

MEMORANDUM

TO: Administrative Rules Review Committee
 FROM: Fiscal Services Division, Legislative Services Agency
 DATE: April 6, 2004
 RE: Fiscal Impact of Agency Administrative Rules

House File 636 (Legislative Services Agency Consolidation Act) 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). This memorandum provides an overview of the fiscal impact of the rules presented by the agencies for the April 12, 2004 ARRC meeting.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
Administrative Services Department		LSA Contact: Ron Robinson 1-6256
ARC 3212B	Amend and transfer rules of the former Department of Personnel [581], Chapter 13, "Performance Review," and Chapter 20, "Equal Employment Opportunity and Affirmative Action," to the Department of Administrative Services [11], Chapter 62, "Performance Review," and Chapter 68, "Equal Employment Opportunity and Affirmative Action."	No fiscal impact.
ARC 3213B	The purpose of this rule making is to transfer accounting rules, which were formerly under the authority of and adopted by the Department of Revenue and Finance, to the Department of Administrative Services.	No fiscal impact.
ARC 3226B	The purpose of this rule is to consolidate uniform rules on contested cases by rescinding comparable rules of the former Departments of General Services, Personnel, and Information Technology that now comprise the Department of Administrative Services.	No fiscal impact.
ARC 3247B	The purpose of the rule is to update and clarify rules for parking on the Capitol Complex for persons with disabilities, visitors, and employees and to provide for enforcement by the Iowa State Patrol District 16, while moving rules from the chapter previously adopted by the Department of General Services to the Department of Administrative Services.	Fiscal impact is an increase in revenue of \$5,000. Approximately 1,000 parking tickets are issued annually. The fine is being raised from \$5 per violation to \$10. The late payment penalty is being raised from \$10 per late payment to \$20.

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Agriculture and Land Stewardship		LSA Contact: Deb Kozel 1-6767
ARC 3227B	Implements a Scrapie Disease Control and Eradication Program for sheep and goats in Iowa.	Minimal fiscal impact. The USDA covers some program expenses such as providing identification tags for producers. Producers provide labor to identify animals.
ARC 3231B	Reflect changes in current practice and national standards, to allow pitless livestock scales, and to make the moisture meter tolerances technically correct.	Minimal fiscal impact.
Department of Cultural Affairs		LSA Contact: Robin Madison 1-5270
ARC 3228B	Implements the Cultural and Entertainment District Program as authorized by HF 683 and HF 692, enacted in 2003.	Fiscal impact of \$500,000 in FY 2006 and FY 2007. Funding provided in HF 683, enacted in 2003.
ARC 3270B	Clarifies and simplifies rules related to administration and organization of Historical Division.	No fiscal impact.
Department of Economic Development		LSA Contact: Russ Trimble 1-4613
ARC 3215B	The proposed amendments include listing of application review criteria and elimination of the pre-application process for the Community Development Block Grant (CDBG) Program funds.	No fiscal impact.
ARC 3216B	Proposed amendments increase the wage threshold criteria for the Community Economic Betterment Account (CEBA) to equal to or greater than 100.0% of the average county wage or equal to or greater than 100.0% of the average regional wage, whichever is lower. Over 50.0% of the pledged jobs must be at or above the 100.0% level.	Minimal to no fiscal impact as the CEBA program did not receive a General Fund appropriation for FY 2004.
ARC 3217B	Implements legislative changes from SF 441 (FY 2004 Housing Tax Credit Bifurcation Act), 2003 legislative session, regarding the transfer of the state tax credits related to the sale of federal low income housing tax credits.	Fiscal impact of \$200,000 for FY 2004. An appropriation was not provided in SF 441. The impact is absorbed within the existing Program.
Department of Education		LSA Contact: Robin Madison 1-5270
ARC 3264B	Updates existing rules and moves written guidelines, policies, and procedures into rule form.	No fiscal impact.
ARC 3265B	Rescinds Ch. 70, AEA Media Centers, which is now duplicated in Ch. 72, Accreditation Standards for Area Education Agencies.	No fiscal impact.
ARC 3266B	Rescinds Ch. 71, AEA Educational Services, which is now duplicated in Ch. 72, Accreditation Standards for Area Education Agencies.	No fiscal impact.
ARC 3267B	Adds prescribed minimum experiences and responsibilities for student teaching based on Iowa Teaching Standards.	No fiscal impact.

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Educational Examiners Board		LSA Contact: Robin Madison 1-5270
ARC 3256B	Reduces required semester hours for content requirement for driver education endorsement.	No fiscal impact.
ARC 3255B	Combines superintendent and AEA administrator endorsements; modifies requirements to include national standards for school leaders and federal, state, and local fiscal policies.	No fiscal impact to State. Reduces educational costs for superintendents seeking AEA administrator endorsement.
ARC 3257B	Licensure requirements for the new evaluator endorsement or license created as part of the Student Achievement and Teacher Quality Program. The process and fees remain the same as under earlier rules.	No fiscal impact.
Deaf Services Division (Dept. Human Rights)		LSA Contact: Sam Leto 1-6764
ARC 3224B	Makes technical changes for outdated and obsolete language related to locations, services, and programs. Adds the words "hard-of-hearing" to distinguish from the "deaf" groups served. The number of voting Commissioners is changed from 4 to 3. Fees for providing interpreting services are increased.	The fiscal impact is minimal. There is a projected increase in revenues of less than \$4,000 annually.
Environmental Protection Commission (Dept. Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 3222B	Provides a property tax exemption for personal property or improvements to real property for the conversion of wastepaper, waste paperboard, waste plastic or waste wood products into new raw materials or products.	Minimal fiscal impact. The Department estimates the cost for staff time to process the forms at \$2,500 for FY 2005.
ARC 3221B	Emission guidelines and compliance schedule for commercial industrial solid waste incinerators as mandated by the federal Clear Air Act.	Monsanto facility in Muscatine is the only known facility. First year expenditures are estimated between \$500,000 and \$750,000 for emission control equipment and \$50,000 for initial performance testing. Ongoing costs are estimated at \$15,000 per year.
ARC 3223B	Outlines technical definitions for installation of well pumps. Adds the category of certified pump installer contractor to well contractor classifications. Adds a definition for pump services and who is eligible to provide the service. Exempts public water supply operators from the certified pump installer requirements.	Estimates include 800 pump installers initially certified at \$200 each for first year revenue of \$160,000. 480 pump installers will pay the \$200 renewal fee every other year for revenue of \$96,000. Other revenue generated is from payment of the application and examination fee, estimated at \$27,500 in the second year of the two-year certification period. Annual costs to the Department are estimated at \$75,000 per year.
Homeland Security and Emergency Management Division		LSA Contact: Jennifer Acton 1-7846
ARC 3271B and	Amends current rules to further define eligible costs that a wireless service	No fiscal impact. Wireless Service Providers will be able to continue billing to

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ARC 3272B	provider may recover from the Wireless E911 Emergency Communications Fund for providing wireless E911 service. This rule will allow wireless E911 location information to be delivered to 56 of the 127 Public Safety Answering Points in Iowa.	recover Phase I costs but will not be able to bill for Phase II cost recovery.
Department of Human Services		LSA Contact: Sue Lerdal 1-7794, Lisa Burk 1-7942, Jennifer Vermeer 1-4611
ARC 3274B	Eliminates the option of an administrative hearing for patients at the Sexual Predator Commitment Program within the DHS. Would continue the option of appeals regarding treatment options through district court.	The information provided does not indicate the number of administrative hearings that patients within the Sexual Predator Commitment Program file on an annual basis. These hearings would no longer be available so DHS staff time and Attorney General Staff time required would decrease. Additional district court filings made by these patients are expected to increase, which would offset the administrative hearings staff cost savings. Minimal fiscal impact is expected.
ARC 3248B	Extends coverage for Expanded Specified Low-income Medicare Beneficiaries (E-SLMB) in the Medical Assistance Program through September 30, 2004. Federal authorization had expired and has now been extended.	Fiscal impact of \$634,000 for FY 2004. This is 100% federally funded.
ARC 3249B	Under the Medicaid Program, adds coverage for non-emergency transportation of pregnant mothers to Maternal and Child Health Centers. Concerns were raised at the February meeting regarding this rule. The department reviewed the rules and has made clarifying changes and deleted provisions that were obsolete.	Minimal fiscal impact.
ARC 3250B	Clarification of standards that detention and shelter facilities must follow for providing health care and in administering and managing medications for children residing in these facilities. The changes do not initiate new requirements but provide clarification with the goal of providing more consistent care for children residing in these facilities.	No fiscal impact.
ARC 3251B	Revision of independent living foster care rules regarding eligibility criteria, allowing youth who leave foster care at 18 to voluntarily return prior to their 20 th birthday in order to complete their high school education or obtain a GED, lifting cap on service unit for youth 18+, removing cap on amount of time a youth can reside in a cluster arrangement.	State fiscal impact of \$291,000, which would have to be managed by each of the eight DHS service areas within the current funding allocations received for child welfare services. This includes: <ul style="list-style-type: none"> • Cost for increasing the minimum number of face-to-face contacts - \$158,000. • Cost for youth returning before 20th birthday to complete high school education/GED - \$133,000.

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Inspections and Appeals Department		LSA Contact: Doug Wulf 1-3250
ARC 3254B	The proposed rules update changes made by the Iowa Legislature during the past several years, as well as to bring the chapter into compliance with Executive Order No. 8 and recinds the birth centers chapter.	No or minimal fiscal impact.
ARC 3252B	The proposed amendments require long-term care facilities receiving reimbursement through the Medicaid program to assist the Iowa commission on veterans affairs in identifying residents' eligibility or potential eligibility for benefits through the federal department of veterans affairs. The proposed rules also require facilities to seek reimbursement from the Office of Veterans Affairs or other third-party payors prior to seeking reimbursement from the Medicaid program.	The Department is unable to determine the actual costs of this change. It is anticipated that there may be some minimal cost to the regulated entities and the department as a result of these proposed rules. However, the department is unable to calculate the costs, if any, at this time.
ARC 3253B	Permits long-term care facilities to make use of paid nutritional assistants to help residents who require feeding assistance. The rules stipulate the training requirements, testing, etc.	Fiscal impact cannot be determined. Cost-savings to nursing facilities associated with the employment of paid nutritional assistants may offset the expense of using nurses, certified nurse aides, etc., to assist residents. DIA does not believe adoption of the rules will increase the department's costs associated with survey and certification activity.
ARC 3080B	<p>The rules provide for the regulation of electrical and mechanical amusement devices and provide for fees to cover the costs of the regulation expenses of the Departments of Inspections and Appeals and Public Safety.</p> <p>Currently, HF 2563 (FY 2004 Electrical and Mechanical Amusements Devices Bill) is before the General Assembly and may change the requirements for rules. The Bill has passed the House and is now before the Senate.</p>	<p>The department estimates that implementation of the legislation will cost approximately \$72,000 in FY 2004 and \$45,000 in FY 2005. The increased cost for DIA includes one FTE and necessary computer equipment/software to establish and maintain an online registration system.</p> <p>The Department of Public Safety has estimated it will need two FTEs to enforce the provisions of HF 594 at an estimated cost of \$177,000 in FY 2004 and \$144,000 for FY 2005.</p> <p>All manufacturers, manufacturer's representatives and distributors will be required to pay an annual registration fee of \$2,500. It is estimated that there are 45 distributors and two manufacturers who would be impacted by the registration requirements. Registrations would generate approximately \$118,000 per year.</p> <p>Certain amusement devices will have to be registered annually by the owners/operators/distributors at a cost of \$25 per device. It is estimated that there</p>

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		are between 10,000 and 18,000 devices in Iowa subject to registration, which would generate total fee revenues of between \$250,000 and \$450,000 per year.
Iowa Lottery Authority		LSA Contact: Ron Robinson 1-6256
ARC 3273B	On July 1, 2003, the Lottery Division of the Department of Revenue and Finance became the Iowa Lottery Authority, an autonomous instrumentality of the State of Iowa, no longer connected to an executive branch department. Because of the organizational change, the Lottery's former administrative rules are being rescinded and new rules adopted.	Net General Fund revenues from the Lottery are expected to increase by \$8,000,000 during FY 2004. In subsequent fiscal years, the Lottery is anticipating that it will maintain the revenues transferred to the General Fund in FY 2004, if not increase revenues.
Medical Examiners Board		LSA Contact: Lisa Burk 1-7942
ARC 3232B	The proposed amendments change the chapter title to reflect its broader purpose of physician supervision, address when a physician is ineligible to supervise, provide exemptions from the chapter, establish how a physician notifies the Board when supervising a physician assistant, and identifies grounds for discipline in accordance with HF 628 and prior contested cases.	Minimal fiscal impact. Computer changes may result in an estimated cost of less than \$100,000.
Natural Resource Comm. (Dept. Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 3259B	Prohibits the mooring of vessels on riparian property between the hours of sunset and sunrise, where posted by either buoys or official signs of the Department of Natural Resources.	Minimal fiscal impact.
ARC 3260B	Increases the cabin rental fee at Lake Darling and Palisades-Kepler State Parks after the renovation and updating of the facilities. Establishes a new fee for a new cabin #13 which was just constructed at Lake Wapello State Park.	Minimal fiscal impact.
ARC 3258B	Protects private landowners who voluntarily implement conservation measures for listed plant and animal species. If a population of one or more listed species increases during the time a landowner is participating in the landowner incentive program, the landowner will not need to commit resources beyond those in the agreement to maintain the listed species.	Minimal fiscal impact.
Pharmacy Examiners Board (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 3241B	Rules identify individuals required to maintain pharmacy technician registration and provide for the denial of an application for registration in specified circumstances.	Minimal fiscal impact. Requiring health professionals assisting with the technical functions of pharmacy practice to register is expected to impact less than 300 individuals per year. The biennial registration is \$33.00. Authorizing the

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		Executive Secretary/Director to deny an application for registration under specific circumstances may relieve the demand on the Board's time for preliminary review of those applications. However, of the approximate 2,500 applications processed annually, less than 2.0% have been identified to fit the criteria established in this rule.
ARC 3238B	Clarifies the requirements for maintaining confidentiality of patient information as those requirements related to pharmacy technicians.	No fiscal impact.
ARC 3242B	Identifies information required to be included on the label affixed to a prescription drug container dispensed by a pharmacist. The amendment provides for dual identification of the dispensed drug using both a brand name and the generic name pursuant to identified circumstances and criteria.	No fiscal impact.
ARC 3239B	Changes the terms "consent" or "release" to "authorization" in rules relating to the authorization for release of confidential patient information or delivery of patient medications. Requires a pharmacist to wear a visible identification badge when working in a pharmacy.	Minimal fiscal impact of \$10.00 for pharmacists who do not currently have an identification badge.
ARC 3243B	Clarifies the requirements for transmission by an authorized prescriber's agent of a prescription drug order to the pharmacy and prohibits the dispensing of a prescription drug if the pharmacist knows or should have known that the order was issued for other than a legitimate medical purpose, including if the order was issued solely on the basis of an Internet questionnaire or telephone consultation and without a valid pre-existing patient-practitioner relationship.	No fiscal impact.
ARC 3244B	Adds reverse distributors to the list of entities required to maintain registration under the Iowa Uniform Controlled Substance Act.	No fiscal impact.
ARC 3240B	Identifies the information required to be included on the prescription container label of any compounded drug product dispensed by a pharmacy.	No fiscal impact.
ARC 3245B	Clarifies the meaning of a computer-to-computer transmission of a prescription drug order and clarifies that only an authorized prescriber may initiate a computer-to-computer transmission of a prescription drug order.	No fiscal impact

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
Professional Licensure Division (Dept Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 3234B	Dietetic Examiners – The proposed amendments adopt criteria for licensure renewal, applications, and how to obtain, as well as fees associated with duplicate and reissued wallet cards and certificates.	Minimal fiscal impact for licensees, if duplicate cards and certificates are issued.
ARC 3233B	Massage Therapy Examiners – The proposed amendments adopt criteria for the conduct of persons in public meetings, notifying the Board on address and name changes, licensure renewal, licensee discipline, clarifying the education curriculum, how to obtain licenses and duplicates, and fees associated with duplicate and reissued wallet cards and certificates.	Minimal fiscal impact for licensees, if duplicate cards and certificates are issued.
ARC 3214B	Podiatry Examiners – The proposed amendments adopt criteria for the conduct of persons in public meetings, notifying the Board on address and name changes, licensure renewal, licensee discipline, and how to obtain licenses and duplicates, and fees associated with duplicate and reissued wallet cards and certificates.	Minimal fiscal impact for licensees, if duplicate cards and certificates are issued.
ARC 3230B	Speech Pathology and Audiology Examiners – The proposed amendments adopt subrules for criteria for adopting a reissued certificate or wallet cards, fees charged for duplicate and reissued wallet cards and certificates, rescinds former and adopts new licensure renewal rule.	Minimal fiscal impact for licensees, if duplicate cards and certificates are issued.
Department of Public Health		LSA Contact: Lisa Burk 1-7942
ARC 3268B	Increase in fees paid for the shipment of low-level radioactive waste across the State in order to cover the cost of administering the Program in order to meet State and federal mandates to monitor the transportation of these materials.	Net fiscal impact of zero. The fees will be used to administer the Program. The increase in fees for FY 2004 is an estimated \$12,500 and an estimated \$25,000 in FY 2005.
ARC 3263B	Implements a program under Chapter 69 dealing with lead hazard notification to require individuals who perform renovation, remodeling, and repainting of target housing for compensation to provide an approved lead hazard information pamphlet to the owner and occupant of the housing prior to commencing work.	No fiscal impact
ARC 3269B	Implements a program under Chapter 70 dealing with lead-based paint activities to require individuals who perform renovation, remodeling, and repainting of target housing for compensation to provide an approved lead hazard information pamphlet to the owner and occupant of the housing prior to commencing work.	No fiscal impact

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Records Commission		LSA Contact: Robin Madison 1-5270
ARC 3229B	Clarifies procedures for state agencies responsible for governmental records.	No fiscal impact.
Board of Regents		LSA Contact: Mary Shipman 1-4617
ARC 3262B	Eliminates a specific amount for the application fee to attend a Regents university. The current fee stated in rules is \$20.	No fiscal impact to the State General Fund. May increase the application fees that students pay.
Secretary of State		LSA Contact: Douglas Wulf 1-3250
ARC 3220B	If a federal or state court order or any other order extends the time established for closing the polls pursuant to Iowa Code section 49.73, any person who votes after the statutory hour for closing the polls shall vote only by casting a provisional ballot pursuant to Iowa Code section 49.81. Provisional ballots cast after the statutory hour for closing the polls shall be sealed in a separate envelope from provisional ballots cast during the statutory polling hours. The absentee and special voters precinct board shall tabulate and report the results of the two sets of provisional ballots separately.	No fiscal impact.
ARC 3218B	Defines accessible offstreet parking and building access requirements under the Americans with Disabilities Act and Help America Vote Act.	Minimal fiscal impact.
ARC 3219B	Changes made to Iowa Code section 422E.2 in 2003 Iowa Acts, chapter 157, now require the ballot language used in local option sales and services tax elections to be taken from the motions or petition requesting the election. These amendments prescribe forms for petitions and motions requesting elections regarding local option sales and services taxes for school infrastructure. The purpose of the amendments is to provide a uniform structure for the sources of ballot language for these elections.	No fiscal impact.
Department of Transportation		LSA Analyst: Mary Beth Mellick 1-8223
ARC 3235B	New rule to adopt changes to the Federal Motor Carrier Safety Regulation and Hazardous Materials Regulations in various sections of Title 49, Code of Federal Regulations (CFR).	The fiscal impact cannot be determined. The proposed federal regulatory changes may impact motor carrier recordkeeping documentation, equipment procurement, and retrofitting of parts on vehicles or containers. The visual inspection process required by regulatory changes could impact the time required by a driver or carrier to inspect containers and equipment.

Rule	Rule Summary	Fiscal Impact Analysis
ARC 3211B	The Code of Federal Regulations (CFR) was updated in October 2003, and the DOT updated the rules to cite the current version.	No fiscal impact.
Utilities' Division (Dept. of Commerce)		LSA Analyst: Ron Robinson 1-6256
ARC 3225B	The Utilities Board proposes to repeal the exemptions from the filing requirements for reorganizations entered into by public utilities upon acquisitions outside the United States by a public utility.	No fiscal impact to the State. The repeal of this exemption could require some public utilities to expend resources to file proposals for reorganization involving acquisitions outside of the United States where now they do not have to make such a filing. The only public utility to use the exemption, Aquila, Inc., has decided that it should no longer seek acquisitions outside of the United States.
Commission on Volunteer Service		LSA Analyst: Russ Trimble 1-4613
ARC 3246B	Revisions to board processes, including quorum requirements and the appeals process.	No fiscal impact.

Please contact the LSA analyst listed for each rule, Jennifer Vermeer (281-4611), or Tim Faller (281-4615) if you have any questions.

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