



**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](http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm).*

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

**ARC 4435B**

**Rule Summary** The amendment exempts law enforcement officers of the Department of Public Safety (DPS) from the definition of “State driver.” The rule also cross-references the exemption for drivers of authorized emergency vehicles from motor vehicle laws.

**Fiscal Impact** No fiscal impact. The Department’s Risk Manager may be investigating a small number of additional accidents; however, the change does not have a significant fiscal impact to the State.

STAFF CONTACT: Ron Robinson (Ext. 16256)

**DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP**

**ARC 4436B**

**Rule Summary** Establishes one-time registration fees for Iowa-foaled horses and Iowa-whelped dogs that participate in the State’s pari-mutuel betting program. The fees will be used to administer the Native Horse and Dog Program. The registration fee is \$30 for an Iowa-foaled horse and the following for Iowa-whelped dogs: a dam is \$25, a litter is \$10, and a dog is \$5.

**Fiscal Impact** The increase in revenue from the Iowa-foaled horse registration fees is estimated to be \$30,000 per year, and \$20,000 per year from the Iowa-whelped dog registration fees.

STAFF CONTACT: Debra Kozel (Ext. 16767)

**IOWA CAPITAL INVESTMENT BOARD**

**ARC 4476B**

**Rule Summary** The rule implements House File 831 (FY 2006 Seed Capital Funds Act) and does the following:

- Updates references to the Department of Revenue.
- Updates criteria for a community-based seed capital fund and a qualifying business.

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- Specifies that a community-based seed capital fund cannot invest in the Iowa Fund of Funds, but may invest in an Iowa-based seed capital fund in certain circumstances.
- Specifies that tax credits can be issued after June 30, 2005, and that an investor in a community-based seed capital fund cannot receive a tax credit for an investment made by the community-based fund in an Iowa-based seed capital fund.
- Specifies that a community-based seed capital fund has 48 months to invest at least 33.0% of its invested capital in one or more qualifying businesses.
- Updates an implementation clause.

**Fiscal Impact** The fiscal note for HF 831 specifies the Act will reduce General Fund revenues by an estimated \$1.0 million annually for eight fiscal years beginning in FY 2009.

STAFF CONTACT: Russell Trimble (Ext. 14613)

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### IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD

#### ARC 4427

**Rule Summary** This rule implements a legislative change contained in SF 141 (Aboveground Storage Tank Deadline Extension Act of 2005). The rule extends the reimbursement deadline for work related to the upgrade or permanent closure of aboveground tanks. The deadline is extended from February 18, 2005, to December 31, 2005. The original reimbursement deadline was contained in HF 2401 (Aboveground Tank Reimbursement Act of 2004).

**Fiscal Impact** House File 2401 was projected to increase expenditures from the Underground Storage Tank Fund by \$11.0 million. The extended deadline contained in SF 141 was projected to increase expenditures an additional \$4.0 million. The most recent estimate places the total cost of aboveground reimbursements at \$14.1 million.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

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### DEPARTMENT OF EDUCATION

#### ARC 4469B

**Rule Summary** Differentiates between the State and federal definitions of "weapon" for purposes of data collection.

**Fiscal Impact** No fiscal impact.

#### ARC 4470B

**Rule Summary** Implements statutory changes by moving open enrollment deadlines from January 1 to March 1, allowing school boards to delegate approval of open enrollment requests to the superintendent, making clarifications concerning open enrollment applications after the deadline when harassment or health conditions are involved, and allowing student athletes to participate on non-varsity teams during the 90-school-day restriction period for interscholastic contests and competitions.

**Fiscal Impact** No fiscal impact.

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### ARC 4471B

**Rule Summary** Establishes an approval process for state accreditation of higher education programs engaged in preparation of teacher interns (alternative licensure).

**Fiscal Impact** No fiscal impact to the State. The costs associated with accreditation are paid by the institution.

STAFF CONTACT: Robin Madison (Ext. 15270) Dwayne Ferguson (Ext. 16561)

## BOARD OF EDUCATIONAL EXAMINERS

### ARC 4440B and 4442B

**Rule Summary** Increases fees for licenses and authorizations. Most fees are increasing to \$85, from the previous \$60 fee.

**Fiscal Impact** **Background:** Section 272.10, Code of Iowa, permits the Board to establish fees sufficient to finance its activities. In previous years, the General Assembly notwithstanding the statute and permitted the Board to retain a specified portion of fee revenue in addition to a General Fund appropriation. For example, in FY 2004, the Board was permitted to retain 85.0% of revenue from any fee *increases* established after July 1, 1997, and received a General Fund appropriation of \$41,000. The remaining fee revenue was deposited into the General Fund.

In FY 2005, the Board received no General Fund appropriation and was permitted to retain 85.0% of revenue from any fee *increases* established after July 1, 1997, but before June 30, 2003, and 70.0% of revenue from any fee *increases* established after July 1, 2003. The Board's projections at the time indicated that this would be sufficient to support its operations.

During the 2005 legislative session, the new Executive Director of the Board, George Maurer, approached the Education Appropriations Subcommittee with projections of a deficit in FY 2005, resulting from lower than expected licensure revenue. It was projected that the deficit would continue to grow in subsequent years without a change in the Board's funding. As a result, HF 816 (FY 2006 Education Appropriations Act) permitted the Board to retain 73.0% of *total* fee revenue in FY 2006 and limited the amount the Board can carry forward to FY 2007 to 10.0% of total fee revenue. Once again, the Board received no General Fund appropriation.

The Board's projections indicated that this would result in an increase of \$348,000 in retained fee revenue compared to FY 2005. This addressed the projected deficit in FY 2006 and provided the necessary funding (\$280,000) to transfer 5.0 FTE positions from the Department of Education budget. However, it was projected that, without further changes in funding, the Board would be in a deficit position in FY 2007 and subsequent years. (See **Attachment C** for an illustration of the effect of HF 816 on fee retention.)

**FY 2006 Fee Increase:** Based on the Board's projections regarding the number of licenses issued, the fee increase is projected to generate an additional \$550,000 in total fee revenue in FY 2006. **Attachment A** illustrates the Board's projected revenues and expenditures before and after the fee increase for FY 2006 through FY 2010. **Attachment B** is the schedule of fees.

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As a result of the fee increase, the Board anticipates FY 2006 expenditures (highlighted in **Attachment B**) to total \$1.2 million, which is an increase of \$540,000 (87.7%) compared to FY 2005. Approximately \$280,000 is budgeted for 5.0 FTE positions transferred from the Department of Education. The remaining \$260,000 is intended for software, hardware, a visual imaging system, printing and binding, and salary increases. The Board does not receive salary adjustment funding from the General Fund.

This is projected to result in an ending balance of \$199,000 or 10.7% of total revenue. Because of the 10.0% carry-forward cap, the Board will carry forward \$186,000 to FY 2007 and revert \$13,000 to the General Fund.

The final result of the fee increase in FY 2006 is projected to be an increase in retained fee revenue of \$388,000 and an additional \$162,000 in deposits to the General Fund.

### ARC 4441B

**Rule Summary** Establishes a penalty for a licensed teacher who does not hold a valid endorsement for the area in which they are teaching.

**Fiscal Impact** The penalty will be \$25 for each month the individual is employed without the proper endorsement. It is estimated that 300 to 400 individuals will be assessed a penalty each year, and the average penalty will be \$50 to \$75 (two to three months). The new penalty will generate between \$15,000 and \$30,000 annually in fee revenue for the Board of Educational Examiners. For FY 2006, the General Assembly has authorized the Board to retain 73.0% of fee revenue, with the remainder deposited into the State's General Fund. The new penalty will result in \$11,000 to \$22,000 of additional revenue for the Board and \$4,000 to \$8,000 in additional General Fund revenue.

STAFF CONTACT: Robin Madison (Ext. 15270)

## ENGINEERING AND LAND SURVEYING BOARD – PROFESSIONAL LICENSING DIVISION, DEPARTMENT OF COMMERCE

### ARC 4480B

**Rule Summary** The amendments clarify the Board's rules regarding the seal and certification block requirements used to identify all engineering and land surveying documents issued by a licensee for use in Iowa. This is a clarification of an existing rule.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

## ENVIRONMENTAL PROTECTION COMMISSION – DEPARTMENT OF NATURAL RESOURCES

### ARC 4433B

**Rule Summary** Adds definitions for "biodiesel fuel," "diesel fuel," "number 1 fuel oil," and "number 2 fuel oil," and provides clarification to regulated industries on what constitutes these fuel types. The change will affect regulated industries with equipment such as internal combustion engines, combustion turbines, or boilers that combust diesel fuel, number 1 fuel oil, or number 2 fuel oils blended with up to 2.0% biodiesel fuel by volume. The proposed rule change does not require regulated industries to use these fuels, but allows industries the option to use the fuels. This will provide a benefit to regulated industries that wish to burn the specified biodiesel/fuel oil blends,

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since industries will no longer need to incur the costs of re-calculating emissions or applying for permit modifications before making the fuel change. The proposed rule may also provide a benefit to biodiesel producers in Iowa since more regulated industries may purchase and burn biodiesel blends.

**Fiscal Impact** No fiscal impact.

**ARC 4434B**

**Rule Summary** Adopts federal National Emission Standards for Hazardous Air Pollutants as promulgated by the federal Environmental Protection Agency between 1996 and 2003. Currently, the Department of Natural Resources is not aware of any facilities in Iowa subject to these standards.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

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### IOWA FINANCE AUTHORITY

**ARC 4474B**

**Rule Summary** The proposed amendments revise the debt service coverage requirement, remove maximum loan amounts, and add a minimum rehabilitation requirement for certain loans under multi-family housing programs.

**Fiscal Impact** No fiscal impact. The Authority is proposing these rules to expand the loans available for affordable housing preservation and production, and to clarify certain requirements. The loan fees are not being changed by these amendments.

**ARC 4475B**

**Rule Summary** Replaces the current qualified allocation plan for the low-income housing tax credit program with the 2006 qualified allocation plan which is incorporated by reference in 265 IAC subrule 12.1(16). The qualified allocation plan sets forth the purpose of the plan, the administrative information required for participation in the program, the threshold criteria, the selection criteria, the post-reservation requirements, the appeal process, and the compliance monitoring component. The plan also establishes the fees for filing an application for low-income housing tax credits and for compliance monitoring.

**Fiscal Impact** The 2006 Plan is substantially the same as the 2005 Plan, with certain changes being proposed to improve the program and make for a more efficient allocation process. One proposed change is an increase in the compliance monitoring fee, from \$15 per unit times the total compliance period, to \$17 per unit times the total compliance period. The estimated fiscal impact of this \$2 increase per unit is approximately \$60,000.

**ARC 4473B**

**Rule Summary** This amendment proposes a new chapter concerning the Entrepreneurs with Disabilities Program to be operated by the Authority. The Program was previously administered by the Department of Economic Development.

**Fiscal Impact** The fiscal impact for FY 2006 is \$200,000, which was the amount appropriated in HF 882 (FY 2006 Standings Appropriation Act). The Authority anticipates the entire appropriation will be expended.

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STAFF CONTACT: Russell Trimble (Ext. 14613)

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### DEPARTMENT OF HUMAN SERVICES

#### ARC 4479B

**Rule Summary** Makes various changes to the Family Investment (FIP) and PROMISE JOBS Programs.

**Fiscal Impact** Minimal fiscal impact.

#### ARC 4478B

**Rule Summary** Increases premiums for persons eligible for the Medicaid for Employed Persons with Disabilities Program. These individuals are eligible to “buy into” Medicaid while employed with a premium based on a sliding fee scale. Approximately 2,000 (25.0%) will pay a premium. Iowa statute requires the maximum premium be similar to the State’s health insurance cost. These rules increase the premium by 10.8% to parallel the Calendar Year 2005 increase in the State’s health insurance cost. The maximum premium is charged when the average cost for State employees’ insurance is equal to 7.5% of the disabled person’s gross income.

**Fiscal Impact** The maximum monthly premium of \$381 is charged when the person's income is equal to 632.0% of the Federal Poverty Level, and will increase to \$422 per month for persons with an income equal to 705.0% of the Federal Poverty Level. For those at 150.0% of the Federal Poverty Level, the monthly premium increases from \$24 to \$27 per month. For those at the second tier of the sliding scale, the Poverty Level increases from 174.0% to 178.0%, while the premium increases from \$45 per month to \$50 per month. Since the increased premium changes with an increase in the Federal Poverty Levels used for the sliding fee scale, certain persons may see a decrease in the amount of monthly premium. The Department of Human Services assumes there will be an increase in the eligible enrollment for this Program when determining the fiscal impact.

Being a Medicaid Program, this revenue increase is divided between the Federal government and the State of Iowa. The State revenue increase will be \$23,000 for the second half of FY 2006, and \$54,000 for FY 2007.

#### ARC 4477B

**Rule Summary** Excludes Medicaid recipients who are eligible for the federal Medicare Part D Drug Benefit from receiving Medicare Part D Covered Drugs from the Medicaid Program. Starting January 2006, State Medicaid Programs are not able to provide drugs covered by Medicare Part D to Medicaid eligibles. Drugs that are not provided by Medicare Part D may continue to be part of the States’ Medicaid Programs. The Department of Human Services plans to continue to provide those limited provisions to those eligible for Medicaid. The number of “dual eligibles” for FY 2006 is estimated at 49,000 within the Iowa Medicaid Program. The following link provides a review by the Kaiser Commission on Medicaid and the Uninsured of the “clawback” requirement: <http://www.kff.org/medicaid/7118a.cfm>.

**Fiscal Impact** The federal government is providing this coverage to Iowa Medicaid eligibles by what is referred to as a “clawback” provision, in which Iowa will pay the federal government a formula-driven amount for this cost based upon FY 2003 drug expenditures. The estimated State cost is \$29.0 million for the second half of FY 2006, and \$70.0 million for FY 2007.

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### ARC 4439B

**Rule Summary** Changes various definitions involving juvenile court services to conform with changes to the Code of Iowa, appropriations acts, and current practice. Also, increases the percentage allowed for the administrative cost of graduated sanction services from 5.0% to 10.0%; makes changes regarding the contracting process to comply with the Accountable Government Act, including tying payment to performance; and deletes some contract-related rules that are now promulgated by the Department of Administrative Services. In addition, changes are made to payment and record retention requirements for juvenile court services.

**Fiscal Impact** No fiscal impact. Any increase in costs is anticipated to be absorbed through cost shifting in current funding allocations.

### ARC 4438B

**Rule Summary** Allows access of dependent adult abuse information to a court or administrative agency making a determination regarding unemployment compensation.

**Fiscal Impact** No fiscal impact.

### ARC 4328B and ARC 4313B

**Rule Summary** Changes implement an increase in reimbursement rates for foster and adoptive parents, bringing rates up to 65.0% of the USDA estimate of the cost to raise a child in the Midwest, effective July 1, 2005.

Also, implements a 3.0% across-the-board rate increase for social services providers for FY 2006 using rates in effect on June 30, 2005. Rates will increase by 3.0% or to the provider's actual and allowable cost plus inflation for each service, whichever is less.

In addition, the changes implement the way the DHS pays emergency juvenile shelter providers and the way in which purchase of service agency contracts may be initiated in the event a Request for Proposal (RFP) is used to select contractors to provide a service.

**Fiscal Impact** It is estimated that the total cost of increasing reimbursement rates for foster and adoptive parents will be \$1.9 million. Of this, \$1.1 million will be paid from State General Funds and \$800,999 will be paid from federal funds in FY 2006. House File 825 (FY 2006 Health and Human Services Appropriations Act) provided additional funds in the Child and Family Services appropriation for this purpose. State costs will be slightly higher in FY 2007 due to a change in the federal financial participation rate.

It is estimated that the total cost of increasing rates for social services providers will be \$348,000. Of this, \$280,000 will be paid from State General Funds and \$69,000 will be paid from federal funds in FY 2006. House File 825 (FY 2006 Health and Human Services Appropriations Act) provided additional funds in the Child and Family Services appropriation for this purpose. State costs will be slightly higher in FY 2007 due to a change in the federal financial participation rate.

It is estimated there will be no additional fiscal impact if the DHS uses a Request for Proposal (RFP) to contract for shelter care services. Shelter Care is capped at \$7.0 million within the Child and Family Services appropriation.

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### LABOR SERVICES DIVISION

#### ARC 4443B

**Rule Summary** These amendments are intended to update fees charged for enforcement of Chapter 89, (Boilers and Unfired Steam Pressure Vessels), Code of Iowa. The amendments reflect economic changes since this rule was last amended, and provide adequate funding for enforcement of Chapter 89, Code of Iowa.

**Fiscal Impact** The Legislative Services Agency has not received a fiscal impact statement from the Division; however, in the Administrative Bulletin, the Division states there is no significant fiscal impact.

STAFF CONTACT: Russell Trimble (Ext. 14613)

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### MEDICAL EXAMINERS BOARD – DEPARTMENT OF PUBLIC HEALTH

#### ARC 4437B

**Rule Summary** Proposed amendment gives the Board the authority to order a clinical competency examination on a physician when probable cause exists. This implements the provision in HF 789 (Department of Public Health Omnibus Act) that was enacted during the 2005 Legislative Session.

**Fiscal Impact** No fiscal impact.

#### ARC 4447B

**Rule Summary** Outlines the requirements of community practice protocols, patient consent to participate in community practice protocols, and hospital practice protocols in order to establish collaborative practice in community and hospital settings between physicians and pharmacists. A supervising physician may delegate aspects of drug therapy management to an authorized pharmacist through a community practice protocol for the physician's patients. In addition, a hospital pharmacy and therapeutics committee would be allowed to authorize hospital pharmacists to perform drug therapy management for in-patients through a hospital practice protocol.

**Fiscal Impact** Minimal fiscal impact. The Pharmacy and Medical Boards will have to establish a process for protocol approval that involves physicians and pharmacists who will evaluate the protocols submitted. These individuals will not be reimbursed for participation; however, expenses will be paid. It is anticipated that this will cost less than \$2,000 per Board per year.

STAFF CONTACT: Lisa Burk (Ext. 17942)

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### NATURAL RESOURCE COMMISSION – DEPARTMENT OF NATURAL RESOURCES

#### ARC4472B

**Rule Summary** Terminates the rules related to public, commercial, and private docks.

**Fiscal Impact** No fiscal impact.

#### ARC 4461B

**Rule Summary** Terminates the rules using a new method to determine lease fees of State-owned property.

**Fiscal Impact** No fiscal impact.



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### ARC 4463B

**Rule Summary** Establishes a “ski zone” on a portion of Little River Lake in Decatur County and a “no-wake zone” on a portion of the Mississippi River in Clayton County known as Johnson Slough.

**Fiscal Impact** No fiscal impact.

### ARC 4462B

**Rule Summary** Changes camping rules at State parks and forests. Some of the changes include:

- Implements a centralized reservation system for rental of camp sites and facilities at State parks and forests.
- Defines call center, centralized reservation system, reservation transaction fees, and reservation window, and clarifies check-in and check-out time for first-come, first-serve campsites and reservable campsites.
- Adopts the manual titled, "Centralized Reservation System Business Rules for Iowa State Parks, Recreation Areas and State Forest Campgrounds" dated January 1, 2006. The manual sets operating procedures and policies for the administration of reservations of camping and rental facilities.
- Implements a camping reservation system (telephone and internet) with new reservation transactions fees: making a reservation (\$4.00 for internet reservations and \$6.00 for telephone reservations), changing a reservation (\$5.00), and canceling a reservation (\$10.00).
- Designates the rental facilities and all campgrounds that will be on the reservation system and lists exceptions.
- Specifies that 50.0% of total campsites will be included in the reservation system and 50.0% will be available on a first-come, first-serve basis. Selection will be based on a combination of electric, non-electric, and sewer/water hook-ups, and also take into consideration campsite characteristics (size, location, shade, etc.).
- Establishes a peak season and off-season in all parks.
- Eliminates the fee for extra persons on a campsite and creates a provision to allow families with more than six immediate family members the ability to camp on a campsite.
- Eliminates the fee for extra vehicles in the campground and establishes a rule allowing for one extra vehicle unless posted otherwise.
- Updates the hitching rail occupancy for horses at Brushy Creek State Park.
- Establishes a closing and opening time for camping at Mines of Spain State Park.
- Establishes rental fees for the new cabins at Black Hawk State Park, for the new equestrian area camping cabins at Brushy Creek State Park, and the new beach lodge facility at Lake MacBride State Park.
- Changes the rental week for cabins from Friday to Friday (the current rental week is Saturday to Saturday).

**Fiscal Impact** **Reservation System:** It is estimated that the revenue generated from the reservation system will be approximately \$230,000 in FY 2006 and \$250,000 in FY 2007. This assumes 45,000 reservations are completed using the reservation system, 20,000 using the internet and paying the \$4.00 fee, and 25,000 using the call center and paying the \$6.00 fee.

Revenue generated from changing the reservation (\$5.00) or canceling the reservation (\$10.00), is unknown; however, using the estimated reservation number of 45,000 and an average fee of \$7.50 (\$5.00 + \$10.00 divided by 2), the following revenue could be generated:

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<u>Percent of Campers</u>	<u>Number of Campers</u>	<u>Average Fee</u>	<u>Revenue Generated</u>
1.0%	450	\$ 7.50	\$ 3,375
5.0%	2,250	\$ 7.50	\$ 16,875
10.0%	4,500	\$ 7.50	\$ 33,750

Expenditures for the reservation system are estimated at \$230,000 per year, as the vendor does not get paid for a transaction until a reservation is made, changed, or cancelled. Existing Department staff has developed the reservation system, and expenditures were incurred within the operating budget.

**New Cabin Rental Income:** The increase in revenue from the new cabins and lodge rental fees is estimated at \$65,000 per year. This includes \$18,000 from the new cabins at Black Hawk State Park, \$15,000 for the beach lodge at Lake MacBride State Park, and \$35,000 for the cabins at Brushy Creek State Park.

		<b>ARC 4464B</b>
<b>Rule Summary</b>	Changes rules regarding fish snagging.	
<b>Fiscal Impact</b>	No fiscal impact.	
		<b>ARC 4465B</b>
<b>Rule Summary</b>	Removes map turtles from the list of permissive catch, prohibits the harvest of turtle eggs from the wild, and ensures the escape hole in traps is functional.	
<b>Fiscal Impact</b>	Minimal fiscal impact. The reported average annual income from the sale of map turtles is \$250 per year.	
		<b>ARC 4466B</b>
<b>Rule Summary</b>	Closes the commercial harvest of mussels in waters of the Mississippi River common to the state of Wisconsin. Commercial demand has weakened since 1997 to the point where there are no licensed mussel harvesters.	
<b>Fiscal Impact</b>	No fiscal impact.	
		<b>ARC 4467B</b>
<b>Rule Summary</b>	Establishes waterfowl season dates for 2005 to 2006; reduces areas closed to Canada goose hunting in several counties.	
<b>Fiscal Impact</b>	Minimal fiscal impact. Additional revenue will be generated from the increase in goose hunting; however, it is estimated to be less than \$100,000 per year. Most hunters will be existing hunters that hunt more frequently. No additional expenses are expected for the Department because of these changes. Local communities will experience an increase in the economy in terms of equipment purchases and trip expenditures; however, this does not directly impact State revenues.	
		<b>ARC 4468B</b>
<b>Rule Summary</b>	Adjusts season dates for hunting geese by falconry to conform to gun hunting seasons.	

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**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

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### PHARMACY EXAMINERS BOARD – DEPARTMENT OF PUBLIC HEALTH

**Rule Summary** Establishes requirements related to the dispensing of Schedule V controlled substance products without a prescription. **ARC 4446B**

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

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### PROFESSIONAL LICENSURE DIVISION – DEPARTMENT OF PUBLIC HEALTH

**Rule Summary** Barber Examiners – Defines licensure status as active or inactive; defines the process for licensure reactivation and reinstatement; changes from pre- and post-continuing education audits prior to licensure to post-continuing education audits following licensure; adds grounds for disciplinary action; and establishes the fee for reactivation. **ARC 4429B**

**Fiscal Impact** No fiscal impact. The reactivation fee is the same as what would have been collected under the old definition of reinstatement and no increase is anticipated.

**Rule Summary** Barber Examiners – Amends educational requirements to address refugees; adds an additional requirement for licensure; adds additional specific continuing education criteria; and provides the Board with the ability to discipline a licensee for breach of an agreement. **ARC 4430B**

**Fiscal Impact** No fiscal impact.

**Rule Summary** Cosmetology Arts and Sciences Examiners – Defines licensure status as active or inactive; defines the process for licensure reactivation and reinstatement; changes from pre- and post-continuing education audits prior to licensure to post-continuing education audits following licensure; adds grounds for disciplinary action; and establishes the fee for reactivation. **ARC 4455B**

**Fiscal Impact** No fiscal impact. The reactivation fee is the same as what would have been collected under the old definition of reinstatement and no increase is anticipated.

**Rule Summary** Cosmetology Arts and Sciences Examiners – Increases the license renewal fee by \$10.00 per licensee. There are 15,367 licensees and licenses renewed every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund. **ARC 4457B**

**Fiscal Impact** The fee increase will generate additional revenues of approximately \$154,000. Of this, the Board will retain approximately \$139,000 (90.0%) and \$15,000 (10.0%) will be deposited into the General Fund.

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	<b>ARC 4456B</b>
<b>Rule Summary</b>	Cosmetology Arts and Sciences Examiners – Increases the number of continuing education hours required; identifies groups who can offer accepted continuation credits; defines continuation requirements for certification services; clarifies continuation hour requirements; limits self-study continuing education hours allowed; and provides the Board with the ability to discipline a licensee for breach of an agreement or contract with the Impaired Practitioner Review Committee.
<b>Fiscal Impact</b>	No fiscal impact.
	<b>ARC 4453B</b>
<b>Rule Summary</b>	Hearing Aid Dispensers Examiners – Defines licensure status as active or inactive; defines the process for licensure reactivation and reinstatement; changes from pre- and post-continuing education audits prior to licensure to post-continuing education audits following licensure; adds grounds for disciplinary action; and establishes the fee for reactivation.
<b>Fiscal Impact</b>	No fiscal impact. The reactivation fee is the same as what would have been collected under the old definition of reinstatement and no increase is anticipated.
	<b>ARC 4452B</b>
<b>Rule Summary</b>	Hearing Aid Dispensers Examiners – Requires submitting a supervisor report regarding completion of training for holders of a temporary permit; amends initial licensure language to not require that the examination needs to be taken within 12 months prior to application; clarifies the requirements for licensure by endorsement; and provides the Board with the ability to discipline a licensee for breach of an agreement or contract with the Impaired Practitioner Review Committee.
<b>Fiscal Impact</b>	No fiscal impact.
	<b>ARC 4454B</b>
<b>Rule Summary</b>	Hearing Aid Dispensers Examiners – Increases the license renewal fee by \$10 per licensee. There are 258 licensees and licenses renewed every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.
<b>Fiscal Impact</b>	The fee increase will generate additional revenues of approximately \$2,580. Of this, the Board will retain \$2,322 (90.0%), and \$258 (10.0%) will be deposited into the General Fund.
	<b>ARC 4423B</b>
<b>Rule Summary</b>	Nursing Home Administrator Examiners – Proposed amendments define licensure status as active or inactive; define the process for licensure reactivation and reinstatement; change from pre- and post-continuing education audits prior to licensure to post-continuing education audits following licensure; add grounds for disciplinary action; and establish the fee for reactivation.
<b>Fiscal Impact</b>	No fiscal impact. The reactivation fee is the same as what would have been collected under the previous definition of reinstatement and no increase in these fees is anticipated.

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	<b>ARC 4424B</b>
<b>Rule Summary</b>	Nursing Home Administrator Examiners – Proposed amendments add a new subrule to provide the Board with the ability to discipline a licensee for breach of an agreement or contract with the Impaired Practitioner Review Committee; to remove the licensure fee method of payment options; and to modify rules to be consistent with 2004 Legislative changes by adjusting requirements relating to administrator experience and practicum requirements.
<b>Fiscal Impact</b>	No fiscal impact.
	<b>ARC 4458B</b>
<b>Rule Summary</b>	Psychology Examiners – Proposed amendments define licensure status as active or inactive; define the process for licensure reactivation and reinstatement; change from pre- and post-continuing education audits prior to licensure, to post-continuing education audits following licensure; add grounds for disciplinary action; and establish the fee for reactivation.
<b>Fiscal Impact</b>	No fiscal impact. The reactivation fee is the same as what would have been collected under the previous definition of reinstatement and no increase in these fees is anticipated.
	<b>ARC 4459B</b>
<b>Rule Summary</b>	Psychology Examiners – Proposed amendments adopt a new discipline rule that provides the Board with the ability to discipline a licensee for breach of an agreement or contract with the Impaired Practitioner Program.
<b>Fiscal Impact</b>	No fiscal impact.
	<b>ARC 4460B</b>
<b>Rule Summary</b>	Psychology Examiners – Increases the license renewal fee by \$14 for psychologists and by \$10 for health service providers. There are 473 psychologists and 304 health service providers who renew licenses every two years. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.
<b>Fiscal Impact</b>	The fee increase will generate additional revenues of approximately \$10,000. Of this, the Board will retain \$9,000 (90.0%), and \$1,000 (10.0%) will be deposited into the General Fund.
	<b>ARC 4448B</b>
<b>Rule Summary</b>	Social Work Examiners – Proposed amendments define licensure status as active or inactive, define the process for licensure reactivation and reinstatement; change from pre- and post-continuing education audits prior to licensure to post-continuing education audits following licensure; add grounds for disciplinary action; and establish fees for reactivation.
<b>Fiscal Impact</b>	No fiscal impact. The reactivation fee is the same as what would have been collected under the previous definition of reinstatement and no increase in these fees is anticipated.
	<b>ARC 4449B</b>
<b>Rule Summary</b>	Social Work Examiners – Proposed amendments add language to clarify what is required in the application for initial license and license renewal; change the term “self-study” to independent study; and adopt a new discipline rule that provides the

## Administrative Rules – Fiscal Impact Summaries

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Board with the ability to discipline a licensee for breach of an agreement or contract with the Impaired Practitioner Program.

**Fiscal Impact** No fiscal impact.

### ARC 4450B

**Rule Summary** Social Work Examiners – Increases the license renewal fee by \$12 for social workers who hold a Bachelor’s degree; by \$20 for social workers who hold a Master’s degree; and by \$24 for social workers who hold an independent license. There are 1,733 at the Bachelor level; 974 at the Master level; and 1,453 with an independent license. House File 825 (FY 2006 Health and Human Services Appropriations Act) codified language that permits the Board to retain 90.0% of any new fee increase, with the remaining 10.0% deposited into the General Fund.

**Fiscal Impact** The fee increase will generate additional revenues of approximately \$69,000. Of this, the Board will retain \$62,000 (90.0%), and \$7,000 (10.0%) will be deposited into the General Fund.

### ARC 4425B

**Rule Summary** Physician Assistant Examiners – Defines licensure status as active or inactive; defines the process for licensure reactivation and reinstatement; changes from pre- and post-continuing education audits prior to licensure to post-continuing education audits following licensure; adds grounds for disciplinary action; and establishes the fee for reactivation.

**Fiscal Impact** No fiscal impact. The reactivation fee is the same as what would have been collected under the old definition of reinstatement and no increase is anticipated.

### ARC 4426B

**Rule Summary** Physician Assistant Examiners – Provides the Board with the ability to discipline a licensee for breach of an agreement or contract with the Impaired Practitioner Review Committee.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

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## DEPARTMENT OF PUBLIC SAFETY

### ARC 4444B

**Rule Summary** This rule would adopt the applicable chapter of the Life Safety Code for assembly occupancies and allow the substitution of the International Fire Code for Fire Marshal rules, if locally adopted and enforced.

**Fiscal Impact** No fiscal impact.

### ARC 4445B

**Rule Summary** This rule would add a provision to the rules on flammable and combustible liquids to allow retail dispensing of E-85 (85.0% ethanol-blended gasoline).

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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### REAL ESTATE COMMISSION – DEPARTMENT OF COMMERCE

#### ARC 4428B

**Rule Summary** The rules provide the Commission the authority to initiate a contested case to challenge qualifications for licensure after administratively processing an application.

**Fiscal Impact** No fiscal impact.

#### ARC 4451B

**Rule Summary** The rule requires the disclosure of any restrictive covenants in the Residential Property Seller Disclosure Statement. The rule renumbers requirements as needed.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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### STATE PUBLIC DEFENDER – DEPARTMENT OF INSPECTIONS AND APPEALS

#### ARC 4431B

**Rule Summary** Proposed amendments provide rules for the implementation of HF 683 (Representation of Parole Violators).

**Fiscal Impact** No significant fiscal impact.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

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### WORKERS' COMPENSATION DIVISION

#### ARC 4432B

**Rule Summary** Amends the mileage rate for transportation expense by the Division from 29 cents per mile to 40.5 cents per mile to match the allowance provided at the federal level. The rules also amend the effective date of the mileage rate from 35 days after publication to on or after August 1, 2005.

**Fiscal Impact** No significant fiscal impact.

STAFF CONTACT: Russell Trimble (Ext. 14613)

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### UTILITIES DIVISION – DEPARTMENT OF COMMERCE

#### ARC 4341B and 4342B

**Rule Summary** The rule adopts filing requirements and procedures to facilitate the Utilities Board's determination of whether an energy facility is eligible for the wind energy production or renewable energy tax credits that were created by HF 882 (FY 2006 Standing Appropriations Act) and SF 390 (Alternative Energy Purchase Program Act).

**Fiscal Impact** No significant fiscal impact to the Utilities Board or the Department of Revenue.

The Energy Production Tax Credit will reduce net General Fund revenue by \$2.8 million in FY 2007, \$4.4 million in FY 2008, and \$5.4 million in FY 2009. Over the course of 13 fiscal years, the Tax Credit will reduce net General Fund revenue by \$55.0 million.

The Tax Credit Certificates can be applied to individual income tax, corporate income tax, franchise tax, insurance premium tax, utility property replacement tax, and sales

and use tax. If the portion of the Credit redemption impacting personal income tax is less than 25.0%, the impact on any local option income surtax for schools will be less than \$50,000 per year.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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**Board of Educational Examiners (BOEE)  
Projected Revenue and Expenditures**

**ARC 4442B - Attachment A**

	<b>Before Fee Increase**</b>						<b>After Fee Increase***</b>				
	<b>Actual FY 2005*</b>	<b>Projected FY 2006</b>	<b>Projected FY 2007</b>	<b>Projected FY 2008</b>	<b>Projected FY 2009</b>	<b>Projected FY 2010</b>	<b>Projected FY 2006</b>	<b>Projected FY 2007</b>	<b>Projected FY 2008</b>	<b>Projected FY 2009</b>	<b>Projected FY 2010</b>
<b>Resources:</b>											
Balance Forward	\$ 0	\$ 0	\$ 39,882	\$ 52,318	\$ 36,484	\$ 0	\$ 0	\$ 185,750	\$ 188,865	188,865	\$ 188,865
Appropriations	0	0	0	0	0	0	0	0	0	0	0
Receipts											
Salary adj	0	0	0	0	0	0	0	0	0	0	0
Fees, Lic. & Permits	1,282,095	1,307,900	1,307,900	1,307,900	1,307,900	1,307,900	1,857,500	1,888,650	1,888,650	1,888,650	1,888,650
Other	254,944	262,038	262,038	262,038	262,038	262,038	320,718	324,428	324,428	324,428	324,428
<b>Total Resources:</b>	<b>\$ 1,537,038</b>	<b>\$ 1,569,938</b>	<b>\$ 1,609,820</b>	<b>\$ 1,622,256</b>	<b>\$ 1,606,422</b>	<b>\$ 1,569,938</b>	<b>\$ 2,178,218</b>	<b>\$ 2,398,828</b>	<b>\$ 2,401,943</b>	<b>\$ 2,401,943</b>	<b>\$ 2,401,943</b>
<b>Expenditures:</b>											
General Office	\$ 616,393	\$ 914,885	\$ 942,331	\$ 970,601	\$ 999,719	\$ 1,029,711	\$ 1,156,788	\$ 1,191,492	\$ 1,227,236	\$ 1,264,053	\$ 1,301,975
DCI/FBI Bkgd checks	238,821	262,038	262,038	262,038	262,038	262,038	320,718	324,428	324,428	324,428	324,428
General Fund - 27.0%	676,682	353,133	353,133	353,133	353,133	353,133	501,525	509,936	509,936	509,936	509,936
<b>Expenditure Subtotal</b>	<b>\$ 1,531,896</b>	<b>\$ 1,530,056</b>	<b>\$ 1,557,502</b>	<b>\$ 1,585,772</b>	<b>\$ 1,614,890</b>	<b>\$ 1,644,882</b>	<b>\$ 1,979,031</b>	<b>\$ 2,025,855</b>	<b>\$ 2,061,600</b>	<b>\$ 2,098,417</b>	<b>\$ 2,136,339</b>
<b>Ending Balance</b>	<b>\$ 5,142</b>	<b>\$ 39,882</b>	<b>\$ 52,318</b>	<b>\$ 36,484</b>	<b>\$ -8,469</b>	<b>\$ -74,944</b>	<b>\$ 199,187</b>	<b>\$ 372,973</b>	<b>\$ 340,343</b>	<b>\$ 303,526</b>	<b>\$ 265,604</b>
Maximum Carryforward - 10.0%	\$ 0	\$ 130,790	\$ 130,790	\$ 130,790	\$ 130,790	\$ 130,790	\$ 185,750	\$ 188,865	\$ 188,865	\$ 188,865	\$ 188,865
<b>Reversion to General Fund</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,437</b>	<b>\$ 184,108</b>	<b>\$ 151,478</b>	<b>\$ 114,661</b>	<b>\$ 76,739</b>

\* For FY 2005, the Board retained 47.2% of total fee revenue, depositing 52.8% in the General Fund.

\*\* Assumes 3.0% increase in General Office expenditures plus \$280,000 for transfer of 5.0 FTE positions in FY 2006, with 3.0% annual increases in FY 2007-2010.

\*\*\* Assumes \$540,000 (87.7%) increase in General Office expenditures in FY 2006, including \$280,000 for transfer of 5.0 FTE positions, with 3.0% annual increases in FY 2007-2010

## ARC 4442B - Attachment B

### Board of Educational Examiners FY 2006 Fee Increases

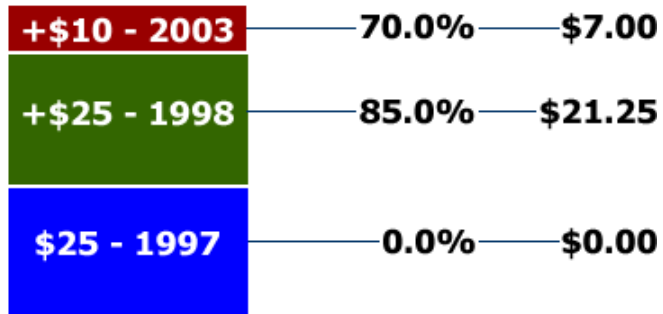
	<u>Previous Fee</u>	<u>New Fee</u>	<u>Increase</u>
Initial License	\$50	\$85	\$35
Standard License	\$60	\$85	\$25
Master Educator License	\$60	\$85	\$25
Substitute License	\$60	\$85	\$25
Provisional Occupational	\$60	\$85	\$25
Occupational Secondary	\$60	\$85	\$25
Statement of Professional Recognition	\$60	\$85	\$25
Administrator License	\$60	\$85	\$25
Evaluator License	\$60	\$85	\$25
Exchange License - Teacher	\$60	\$85	\$25
Exchange License - Guidance	\$60	\$85	\$25
Exchange License - Administrator	\$60	\$85	\$25
Class A License	\$60	\$85	\$25
Class B License	\$60	\$85	\$25
Class C License	\$60	\$85	\$25
Class D License	\$60	\$85	\$25
Class E License	\$125	\$150	\$25
Coach Authorization	\$50	\$85	\$35
Evaluation Fee	\$60	\$60	\$0
Duplicate License	\$10	\$15	\$5
Endorsement	\$50	\$50	\$0
Teacher Intern	\$100	\$125	\$25
Substitute Authorization	\$25	\$40	\$15
Paraeducator Certification	\$25	\$40	\$15
adding areas	\$10	\$15	\$5
Coach Extension	\$10	\$25	\$15
Behind-the-Wheel License	\$25	\$40	\$15
Fines	\$25	\$25	\$0
DCI / FBI Background Check	\$42	\$52	\$10

Board of Educational Examiners

Fee Retention Illustration

**FY 2005 Retention Formula**

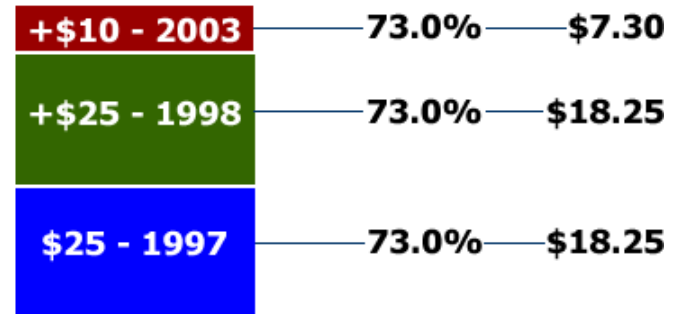
Standard License Fee = \$60



**Total Retained by BOEE — 47.2% — \$28.25**

**FY 2006 Retention Formula  
Before Fee Increase**

Standard License Fee = \$60



**Total Retained by BOEE — 73.0% — \$43.80**