



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**November 18, 2014**

*Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on the LSA website at <https://www.legis.iowa.gov/law/administrativeRules/arrc/fiscalImpact>*

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#### Department of Revenue

#### ARC 1682C

**Rule Summary** Implements an interest rate of 5.0% per annum or 0.4% per month on unpaid, interest-bearing taxes and refunds owed for the 2015 calendar year.

**Agency Stated Authority:** Iowa Code sections [421.14](#) and [422.68](#).

**Fiscal Impact** **Agency Response:** The interest rate has remained steady at 5.0% for the past four years. No fiscal impact is expected for the State, but small businesses may be minimally impacted.

**LSA Response:** The LSA concurs.

#### ARC 1665C

**Rule Summary** Implements rule changes as a result of the enactment of [SF 303](#), that provides for the exclusion for Iowa individual income tax for military retirement pay beginning in the 2014 tax year. These rules also clarify the changes in the tax credit rate for the use of renewable fuels as provided in [SF 2344](#). The following Acts were also implemented:

- [Senate File 2337](#) (Child and Dependent Care Tax Credit Act)
- [Senate File 2359](#) (Economic Development Program Changes Act)
- [House File 2454](#) (Beginning Farmer Tax Credit Act)
- [House File 2459](#) (Emergency Medical Services and Firefighter Tax Credit Act)
- [House File 2468](#) (Adoption Tax Credit Act)
- [House File 2460](#) (Economic Development Appropriations Act)
- [Senate File 2328](#) (Agricultural Development Division of Iowa Finance Act)
- [House File 2438](#) (Revenue Department Technical Act)
- [House File 2473](#) (Standing Appropriations Act)

**Agency Stated Authority:** Iowa Code sections [421.14](#) and [422.68](#).

**Fiscal Impact**

**Agency Response:** The estimated fiscal impact will reduce revenue by \$15.3 million for FY 2015 and \$24.4 million for FY 2016, as noted in the following linked Fiscal Notes and Notes on Bills and Amendments (NOBAs). Some instances lead to small projected impacts on other State and local option revenue.

- [Senate File 303 - Fiscal Note](#) (Military Retirement Pay Tax Exemption Act).
- [Senate File 2337 - Fiscal Note](#) (Child and Dependent Care Tax Credit Act).
- [Senate File 2343 - Fiscal Note](#) (Cogeneration Facilities, Renewable Energy Tax Credit Act).
- [Senate File 2344 - Fiscal Note](#) (Renewable Fuels Incentives Act).
- [Senate File 2359 - Fiscal Note](#) (Economic Development Program Changes Act).
- [House File 2454 - Fiscal Note](#) (Beginning Farmer Tax Credit Act).
- [House File 2459 - Fiscal Note](#) (Emergency Medical Services and Firefighter Tax Credit Act).
- [House File 2468 - Fiscal Note](#) (Adoption Tax Credit Act).
- [House File 2460 - Fiscal Notes](#) (Economic Development Appropriations Act).

**LSA Response:** The following chart displays the estimated fiscal impact of each Act implemented in this rulemaking.

<b>State General Fund Fiscal Impact by Provision</b>					
In Millions of Dollars					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Military Retirement Pay Tax Credit	\$ -2.4	\$ -9.1	\$ -9.5	\$ -9.0	\$ -9.4
Child and Dependent Care Tax Credit	0.0	0.0	-2.6	-2.6	-2.6
Cogeneration Facilities, Renewable Energy Tax Credit	0.0	0.0	-2.0	-5.3	-7.0
Renewable Fuels Incentives	0.0	-2.7	-4.5	-4.6	-1.8
Economic Development Program Changes	0.0	0.0	-2.0	-1.5	-0.9
Beginning Farmer Tax Credit	0.0	-0.1	-0.2	-0.4	-0.7
Emergency Medical Services and Firefighter Tax Credit	0.0	-0.8	-0.8	-0.8	-0.8
Adoption Tax Credit Act	0.0	-0.8	-0.8	-0.8	-0.8
Workforce Development Fund Account	0.0	-1.8	-2.0	-2.0	-2.0
	-2.4	-15.3	-24.4	-27.0	-26.0

**Rule Summary**

**ARC 1666C**

Implements [SF 2340](#) (Solar Energy Tax Credits Act) and [HF 2438](#) (Revenue Department Technical Act) enacted during the 2014 Legislative Session. The amendments reflect the changes to the Solar Energy System Tax Credit for systems installed during tax years beginning on or after January 1, 2014 for individual and corporation income tax as provided by [Senate File 2340 \(Solar Energy Tax Credits Act\)](#). The Act also extends the Solar Energy System Tax Credit to franchise tax on systems installed during tax years beginning on or after January 1, 2014 ([HF 2438](#)).

The Acts increased the annual limit for the existing Solar Energy System Tax Credit from \$1.5 million to \$4.5 million.

**Agency Stated Authority:** Iowa Code sections [421.14](#) and [422.68](#).

**Fiscal Impact**

**Agency Response:** The estimated fiscal impact is \$1.7 million for FY 2015 and \$2.3 million for FY 2016, as noted in the Fiscal Note dated April 6, 2014, available via the link: [https://www.legis.iowa.gov/DOCS/FiscalNotes/85\\_6111SVv1\\_FN.pdf](https://www.legis.iowa.gov/DOCS/FiscalNotes/85_6111SVv1_FN.pdf)

**LSA Response:** The estimated fiscal impact remains the same as published in the April 6, 2014, Fiscal Note.

**ARC 1681C**

**Rule Summary** Amends Chapters 67, 68, and 69 of the Iowa Administrative Code to include specific references to liquefied natural gas to reflect the changes in Senate File 2338. Updates the formula that determines excise taxes on compressed and liquefied natural gas used for transportation. Extends the current method of determining the fuel tax rate on ethanol blended and unblended gasoline, as set by HF 2444, Division III.

**Agency Stated Authority:** Iowa Code sections 17A.3 and 421.17.

**Fiscal Impact** **Agency Response:** While the rules themselves do not have any fiscal impact, related legislation does. House File 2444 is estimated to decrease revenue to the Road Use Tax Fund by \$6.3 million in FY 2015. The estimated fiscal impact matches the end of session fiscal note.

**LSA Response:** The LSA concurs.

**ARC 1664C**

**Rule Summary** Clarifies the list of candy subject to sales and use tax.

**Agency Stated Authority:** Iowa Code sections 17A.3 and 421.14.

**Fiscal Impact** **Agency Response:** The amendment merely changes listed examples of taxable candy. There is no fiscal impact to the State.

**LSA Response:** The LSA concurs.

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**Department of Human Services**

**ARC 1694C**

**Rule Summary** Amends chapters relating to Appeals and Hearings, Granting Assistance, and Promise Jobs:

- Clarifies when benefits or services can continue pending the outcome of the appeal. This chapter was revised based on the implementation of the Affordable Care Act and the rules became effective March 1, 2014. However, it was discovered that the section regarding continuation of benefits or services was unclear and required further definition.
- Updates policies that allow the Department of Human Services (DHS) to implement a new ineligibility period for accessing Family Investment Program (FIP) benefits with an electronic access card at a prohibited location when certain criteria are met to include when an appeal is filed within 10 days of the receipt of the notice implementing the intended action.
- Updates policies that allow the Department to implement a new Limited Benefit Plan (LBP) when certain criteria are met to include when an appeal is filed within 10 days of the receipt of the notice implementing the intended action.
- Revises the time requirement for PROMISE JOBS record retention policy from five to three years.
- Replaces the term General Education Diploma (GED) with High School Equivalency Diploma (HSED).

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- Removes a reference that allowed PROMISE JOBS to void a limited benefit plan when verification of work hours is received within 10 days of the effective date of the limited benefit plan (LBP).

**Agency Stated Authority:** Iowa Code sections 217.6, 249A.4, and 239B.4(6).

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

**LSA Response:** The LSA concurs. Any costs will be handled as part of normal maintenance and updates and the changes to the FIP and PROMISE JOBS programs are not anticipated to have any impact on caseloads.

**Rule Summary**      **ARC 1660C**  
Creates new accreditation standards for crisis response services. Mental Health and Disability Services (MHDS) regions are required to offer basic crisis response services and as funding is available, additional crisis response services are to be provided in the MHDS regions.

**Agency Stated Authority:** Iowa Code sections 225C.6, 331.397, and 2014 Iowa Acts, House File 2379.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 1671C**  
Establishes rules for gathering needed expenditure data to calculate county Medicaid offset. The rules define standards for counties to submit their MHDS expenditure data as required for the Department to calculate Medicaid offset. The rules include a submission date and Department action if a county fails to submit or submits inaccurate data. The Department and representatives of MHDS Regions have met and agreed upon the data to be submitted as required by HF 2463 (FY 2015 Health and Human Services Appropriations Act).

**Agency Stated Authority:** Iowa Code section 225C.6 and HF 2463 section 82.

**Fiscal Impact**      **Agency Response:** This rule addresses the standards for counties to submit agreed upon data so the Medicaid offset can be calculated. Counties are already required to submit MHDS expenditure data with their December 1 annual reports. Counties will now be required to submit some of their FY 2013-2014 expenditure data by September 19 so the DHS can meet the October 15 due date to notify counties of their Medicaid offset.

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 1698C**  
Clarifies the policies and processes of the Iowa Health and Wellness Plan. Amendments include:

- How the Healthy Behaviors Program works.
- How premiums will be charged.
- The medically-exempt determination process.
- The appeals process.
- The standards for Accountable Care Organizations to become Medicaid providers.

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

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<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.  <b>LSA Response:</b> The LSA concurs. There are no changes being made to the Program, only clarification of the current policies and processes.
<b>Rule Summary</b>	<p style="text-align: right;"><b><u>ARC 1707C</u></b></p> Corrects a cross-reference to Board of Educational Examiners rules in DHS rules regarding qualifications of Area Education Agency personnel providing psychological evaluations and counseling or psychotherapy services under the Medicaid program. The current cross-reference is obsolete.  <b>Agency Stated Authority:</b> Iowa Code section <u>249A.4</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.  <b>LSA Response:</b> The LSA concurs.
<b>Rule Summary</b>	<p style="text-align: right;"><b><u>ARC 1696C</u></b></p> Adds requirements for Prior Approval (PA) of high-technology radiology procedures to current prior authorization rules.  <b>Agency Stated Authority:</b> Iowa Code section <u>249A.4</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.  <b>LSA Response:</b> The LSA concurs. The DHS currently requires PA for these types of procedures. The rule change conforms the rules to the current practice.
<b>Rule Summary</b>	<p style="text-align: right;"><b><u>ARC 1699C</u></b></p> Extends the Primary Care Physician (PCP) rate increase required by the Health Care and Education Reconciliation Act of 2010 (HCERA) that sunsets on December 31, 2014, and that allows qualified PCP to receive the greater of the Medicare rate or Medicaid rate for a specified set of codes. The rule will freeze the Medicare rate in effect in 2014. Qualified PCP's will be paid the greater of the annual Medicaid rate or the 2014 Medicare rate for the specified codes.  <b>Agency Stated Authority:</b> Iowa Code section <u>249A.4</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> This change is estimated to increase General Fund expenditures by \$2.6 million in FY 2015 and \$5.2 million in FY 2016. Funding was provided as part of the FY 2015 Medicaid appropriation.  <b>LSA Response:</b> The LSA concurs. The General Assembly sets these rates annually in the Health and Human Services Appropriations Bill.
<b>Rule Summary</b>	<p style="text-align: right;"><b><u>ARC 1697C</u></b></p> Makes changes to Disproportionate Share Hospital (DSH) payments and will: <ul style="list-style-type: none"><li>• Provide that only hospitals in Iowa may qualify for DSH payments.</li><li>• Remove the requirement that a children's hospital must be a voting member of the National Association of Children's Hospitals and Related Institutions and, in turn, only requires that a children's hospital be a member of this association to receive DSH payments.</li></ul> <b>Agency Stated Authority:</b> Iowa Code section <u>249A.4</u> and <u>HF 2463</u> (FY 2015 Health and Human Services Appropriations Act), sections 54 and 65.

**Fiscal Impact**      **Agency Response:** No fiscal impact. These changes will result in the reallocation of DSH funds across hospitals, but the aggregate amount available for DSH payments is not changing.

**LSA Response:** The LSA concurs. Disproportionate Share Hospital payments are funded with 100.0% federal funds.

**Rule Summary**      Clarifies the Department policies and recent rule changes relating to program integrity efforts for providers of medical and remedial care. **ARC 1695C**

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

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

**LSA Response:** The LSA concurs.

**Rule Summary**      Adopts the following changes: **ARC 1683C**

- Replaces the phrase “mental retardation” with “intellectual disability.”
- Adds facilities licensed as Intermediate Care Facility for Persons with Mental Illness (ICF/PMI) to the definition of special population facilities.
- Adds a definition related to provider preventable conditions.
- Clarifies responsibilities for the Level Of Care (LOC) determination process and the Preadmission Screening and Resident Review (PASRR) process, including language requiring a facility to gain a resident's consent for the facility to request a state fair hearing related to a PASRR determination.
- Clarifies policy related to inclusion of certain costs in the nursing facility per diem rate and changes corresponding language for consistency.
- Removes obsolete language related to a Medicaid state plan amendment that never received federal approval.
- Clarifies current policy for payment of reserve bed days to the Iowa Veterans Home in order to maximize federal funding.
- Adds a paragraph to clarify that Medicaid funding is only available to residents of ICF/PMI facilities that are age 65 or older pursuant to federal law. Also adds language prohibiting Medicaid payment for provider preventable conditions as required by federal law.
- Changes the facility's occupancy rate requirement for applicability of family supplementation in a private room from 80.0% to 50.0% and establishes reporting requirements related to this change. This change was mandated in HF 2463 (FY 2015 Health and Human Services Appropriations Act).
- Adds language to prevent facilities from charging residents for days that were not payable by Medicaid due to a provider preventable condition.
- Removes references to obsolete forms and provides updates on procedures that replace the obsolete forms.

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

**Fiscal Impact**      **Agency Response:** The provision prohibiting Medicaid payment for provider preventable conditions may generate minimal savings; the remainder of the rules changes have no fiscal impact.

**LSA Response:** The LSA concurs.

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### ARC 1705C

**Rule Summary** Amends the process for record check evaluations for child care centers and child development homes by using other forms already utilized by the DHS in other programs and makes conforming changes.

**Agency Stated Authority:** Iowa Code section 234.6.

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

**LSA Response:** The LSA concurs.

### ARC 1706C

**Rule Summary** Amends rules to require 30 hours of pre-service training for foster parent and adoptive Native America families serving Native American children instead of specifying an individual program curriculum.

**Agency Stated Authority:** Iowa Code section 237.5A.

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

**LSA Response:** The LSA concurs.

### ARC 1636C

**Rule Summary** Requires Child Development Home providers to maintain accurate and accessible emergency contact information for the children in care.

**Agency Stated Authority:** Iowa Code chapter 237A.

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

**LSA Response:** The LSA concurs.

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## Pharmacy Board

### ARC 1653C

**Rule Summary** Eliminates all references to the now expired extended deadline for national certification for pharmacy technicians and all references to “uncertified pharmacy technicians.”

**Agency Stated Authority:** Iowa Code sections 147.72, 147.107, 155A.6A, 155A.23, 155A.33, and 155A.39.

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

**LSA Response:** The LSA concurs.

### ARC 1652C

**Rule Summary** Permits the delegation of immunization administration by an authorized pharmacist to an authorized pharmacist-intern under the direct supervision of the authorized pharmacist. Provides definitions, requires continued cardiac life support certification, and outlines the actions that this protocol must contain.

**Agency Stated Authority:** Iowa Code sections 147.76 and 155A.6.

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

**LSA Response:** The LSA concurs.

**Rule Summary**

Amendments effectively classify all hydrocodone-containing products in Schedule II of the Controlled Substances Act in conformance with recent changes by the U.S. Department of Justice, Drug Enforcement Administration. The amendments also revise the notification process when a registrant has experienced a theft or loss of controlled substances.

**ARC 1647C**

**Agency Stated Authority:** Iowa Code sections 124.201(4) and 124.301.

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

**LSA Response:** The LSA concurs.

**Rule Summary**

Requires notification to Iowa patients when a nonresident pharmacy intends to cease business in Iowa. Prohibits a nonresident pharmacy from canceling its license as a means of avoiding disciplinary action. Requires a nonresident pharmacy engaged in the compounding of sterile products to comply with rules in 657—Chapter 13 regulating the compounding of sterile products for Iowa patients.

**ARC 1651C**

**Agency Stated Authority:** Iowa Code sections 155A.13A and 155A.19.

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

**LSA Response:** The LSA concurs.

**Rule Summary**

Establishes rules implementing the licensing reciprocity provisions of the Home Base Iowa Act (2014 Iowa Acts, chapter 1116).

**ARC 1641C**

**Agency Stated Authority:** 2014 Iowa Acts, chapter 1116 (Home Base Iowa Act).

**Fiscal Impact**      **Agency Response:** Minimal fiscal impact.

**LSA Response:** The LSA concurs.

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### Department of Education

**Rule Summary**

Permits school districts and accredited nonpublic schools to grant secondary credit to students in 7th and 8th grade for the specific curricular area if the course meets all components listed in subrule 12.5(5). Removes the requirement that the course be in a curricular area of English or language arts, mathematics, science, or social studies.

**ARC 1663C**

**Agency Stated Authority:** Iowa Code section 256.7(5) and Senate File 2230.

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

**LSA Response:** The LSA concurs.



**ARC 1672C**

**Rule Summary** Provides statewide standards and guidance for adult education and literacy programs. Defines the qualifications of staff, professional development, and performance and accountability.

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

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

**LSA Response:** The LSA concurs.

**ARC 1662C**

**Rule Summary** Establishes rules for the Workforce Training and Economic Development Program that provides revenue for each community college to address the Iowa Workforce Development needs. The Program primarily focuses on targeted training and retraining areas of advanced manufacturing; information technology and insurance; alternative and renewable energy; and life sciences.

- The rules specify that 70.0% of funds must be used to support projects in the targeted areas.
- In addition to providing general guidelines for funded projects, the rules also specify several existing programs where the funds may be used, including the Accelerated Career Education (ACE) Program, the Iowa Jobs Training Act (Iowa Code chapter 260F), career academies, the Pathways for Career and Employment (PACE) Program, and the GAP Tuition Assistance Program.
- Any project using more than \$1.0 million in funding requires prior approval by the Board of Education.
- Community colleges must submit annual plans and progress reports for approval by the Board.
- Sanctions for default or noncompliance are specified.

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

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

**LSA Response:** The LSA concurs. The rules implement Iowa Code section 260C.18A. The General Assembly has provided an annual appropriation for this program since FY 2012. For FY 2015, the program received a \$15.1 million appropriation from the Skilled Worker and Job Creation Fund.

**ARC 1673C**

**Rule Summary** Sets requirements for the operation of summer camps, clinics, and coaching contact for out-of-season sports activities. Changes the time period that summertime coaching activities cannot be in conflict with sports in season from “summertime” to specific dates “between June 1, and the first day of fall sports practices.”

**Agency Stated Authority:** Iowa Code chapter 256.7(5).

**Fiscal Impact** **Agency Response:** There is no fiscal impact of this rule.

**LSA Response:** The LSA concurs.

**ARC 1661C**

**Rule Summary** Requires an applicant for a school bus driver's authorization to undergo a biennial physical examination by a certified medical examiner. The examiner must be listed on the National Registry of Certified Medical Examiners instead of a licensed physician or surgeon, osteopathic physician or surgeon, osteopath, qualified doctor

of chiropractic, licensed physician assistant, or advanced registered nurse practitioner.

**Agency Stated Authority:** Iowa Code chapter 285.

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

**LSA Response:** The LSA concurs.

**ARC 1676C**

**Rule Summary** Amends various administrative rules for the Division of Vocational Rehabilitation Services that govern use of federal and state funds for vocational rehabilitation services to persons with mental or physical disabilities that are seeking to obtain or retain employment.

**Agency Stated Authority:** Iowa Code chapter 256.7(5).

**Fiscal Impact Agency Response:** There is no fiscal impact of this rule.

**LSA Response:** The LSA concurs.

**ARC 1675C**

**Rule Summary** Sets standards for the identification of students of Limited English Proficiency and programming to serve the educational needs of such students by Iowa school districts. Requires the Iowa Board Of Education to adopt rules to establish standards for the identification, selection, and use of research-based educational and instructional models for student identified as Limited English Proficient, and to adopt rules to establish standards for the professional development of the instructional staff responsible for the implementation of those research-based educational and instructional models.

**Agency Stated Authority:** Iowa Code chapter 256.7(5).

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

**LSA Response:** The LSA concurs.

**ARC 1674C**

**Rule Summary** Alters the standards and program requirements that all educator preparation programs must meet to be accredited to prepare educators.

**Agency Stated Authority:** Iowa Code chapter 256.7(5).

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

**LSA Response:** The LSA concurs.

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**Department of Inspections and Appeals (DIA)**

**ARC 1701C**

**Rule Summary** Implements changes resulting from 2014 Iowa Acts, HF 2365 (Health Facilities Technical Changes Act), that establishes an informal conference process for elder group homes and adult day services programs in response to the claim of a regulatory insufficiency. The rules mirror those for Assisted Living Programs that

were adopted as a result of the 2013 enactment of SF 394 (Health Care Facility Informal Conference Act).

**Agency Stated Authority:** Iowa Code sections 231B.2(1) and 231D.2(2).

**Fiscal Impact**

**Agency Response:** The fiscal impact cannot be determined. The extent that elder group homes and adult day services providers will take advantage of the informal conference process is unknown. It is unknown as to the number of regulated entities that might receive regulatory insufficiencies and thus wish to participate in an informal conference. Costs to the affected entities are less than those associated with a full, formal appeal process.

**LSA Response:** The LSA concurs.

**Rule Summary**

**ARC 1667C**

Allows Assisted Living Programs to provide respite care services. These updated administrative rules include:

- Amends definitions of “respite care individual” as opposed to “respite care tenant”.
- Limits respite care for an individual to a maximum of 30 consecutive days and a maximum of 60 days per year.
- Does not require additional certification beyond that of an Assisted Living Program.
- Provides for assessment by the program nurse, written directions for staff, the elements of a contract including payment by the responsible person, and involuntary discharge.
- Specifies admission to respite care, length of stay restrictions, and requirements for individuals staying beyond the 30-day limit and becoming tenants if eligible for the Assisted Living Program.
- Prohibits the facility from providing respite care above the level that is approved.
- Provides the DIA the same access to records for review and inspection as the Assisted Living Program.

**Agency Stated Authority:** Iowa Code section 231C.3 (1).

**Fiscal Impact**

**Agency Response:** There is no fiscal impact to the State of Iowa. Assisted living programs that decide to offer respite care services may incur some individual costs in order to provide the service.

**LSA Response:** The LSA concurs.

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**Insurance Division**

**Rule Summary**

**ARC 1710C**

Requires the notification of the Insurance Division of the Department of Commerce regarding the termination of a Navigator Entity’s relationship with Individual Navigators. The rule will be effective November 19, 2014.

**Agency Stated Authority:** Iowa Code sections 505.8(19) and 522D.10.

**Fiscal Impact**

**Agency Response:** There are no fees or expenses attached to the proposed amendment. No fiscal impact is expected as there are no cost changes to impacted parties.

**LSA Response:** The LSA concurs.

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**Iowa Finance Authority**

**ARC 1700C**

**Rule Summary** Adopts two Qualified Allocation Plans (QAP) for the Low Income Housing Tax Credit (LIHTC) Program for 2015. The first plan is for 4.0% tax credits and the second is for 9.0% tax credits, to replace the 2014 QAP that contained the plan for both tax credits. Previously, the Iowa Finance Authority (IFA) included all the rules for the applications in one plan. Application Fees and Change in Application Fees are increased. The QAPs can be viewed at (<http://archive.constantcontact.com/fs197/1102712935862/archive/1117969760440.html>).

The only change to the published rule was to change the cut-off date to incorporate additions to the Internal Revenue Code or its regulations by reference.

**Agency Stated Authority:** Iowa Code section 16.52.

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

**LSA Response:** Minimal fiscal impact. The increased fees will result in an estimated revenue increase of \$10,000 for IFA. The LIHTC Program applications have been decreasing since 2010 and 2011.

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**Professional Licensure Division**

**ARC 1668C**

**Rule Summary** Establishes rules implementing the licensing reciprocity provisions of the Home Base Iowa Act (2014 Iowa Acts, chapter 1116). The rules will establish the same procedure for all 19 boards within the Professional Licensure Division.

**Agency Stated Authority:** 2014 Iowa Acts chapter 1116 (Home Base Iowa Act).

**Fiscal Impact** **Agency Response:** There will be costs for software development of a provisional licensure. These costs have not yet been identified.

**LSA Response:** The LSA concurs that minimal fiscal impact is expected.

**ARC 1680C**

**Rule Summary** Amends the requirement to send a licensure renewal notice to barber practitioners and barber shops to be consistent with legislative changes to Iowa Code section 147.10. Establishes a mentoring program for barber students to provide them with an introduction to operating a barber shop and small business practices.

**Agency Stated Authority:** Iowa Code section 147.10.

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

**LSA Response:** The LSA concurs.

**ARC 1659C**

**Rule Summary** Clarifies the exam requirements for physical therapy applicants that fail the exam. Revises and updates the continuing education requirements for physical therapy and occupational therapy licensees.

**Agency Stated Authority:** Iowa Code chapters 148A and 148B and sections 147.76, 272C.1, and 272C.2.

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

**LSA Response:** The LSA concurs.

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**Public Employment Relations Board**

**ARC 1670C**

**Rule Summary** Adopts three changes:

- Moves two rules governing prohibited practice proceedings to another chapter that governs general hearing procedures.
- Clarifies rules.
- Provides a new rule to implement Iowa Code section 20.11(3). Non-prevailing parties in prohibited practice cases will be charged with the costs of a certified shorthand reporter and any transcript requested by the Board.

**Agency Stated Authority:** Iowa Code section 20.6(5).

**Fiscal Impact** **Agency Response:** Minimal fiscal impact. The rule taxing the costs of a certified shorthand reporter and any transcript requested by the Agency in prohibited practice cases that culminate in a contested case hearing will have a minimal positive fiscal impact on the Public Employment Relations Board (PERB) since the agency has paid the cost of the reporter's time in the past and not been reimbursed by a party. This expense has averaged about \$2,300 per fiscal year over the last two fiscal years. The taxing of the cost of a transcript to the parties will not produce a fiscal impact on the PERB. The PERB has only very rarely ordered a transcript from the reporter. The PERB has purchased only one transcript of a prohibited practice hearing in the last two fiscal years. The average transcript cost per hearing is estimated to be \$675.

**LSA Response:** The LSA concurs.

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**Department of Agriculture and Land Stewardship**

**ARC 1704C**

**Rule Summary** Reduces the number of required low-path avian influenza tests for large turkey and chicken flocks.

**Agency Stated Authority:** Iowa Code chapter 163.

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

**LSA Response:** The LSA concurs.

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Economic Development Authority

**ARC 1692C**

**Rule Summary** Provides financial assistance to the Apprenticeship Training Program to implement HF 2460 (Economic Development Appropriations Act). Provides financial assistance in the form of training grants, loans, forgivable loans, and royalty payments to eligible registered apprenticeship training programs.

**Agency Stated Authority:** Iowa Code section 15.106A.

**Fiscal Impact** **Agency Response:** Expenditures from the Apprenticeship Training Program Fund are estimated to be \$2.8 million in FY 2015 and \$3.0 million in FY 2016. The agency believes the Program will have a positive impact on jobs.

**LSA Response:** The LSA concurs with the estimated fiscal impact.

**ARC 1693C**

**Rule Summary** Implements SF 2339 (Brownfield and Grayfield Tax Credit Restructure Act) and the new Program requirements. The changes allow new entities to benefit and nonprofits to have refundable credits for the first time. Existing Program applicants will be competitively scored for the first time. The rules provide for priority treatment of such applications.

**Agency Stated Authority:** Iowa Code section 15.106A.

**Fiscal Impact** **Agency Response:** There will be full Program demand and the statutory maximum will be reached each year.

**LSA Response:** As stated in the Fiscal Note, the implementation of the Act will result in an estimated negative revenue impact to the General Fund in future years as follows:

- FY 2017 = \$0.5 million
- FY 2018 = \$0.3 million
- FY 2019 = \$0.2 million
- FY 2020 = \$0.2 million
- FY 2021 = \$0.1 million
- FY 2022 = \$0.1 million

In future fiscal years, the \$1.4 million in negative fiscal impact cited above will be offset in whole, or in large part, by reduced tax credit redemptions, as the identified fiscal impact is simply a timing impact.

**ARC 1691C**

**Rule Summary** Implements SF 2359 (Economic Development Program Changes Act) and a new Strategic Infrastructure Program. “Strategic infrastructure” means projects that develop commonly utilized assets that provide an advantage to one or more private sector entities or that create necessary physical infrastructure in the State, and such projects are not adequately provided by the public or private sectors. Such projects may include vertical improvement developments, facilities and equipment upgrades, or the redevelopment or repurposing of underutilized property or other assets, provided that each project is intended to attract additional public or private sector investment and result in broad-based prosperity in the State. The Iowa Economic Development Authority (IEDA) Board is authorized to provide assistance as specified in Iowa Code chapter 15.

**Agency Stated Authority:** Iowa Code section 15.106A.

**Fiscal Impact**      **Agency Response:** The Program allows IEDA to transfer funds from other sources into the new Program Fund. It is estimated that \$5.0 million will be transferred each year to support the Program. The agency believes the Program will have a positive impact on jobs.

**LSA Response:** The LSA concurs with the estimated fiscal impact.

**Rule Summary**      Updates rules for the Iowa Economic Development Regions Initiatives. Changes include adding and revising definitions, revising the application process to be competitive rather than open-window, and making technical corrections. Repeals the transfer of Regions Funding Assistance to the Small Business Development Centers (SBDCs) and the Iowa Business Resource Centers. This summary does not include any amendments to the noticed rule that may be proposed by the IEDA. **ARC 1626C**

**Agency Stated Authority:** Iowa Code section 15E.231 as amended by 2014 Iowa Acts SF 2359 (Economic Development Program Changes Act).

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

**LSA Response:** The LSA concurs. The SBDCs last received Region Funding Assistance from the Grow Iowa Values Fund in FY 2012.

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**Voter Registration Commission**

**Rule Summary**      Permits the use of electronic signatures on file with the Iowa Department of Transportation (DOT) to be used on subsequent online voter registration transactions conducted via the Iowa DOT's website. **ARC 1679C**

**Agency Stated Authority:** Iowa Code sections 47.8, 48A.13, and 17A.4.

**Fiscal Impact**      **Agency Response:** The Iowa DOT plans to complete the development of this service using the DOT's existing programming resources. The DOT has indicated that based on current staffing levels, this project can be completed and implemented by the end of FY 2016 in advance of the 2016 presidential election.

**LSA Response:** The LSA concurs.

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**Labor Services Division**

**Rule Summary**      Adopts by reference changes to the federal Occupational Safety and Health Administration (OSHA) recordkeeping and reporting regulations. The federal change updates the list of industries that are exempt from recordkeeping requirements due to low occupational injury and illness rates. Eliminates the requirement for an employer to report a catastrophe and instead requires an employer to report a work-related hospitalization, amputation, or the loss of an eye. The rules also change the instructions for reporting workplace incidents to the Iowa Division of Labor Services. **ARC 1677C**

**Agency Stated Authority:** Iowa Code section 88.5.

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**Fiscal Impact**      **Agency Response:** No fiscal impact to the Division of Labor. The U.S. Department of Labor estimated the average annual cost for employers newly required to keep records is \$82. This rulemaking will have a net annualized cost of \$9.0 million for employers nationwide.

**LSA Response:** The LSA concurs.

**Rule Summary**      Adopts by reference technical changes to federal OSHA standards for electrical protective equipment and electrical power generation, distribution, and transmission. **ARC 1687C**

**Agency Stated Authority:** Iowa Code section 88.5.

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

**LSA Response:** The LSA concurs.

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### Medicine Board

**Rule Summary**      Requires physicians that prescribe controlled substances to discuss with their patients the effects of their medical condition and the medication use may have on their ability to safely operate a vehicle in any mode of transportation. **ARC 1708C**

**Agency Stated Authority:** Iowa Code chapters 147, 148, and 272C.

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

**LSA Response:** The LSA concurs.

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### College Student Aid Commission

**Rule Summary**      Updates the Commission's address within the procedures for contested cases. **ARC 1684C**

**Agency Stated Authority:** Iowa Code section 261.3.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      Updates the Commission's address and identifies the level of confidentiality or public availability of various types of records. **ARC 1689C**

**Agency Stated Authority:** Iowa Code section 261.3.

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

**LSA Response:** The LSA concurs.

**Rule Summary**      Rescinds Chapters 10, 11, 15, and 19, pertaining to the following obsolete programs: **ARC 1690C**

- Federal Family Education Loan Programs.



- State of Iowa Scholarship Program.
- Iowa Guaranteed Loan Payment Program.
- Accelerated Career Education Grant Program.

**Agency Stated Authority:** Iowa Code section 261.3.

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

**LSA Response:** The LSA concurs.

**Rule Summary** **ARC 1688C**  
Clarifies the definition of financial need under the Skilled Workforce Shortage Tuition Grant Program to be cost of attendance less expected family contribution, federal Pell Grant award, and Iowa Vocational-Technical Tuition Grant award. An award under the Skilled Workforce Shortage Tuition Grant must be at least \$200 per semester and cannot exceed one-half of the average tuition and mandatory fees at an Iowa community college.

**Agency Stated Authority:** Iowa Code section 261.130.

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

**LSA Response:** The LSA concurs. For FY 2015, this Program received an appropriation of \$5.0 million from the Skilled Worker Job Creation Fund.

**Rule Summary** **ARC 1685C**  
Implements changes made to the Rural Iowa Primary Care Loan Repayment Program in SF 2347 enacted during the 2014 Legislative Session. In addition to clarifying terms, the changes:

- Expand the types of federal loans eligible to be repaid to include the Graduate Plus loan and the Perkins loan.
- Allow applicants to apply in the final year of medical school, instead of the first year.

**Agency Stated Authority:** Iowa Code section 261.113.

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

**LSA Response:** The LSA concurs. In FY 2015, the Program is funded by a General Fund appropriation of \$1.6 million.

**Rule Summary** **ARC 1686C**  
Implements changes made to the Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program in SF 2347 during the 2014 Legislative Session. Adopts the following changes:

- Expands the types of federal loans eligible to be repaid to include the Graduate Plus loan and the Perkins loan.
- Permits the participation of additional colleges and universities.
- Allows applicants to apply in the final year of medical school, instead of the first year.
- Specifies that loan repayment will be made in five equal installments, one in each year of the five-year practice obligation.
- Addresses the use of any surplus funds that may be available.

**Agency Stated Authority:** Iowa Code section 261.114.

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

**LSA Response:** The LSA concurs. In FY 2015, the program is funded by a General Fund appropriation of \$400,000.

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**Credit Union Division**

**ARC 1678C**

**Rule Summary**      Modifies and updates the Division's web address. The amendments reflect compliance with federal rules for investments in credit unions, primarily by defining "investment grade" and limiting security holdings based on net worth and issuer, as well as allowing the purchase of "variable rate investments." References to ratings by nationally recognized statistical rating organizations have been removed. The changes to the rule also include amendments to the definitions of "mortgage related" and "small business related" securities.

**Agency Stated Authority:** Iowa Code section 533.107.

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

**LSA Response:** The LSA concurs.

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**Department of Public Health**

**ARC 1669C**

**Rule Summary**      Adopts by reference rules implementing the licensing reciprocity provisions of the Home Base Iowa Act (2014 Iowa Acts, chapter 1116).

**Agency Stated Authority:** 2014 Iowa Acts chapter 1116.

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

**LSA Response:** The LSA concurs.

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**Natural Resource Commission**

**ARC 1703C**

**Rule Summary**      Allows boat dock permittees more flexibility to remove aquatic vegetation without a permit around docks to create boating pathways to open water. Currently, dock permittees can only remove vegetation without a permit after demonstrating that a hazardous or other detrimental condition exists. The current rule also requires the Department of Natural Resources (DNR) to inspect the hazardous or other detrimental conditions before allowing any removal. Allows this exception to take place without the DNR confirming the applicability of the exception. The proposed rule adds flexibility by allowing two exceptions for vegetative removal without a permit:

- Vegetation creates a hazardous or detrimental condition in the boating area around the dock.
- Vegetation covers a minimum of 75.0% of the boating area around the dock.

**Agency Stated Authority:** Iowa Code section 455A.

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

**LSA Response:** The LSA concurs.

**ARC 1702C**

**Rule Summary**      Simplifies fishing regulations by:

- Implements paddlefish fishing regulations on the Missouri and Big Sioux Rivers with the passage of SF 2198 (Paddlefish Licensing Act).
- Protects fishing opportunities and water quality at Clear Lake and Lost Island Lake.
- Moves fishing rules from Chapter 85 to Chapter 81.
- Creates an approved trotline stream segment for the Mississippi River in Allamakee, Clayton, Dubuque, and Jackson Counties.

Changes to rules after the public comment period include:

- Allows anglers to fish for paddlefish on Missouri River tributaries that intersect at Interstate 29 bridges (Interstate 29 runs parallel with the Missouri River).
- Limits an angler to one valid paddlefish fishing license.

**Agency Stated Authority:** Iowa Code section 455A and SF 2198.

**Fiscal Impact**      **Agency Response:** There will be an estimated additional 950 (\$20 each) resident and 50 (\$40 each) nonresident licenses for paddlefish. If all the licenses are sold, there will be an additional \$21,000 generated for the Fish and Game Protection Fund. No additional expenditures are needed to implement the rule.

**LSA Response:** The LSA concurs.

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**Treasurer of State**

**ARC 1709C**

**Rule Summary**      Adds more specific language to guide the State or a political subdivision of the State in developing public funds custodial agreements to prevent the loss of the public funds.

**Agency Stated Authority:** Iowa Code section 12B.10C.

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

**LSA Response:** The LSA concurs.

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