on behalf of the Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury Commission.

Fiscal Impact Minimal fiscal impact. There may be a budgetary impact to the Department for revising the data collection process to receive the data on an individual basis, although the Department receives the data currently on an aggregate basis. The county governments impacted are already collecting the data on an individual basis and would just be required to submit the data on that basis in lieu of the current aggregate basis.

ARC 3907B and 3908B
Rule Summary Implements annual Cost of Living Adjustments (COLA) in the State Supplementary Assistance (SSA) Program, as required by Federal law. The increase is 2.7%.

Administrative Rules – Fiscal Impact Summaries

February 4, 2005

4

Fiscal Impact	Estimated fiscal impact to the State General Fund of \$51,000 in FY 2005 and \$104,000 in FY 2006. Funding for FY 2005 has been included in the budget. In addition, SSA clients will have an increase in their costs for services of \$147,000 in FY 2005 and \$282,000 in FY 2006. These increased client costs are offset by increases in the income they receive from their Supplemental Security Income payments, which also receive the COLA.	
Rule Summary	Incorporates cost of living adjustments in the methodology used to calculate Medicaid eligibility and client participation in instances where one spouse is in an institution. The change is required by Federal law.	ARC 3909B
Fiscal Impact	Minimal fiscal impact.	
Rule Summary	Expands the Medicaid Ill and Handicapped Home and Community-Based Services Waiver to include adults age 21-25 and allows them to receive services similar to the services they received below age 21.	ARC 3910B
Fiscal Impact	Estimated General Fund savings of \$367,000 in FY 2005 and \$998,000 in FY 2006. It is estimated that this change will affect 15 young adults in FY 2005 and an additional 15 in FY 2006. Currently, individuals are receiving these services through an exception to policy, funded with 100% State funds. By expanding the Waiver, the State will be able to draw federal Medicaid matching funds for a net savings to the State.	
Rule Summary	Limits the use of family-centered services during the time a child is placed in emergency shelter care or foster group care. Also, clarifies ineligibility of Rehabilitative Treatment Services (RTSS) while a child is placed in a Psychiatric Medical Institution for Children (PMIC).	ARC 3924B
Fiscal Impact	Minimal fiscal impact. The annualized State savings is an estimated \$72,000, which is based on the assumption that 17 children would receive 20 fewer units of service each month. In July 2004, 17 children in shelter care received 40 or more units of family-centered services.	

STAFF CONTACT: Lisa Burk (Ext. 17942) Jennifer Vermeer (Ext. 14611) Sue Lerdal (Ext. 17794)

INSURANCE DIVISION - DEPARTMENT OF COMMERCE

Rule Summary	The rule updates IAC 191-1, 3 and 15 to conform to HF 2489 (2004 Insurance Act). The rule clarifies that certain records of the Iowa Insurance Division are not public records. The rule also clarifies the Commissioner's power.	ARC 3917B
Fiscal Impact	No fiscal impact.	
Rule Summary	The proposed rule strengthens the oversight of public self-funded pooling arrangements including filing and registration guidelines, surplus requirements and financial reporting.	ARC 3916B
Fiscal Impact	No fiscal impact.	

Administrative Rules – Fiscal Impact Summaries

February 4, 2005

5

ARC 3915B

Rule Summary Amends chapter 37 to conform to the National Association of Insurance Commissioners' (NAIC) model and bring Iowa into compliance with the Medicare Modernization Act of 2003. Insurers who sell Medicare supplement policies will be required to modify some existing policies and develop new products for sale on or after January 1, 2006. This amendment gives guidance to insurers on implementing the required changes.

Fiscal Impact Fiscal impact cannot be determined. This rule will have no fiscal impact on the revenue/expenses of the Iowa Insurance Division. The rule relates to sales practices and form filings by insurers that sell Medicare supplement policies. The Iowa Insurance Division Consumer Affairs Bureau and/or the Producer and Product Regulation Bureau will administer these rules. Currently over 1,500 insurers are licensed in Iowa. Forty-one companies offer Medicare supplement policies. This rule will affect all 41 companies to some degree. Each company that currently offers a Medicare supplement policy with an outpatient prescription drug benefit must amend that policy before January 1, 2006. Each company that desires to sell the new plans, on or after January 1, 2006, must prepare and file its new policy with the Iowa Insurance Division for approval. The rule also implements new outlines of coverage and disclosure notices to consumers. All insurers selling Medicare supplement policies must revise these items.

STAFF CONTACT: Ron Robinson (Ext. 16256)

DEPARTMENT OF JUSTICE

ARC 3939B

Rule Summary Updates the rules for administration of federal grants received by the Crime Victim Assistance Division. Complies with federal grant requirements.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

LABOR SERVICES DIVISION

ARC 3938B

Rule Summary The amendments are intended to update the rules, ensure safety, clarify, make rules more in accord with accepted engineering standards and practices, and implement the purposes of Chapter 89, Code of Iowa (Boilers and Unfired Steam Pressure Vessels). These amendments are proposed in order to clarify that aluminum boiler technology is improved and safe as regulated by the American Society of Mechanical Engineers (ASME) Code Cases, and to eliminate confusion resulting from conflict between Chapter 207 and the ASME Boiler and Pressure Vessel Code in the requirements for 30 psi expansion tanks.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Russell Trimble (Ext. 14613)

Administrative Rules – Fiscal Impact Summaries

February 4, 2005

6

NATURAL RESOURCE COMMISSION - DEPARTMENT OF NATURAL RESOURCES

ARC 3941B

- Rule Summary** Changes fishing regulations by:
- Prohibits culling or sorting of fish.
 - Establishes bag and possession limits for shovelnose sturgeon on the Missouri River, and closes harvest of shovelnose sturgeon on the Big Sioux River.
 - Modifies seasons for muskellunge, tiger musky, and northern pike in Lakes West Okoboji, East Okoboji, and Spirit Lake.
 - Modifies bag and possession limits on walleye in the Missouri River.
 - Modifies the closed area for fishing below Lock and Dam 11 on the Mississippi River.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

DEPARTMENT OF PUBLIC HEALTH - MEDICAL EXAMINERS BOARD

ARC 3942B

Rule Summary The Board has granted waivers in the past of the seven-year requirement for taking the United States Medical Licensing Examination (USMLE) licensure examination when a physician holds specialty board certification from the American Board of Medical Specialties or the American Osteopathic Association. The proposed amendment allows applicants who meet the alternative to no longer file an application for a waiver.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC HEALTH - NURSING BOARD

ARC 3937B

Rule Summary Requires that a nurse must have taken the National Council Licensure Examination (NCLEX) or its predecessor examination in order to be issued a multi-state license and identifies an additional document that verifies legal residency for military personnel.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC HEALTH - PHARMACY EXAMINERS BOARD

ARC 3934B

Rule Summary Proposed amendments make changes to pre-licensure internship requirements by increasing the credit granted for college-based clinical training programs to 1,250 hours, and requires the remaining 250 hours be obtained in traditional pharmacy practice sites. Also, provides that the 250 hours of traditional training may be obtained at a rate not to exceed 10 hours per week, concurrent with academic training. Also, establishes criteria for nontraditional internships and requires that a pharmacist serving as preceptor shall be licensed in good standing in the state where the internship is to be served.

Administrative Rules – Fiscal Impact Summaries

February 4, 2005

7

Fiscal Impact No fiscal impact.

ARC 3932B

Rule Summary Establishes criteria for the transfer of a prescription from one pharmacy to another. The amendment accepts transmission of prescription drug information between pharmacies engaged in centralized filling or processing activities pursuant to Chapter 18. Also, ensures a patient's right to choose pharmacy services by requiring a pharmacy to transfer the patient's prescription or refill information upon request of the patient or patient's caregiver pursuant to the requirements of the rule.

Fiscal Impact No fiscal impact.

ARC 3933B

Rule Summary Proposed amendment permits an emergency medical services program to enter into a contract for payment to a provider pharmacy of reasonable fees and charges for services not limited to non-product pharmacy services.

Fiscal Impact No fiscal impact to the State. There may be a potential fiscal impact on pharmacies or emergency medical services programs, which is expected to be minimal. The proposed amendment will permit pharmacies to provide more extensive services to emergency medical services and to charge reasonable fees for those services. Emergency medical services programs will be able to contract for more extensive pharmacy services.

ARC 3931B

Rule Summary The proposed amendment is intended to clarify requirements relating to a patient's choice or pharmacy services and secure computer-to-computer transmission of a prescription drug order.

Fiscal Impact No fiscal impact.

ARC 3930B

Rule Summary Establishes standards for pharmacies that receive drugs from other pharmacies that were previously dispensed for patients for the purpose of distributing those drugs in a unit dose dispensing system.

Fiscal Impact No fiscal impact for the State. Patients will be able to take advantage of prescription drug cost savings offered by third-party prescription payment plans. Those savings will be offset to some degree by the cost of redistributable drugs dispensed in traditional prescription packaging into packaging compatible with a long-term care facility's unit dose dispensing system. The net cost or savings to patients cannot be determined at this time.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC HEALTH - PROFESSIONAL LICENSURE DIVISION

ARC 3843B

Rule Summary The proposed amendments adopt new chapters for the Board of Interpreters for the Hearing Impaired, which was established pursuant to SF 2298 (FY 2005 Omnibus Appropriations Act).

Fiscal Impact Minimal fiscal impact. Senate File 2298 provided \$60,000 and 1.0 FTE position from the General Fund for duties related to the Board in FY 2005. This will be partially

Administrative Rules – Fiscal Impact Summaries

February 4, 2005

8

offset by revenues generated from licensure fees. It is estimated that \$10,000 in fees will be collected in FY 2005.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC SAFETY

ARC 3912B

Rule Summary This rule provides fire safety requirements for facilities in which an agency provides foster care to fewer than six children at a time.

Fiscal Impact No fiscal impact to the State General Fund. Agencies providing foster care in small homes (those with fewer than six beds) would be minimally impacted. There are 11 facilities statewide known to be subject to these rules. Most facilities would have the required equipment; however, they could spend as much as \$200 for the required smoke detectors, fire extinguishers, CO detectors, and propane detectors. The cost to obtain an egress window is estimated at \$100, however, the cost for installation is unknown.

ARC 3913B

Rule Summary This rule provides for the distribution of fire fighter training funds from the Paul Ryan Memorial Fund (sale of fire fighter license plates), Volunteer Fire Fighter Preparedness Fund (income tax check off), and the distribution of funds for regional fire training facilities.

Fiscal Impact Minimal fiscal impact.

ARC 3914B

Rule Summary This rule provides for an extension of the line-of-duty death benefit and defines the eligibility of survivors of emergency service providers to include coverage for deaths from heart attacks or strokes, with some exceptions, which occur on duty or within 24 hours of being on duty.

Fiscal Impact In recent years, there have been no line-of-duty deaths, so the anticipated impact of this rule is less than \$100,000 annually. However, the benefit is a lump sum payment of \$100,000, so one additional payout per year would meet the threshold amount.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

BOARD OF REGENTS

ARC 3929B

Rule Summary Revises the rules regarding notification of tuition increases at the Regents universities to reflect the statutory change that eliminated a specific date for notification.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Mary Shipman (Ext. 14617)

DEPARTMENT OF REVENUE

ARC 3940B

Rule Summary Section 421.7, Code of Iowa, requires the Director of the Department of Revenue to determine the interest rate for each calendar year. The Director has determined that

Administrative Rules – Fiscal Impact Summaries

February 4, 2005

9

the rate of interest on interest-bearing taxes arising under Title XVI shall be 6.0% for the calendar year 2005 (0.5% per month). The Department will also pay interest at the 6.0% rate on refunds.

Fiscal Impact No fiscal impact. Since the interest rate remains unchanged there is no fiscal impact.

ARC 3920B

Rule Summary The amendments clarify existing rules and remove obsolete rule provisions relating to Iowa withholding tax. These amendments are proposed to clean up these existing rules.

Fiscal Impact No fiscal impact.

ARC 3935B

Rule Summary The proposed new chapters are intended to implement HF 683, Division XIV, Chapter 2, of the 2003 Iowa Acts of the First Extraordinary Session (Streamlined Sales and Use Tax Act). The rules do the following:

- Explain the changes to Iowa Sales and Use Tax law made by HF 683;
- Preserve the existing interpretation of portions of Iowa Sales and Use Tax law which the Streamlined Sales and Use Tax Act does not change; and
- Remove from the new rules references to Sales and Use Tax law as it existed prior to July 1, 2004, the effective date of the Streamlined Sales and Use Tax Act.

Fiscal Impact Fiscal Impact cannot be determined. The rule implements legislation which changes the definition of the word “food”, a “large ticket” exemption under Iowa Sales and Use Tax law. Some food items which were once taxable are clearly not now taxable and vice versa. Due to these uncertainties, the fiscal impact cannot be determined.

STAFF CONTACT: Ron Robinson (Ext. 16256)
