

MEMORANDUM

TO: Administrative Rules Review Committee
 FROM: Fiscal Services Division, Legislative Services Agency
 DATE: January 2, 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 January 6, 2004 ARRC meeting.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
Accountancy Examiners Board (Dept. Commerce)		LSA Contact: Ron Robinson 1-6256
ARC 3049B	The proposed amendments implement the transition from pencil and paper to computerization of the Uniform National Examination for Certified Public Accountants beginning in April 2004. The proposed amendments allow a range of fees rather than a set fee to cover the cost of examination to the candidate.	No fiscal impact to the State.
Administrative Services Department		LSA Contact: Ron Robinson 1-6256
ARC 3036B	The purpose of this proposed rule making is to transfer nine chapters of personnel rules to the new agency identification number 11 for the new Department of Administrative Services.	No fiscal impact.
ARC 3063B & 3066B	This action transfers rules on offset of payments owed to persons and entities with liabilities owed to State agencies from the Department of Revenue and Finance to the Department of Administrative Services, pursuant to HF 534 (Department of Administrative Services Act).	No fiscal impact.
ARC 3065B	The purpose of this proposed rule making is to transfer rules of the former Department of Personnel, "Employee Organization Dues;" to the Department of Administrative Services, "Employee Organization Dues;" in compliance with statutory changes enacted by HF 534 (Department of Administrative Services Act).	No fiscal impact.
Attorney General		LSA Contact: Beth Lenstra 1-6301
ARC 2993B	Quarterly escrow installments from	Minimal fiscal impact.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	particular non-participating manufacturers. Enforcement of Iowa's tobacco laws.	
College Student Aid Commission (Dept. of Education)		LSA Contact: Mary Shipman 1-4617
ARC 2988B	Osteopathic Physician Recruitment Program	No fiscal impact.
Credit Union Division (Dept. Commerce)		LSA Contact: Ron Robinson 1-6256
ARC 2985B	The rules establish the requirements for the conversion of an Iowa-chartered credit union to another charter type. The rules apply to all State-regulated credit unions and will require full disclosure to credit union members of the intentions of the credit union board of directors.	Fiscal impact cannot be determined. Credit unions are required to support the operation of the credit union division through payment of annual fees. The annual fee for each credit union is calculated on the December 31 asset figure. In addition, the credit unions pay a monies and credit tax to the state. If a credit union converts to another charter type, the impact will be a loss of that credit union's annual fee that will be distributed amongst the remaining credit unions. There will also be a loss of State monies and credit tax and State sales tax. Until a credit union submits intent to convert there is no way of determining the actual impact.
Dental Examiners Board (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 3041B	Adopts a new definition of public health supervision that would permit the provision of dental hygiene services in certain public health settings with contracted supervision of a dentist prior to a dental exam.	The change may increase access to services by both Medicaid eligible and other low-income clients for preventive dental services, such as screening, prophylaxis, and sealants. However, the increase cost of providing these preventive services to a larger population may be offset by future Medicaid savings due to a decrease in restorative dental services. Funding has not been provided for this rule change and estimated future savings cannot be determined. For FY 2004, it is estimated that the change may result in a need for an increase ranging from \$216,000 to \$432,000 in State General Funds for Medicaid. In FY 2005, it is estimated that an additional \$454,000 to \$908,000 in State General Funds for Medicaid may be needed.
Department of Economic Development		LSA Contact: Russ Trimble 1-4613
ARC 3029B	Incorporates changes enacted during the 2003 legislative session (HF 692 and HF 683). The amendments to chapter 7 add two new components - job retention and projects funded with monies from the Grow Iowa Values Fund. The amendments to chapter 20 add new rules applicable to projects funded with monies from the Grow	These are existing programs so there is no new fiscal impact. The fiscal impact related to projects funded with Grow Iowa Values Fund moneys are accounted for in the fiscal impact statement below for ARC 3028B.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	Iowa Values Fund.	
ARC 3028B	Implements 2003 Acts HF 692 and HF 683. Establishes a new chapter 9 for the Workforce Training & Economic Development Funds at the community colleges; how funds are made available to the colleges; defines allowable costs and establishes reporting requirements for projects involving Grow Iowa Values Fund monies.	The fiscal impact is \$5.0 million for FY 2004, which is the amount appropriated in HF 683 (Grow Iowa Values Fund Act). Of the \$5.0 million impact for FY 2004, it is estimated that \$250,000 will come from the General Fund and \$4.8 million will come from federal funds. For FY 2005 the fiscal impact will be \$5.0 million with \$1.9 million coming from the General Fund and \$3.1 million coming from federal funds.
ARC 3033B ARC 3031B	Raises the ceiling for grants made under the job creation, retention and enhancement set-aside portion of the program and raises the threshold for wages to 100.0% of the average county or regional wage. The annual allocation for this program is also raised from 20.0% to 25.0% of the CDBG allotment.	Increases the allocation of federal funds by approximately \$7.8 million for this purpose.
ARC 3026B	Implements the Endow Iowa Grants program as authorized by 2003 Iowa Acts HF692 and HF683. The rules establish application procedures, evaluation criteria, form of award, and establishes the contractual and compliance components of the program.	The fiscal impact is \$250,000 for FY 2005, which is the amount appropriated in HF 683 (Grow Iowa Values Fund Act). Of the \$250,000 impact, it is estimated that \$95,000 will come from the General Fund and that \$155,000 will come from federal funds. For FY 2006 and FY 2007, \$250,000 and \$500,000 are appropriated respectively for this purpose.
ARC 3027B	Implementation of the Endow Iowa Tax Credit Program as authorized by 2003 Iowa Acts HF 683. Rules establish application procedures and evaluation criteria, form of award, and establish the contractual and compliance components of the program.	The fiscal impact is \$250,000 for FY 2005, which is the amount appropriated in HF 683 (Grow Iowa Values Fund Act). Of the \$250,000 impact, it is estimated that \$95,000 will come from the General Fund and that \$155,000 will come from federal funds. For FY 2006 and FY 2007, \$250,000 and \$500,000 are appropriated respectively for this purpose.
ARC 3032B ARC 3030B	Proposed amendments increase the wage threshold criteria for the Community Economic Betterment Account (CEBA) to equal to or greater than 100.0% 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 fiscal impact as the CEBA program did not receive a General Fund appropriation for FY 2004.
ARC 3035B	Implements changes from the 2003 legislative session regarding the transfer of the state tax credits related to the sale of federal low income housing tax credits.	No fiscal impact. This is a legislative mandate from SF 441 (FY 2004 Housing Tax Credit Bifurcation Act). Senate File 441 does have an impact of approximately \$200,000 for FY 2004. This impact was reflected in ARC 2719B in the October Administrative Rules Committee meeting.
ARC 3034B	Implements the Loan and Credit Guarantee Program as authorized by HF 683 (FY 2004 Grow Iowa Values Fund Act) Section	The fiscal impact is \$2.5 million for FY 2004 and \$5.0 million for FY 2005. These are the dollar amounts appropriated for this

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	69 and HF 692 (FY 2004 Taxation Changes, Grow Iowa Values, and Regulatory Reform Act) Sections 101-106. Rules establish application procedures, evaluation criteria, form of award and establish the contractual and compliance components of the Program.	purpose in HF 683 (FY 2004 Grow Iowa Values Fund Act).
Education Department		LSA Contact: Robin Madison 1-5270 Dwayne Ferguson 1-6561
ARC 2994B	Increases the administrative fee charged to persons enrolled in an out-of-state drinking drivers course as a result of an Iowa court order. The fee for persons attending both in-state and out-of-state courses has been \$10. The rule change increases the fee to \$25 for out-of-state drivers. The fees defray the Department's cost of reviewing and approving the courses.	Approximately 700 to 800 of Iowa's drinking drivers enroll in out-of-state courses each year. Additional annual revenue to the Department of Education generated by the fee increase is estimated to be \$12,000. There is no additional cost to implement the rule change.
ARC 3025B	These rules have been withdrawn and replaced by ARC 2999B below.	No fiscal impact to the State.
ARC 2999B	Replaces ARC 3025B above. Provides expectations for school district professional development including standards, provider requirements, and career development plan expectations.	No fiscal impact to the State. The impact to local school districts will vary but should not be significant statewide.
ARC 2995B	Establishes procedures for funding educational services for children residing in the Department of Human Services (DHS) Mental Health Institutes at Cherokee and Independence, the Iowa Juvenile Home at Toledo, and the State Training School at Eldora. Funding from the State Foundation Aid appropriation will be allocated to the institutions using a formula similar to the Iowa School Foundation Aid Formula.	This rule has no impact on the General Fund. Approximately \$3.4 million will be transferred from the State Foundation Aid appropriation to the DHS institutions for children's education. The school districts will be able to restore the \$3.4 million by levying local property taxes. During the FY 2004 appropriation process, the DHS institutions budgets were reduced by \$2.8 million, yielding a savings of that amount to the General Fund. This reduction is more than offset by the transfer of State Foundation Aid to the DHS educational budgets for a net increase of \$534,000.
ARC 2996B	Adopts Chapter 47 for Career Academies and provides for alignment of high school and community college coursework to prepare individuals for entry into high-skill technical careers.	The permitted uses of the Workforce Training and Economic Development Fund were expanded to include career academies. It is estimated that four community colleges will develop career academies in FY 2004 at a cost to the Fund of \$453,000. Three more academies will be added in FY 2005, bringing the total cost to \$594,000.
ARC 2997B	Amends Chapter 97 regarding regional academies to change the eligible grade range from 7-12 to 9-12, sets a minimum weighting of 10 additional students for a school district hosting a regional academy, and caps statewide funding by providing a method of prorating statewide funding if the	No fiscal impact.

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	supplementary weighting costs exceed \$1.0 million.	
ARC 2998B	Amends Chapter 68 dealing with charter schools to establish the criteria and a point-weighting system for the State Board of Education to select up to ten public charter school sites.	The Department of Education received a U.S. Department of Education Charter School Grant providing up to \$1.1 million in the first year, \$1.3 million in the second year, and \$1.8 million in the third year. The Department estimates five charter schools will be established in the first year and receive planning funds of \$75,000 each, for a total cost of \$375,000. Another five schools will be established in the second year, receiving planning funds of \$75,000 each, while the first five schools will receive \$150,000 each for implementation, for a total cost of \$1.1 million.
Department of Elder Affairs		LSA Contact: Lisa Burk 1-7942
ARC 3002B	The proposed provisions create a new chapter relating to the certification and regulatory oversight of adult day service programs.	There are currently an estimated 180 assisted living programs in the State and it is anticipated there are an estimated 80 adult day service programs that will require certification. Currently, the total amount appropriated for these oversight activities is \$993,000, which includes \$800,000 and 6.0 FTE positions from the Senior Living Trust Fund and \$193,000 in fees that were generated from assisted living certifications in previous fiscal years to use for oversight activities in FY 2004. For FY 2005, the Department of Inspections and Appeals requested the \$800,000 and 6.0 FTE positions from the Senior Living Trust Fund, which is no change compared to estimated net FY 2004. House File 675 (FY 2004 Elder Group Home and Assisted Living Regulation Act) required that future funds from certification fees be deposited into the General Fund. If the fees are to continue to be used for assisted living and adult day service program oversight, the General Assembly will have to appropriate the fees to the Department. It is estimated that up to \$100,000 in fees will be deposited into the General Fund in FY 2004.
ARC 3001B	The proposed provisions relate to the certification and regulatory oversight of assisted living programs.	
ARC 3000B	The proposed provisions relate to the monitoring, civil penalties, complaint procedure and investigation of adult day services and assisted living programs. <i>The Department of Public Safety (DPS) is also promulgating a companion set of rules relating to life safety and fees associated with these inspections. For more information, see fiscal impact information provided for ARC 2983B in the DPS section of this document.</i>	
Environmental Protection Commission (Department of Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 3006B	Adds a new small unit exemption for air construction permitting requirements.	Facilities will save approximately \$300 per permit application.
ARC 3005B	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.

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ARC 3007B	Adds demolished buildings to the rules for controlled open burnings for the Department of Natural Resources (DNR).	<p>Ongoing costs are estimated at \$15,000 per year.</p> <p><u>Impact to cities and counties:</u> Estimate 100 buildings burned per year, for annual savings of \$250,000:</p> <ol style="list-style-type: none"> 1. Cities will need to maintain records and other administrative duties with an estimated cost of \$300 per building. 2. Estimated demolished building removal is \$8,600 and the open burning cost is \$5,900 per building. The net savings of \$2,700 per building less the \$300 administrative cost will provide a net savings of \$2,400 per building or \$250,000 per year. 3. Approximately 30.0% of demolished building cannot be burned (asbestos) and must be disposed at the landfill. <p><u>Impact to the DNR:</u> Cost to the DNR is 1.00 FTE position with a cost of \$45,000 per year. Funding is 60.0% federal and 40.0% General Fund and is included in current budget.</p> <p><u>Impact to others:</u></p> <ol style="list-style-type: none"> 1. Possible health risks from burning demolished buildings. Increased expenditures cannot be quantified. 2. Potential revenue diversion from private or municipal landfills as only a portion will be taken to the landfill. Estimated cost for a building disposal is \$1,500. If burned only 30.0% or \$450 will go to the Landfill with a revenue loss of \$1,050 per building. Total loss is \$105,000 to landfills. 3. Potential revenue loss to demolition contractors. Estimated removal cost is \$3,825 per building. Only 30.0% of a burned building would need to be removed with a loss of revenue of \$2,677 per building or \$267,700 for 100 buildings.
ARC 3008B	Reauthorization of the General Number 4 National Pollutant Discharge Elimination System (NPDES) Permit for five years. This permit authorizes discharge from private onsite wastewater systems.	Minimal fiscal impact to DNR as the rule reauthorizes a federal program. May have impact on small business.
Ethics and Campaign Disclosure Board		LSA Contact: Sam Leto 1-6764
ARC 3048B	Clarify procedural requirements for filing voluntary disclosure reports and provide exception from reporting requirements.	No fiscal impact. Amendment considered technical cleanup to current rule.
ARC 3046B	Corporate contributions prohibitions do not apply to an incorporated media	No fiscal impact. There is no requirement for fees or to expend additional funds.

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	organization that hosts a candidate debate when at least two or more candidates are invited to participate.	
ARC 3047B	New Chapter on the use of public resources for a political purpose. This chapter reflects Board policies and practices from past years.	No fiscal impact.
Department of Human Services		LSA Contact: Sue Lerdal 1-7794, Lisa Burk 1-7942, Jennifer Vermeer 1-4611
ARC 3022B ARC 3021B	Implements the Nursing Home Quality Assurance Fee upon approval by the federal government, as required by HF 619 (Medicaid Cost Containment Act). Federal approval has not yet been received.	The fiscal impact to the state is an increase in revenue to the Senior Living Trust Fund of approximately \$20.0 million in FY 2004. In addition, Medicaid payments to nursing facilities will increase by \$11.3 million in State funds in FY 2004. The net impact to the state is a gain of \$8.7 million to the Senior Living Trust Fund for FY 2004.
ARC 3017B	Expands the Family Investment Diversion Program statewide.	Fiscal impact is an increase in FIP Diversion expenditures of \$512,000, and \$769,000 in avoided costs in FIP cash assistance payments. The net fiscal impact to the State is a cost avoidance or savings of \$257,000 in federal Temporary Assistance to Needy Families funds in FY 2004. The full savings are annualized in FY 2005, for a total of \$514,000 in avoided costs.
ARC 3024B ARC 3023B	Passes on cost of living increases in the State Supplementary Assistance categories effective January 1, 2004 (except Residential Care Facilities and In-Home Health Related Care). Implements HF 667 (Health and Human Services Appropriations Act).	Fiscal impact of \$40,000 cost to State funds in FY 2004.
ARC 3019B	Decreases the maximum reimbursement rates for in-home health related care (IHHRC) and residential care facility (RCF) care by 4.59% (IHHRC) and 4.57% (RCF) on 2/1/2004. The reimbursement rate decrease was initially set at 6.0%. HF 667 (Health and Human Services Appropriations Act) directs DHS to make rate adjustments necessary to remain within the appropriation.	The fiscal estimates have changed based on the availability of additional expenditure data. The State Supplementary Assistance Program was originally projected to be \$639,000 over budget for FY 2004 due to increased usage of IHHRC and RCF programs. The revised shortfall projection is \$363,000 for FY 2004. The original rate reduction was 6% for IHHRC and RCF for a savings of \$754,000. The rule change now decreases the maximum reimbursement rates by 4.59% for IHHRC and 4.57% for RCF for an estimated savings of \$408,000 for FY 2004 compared to the revised shortfall estimate of \$363,000.
ARC 3018B	Eliminates monthly reporting for the Food Assistance Program and replaces it with	The estimated cost of system changes is \$16,000. Iowa will receive additional

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	certification for 12 months with one interim report at six months ("simplified reporting"). They will be required to report separately in their income increases to above the maximum allowed under the program.	federal benefits of \$306,000. Savings due to no longer mailing the monthly forms is estimated at \$82,000. The net impact is estimated to be \$244,000 in FY 2004.
ARC 3020B	Implements the Preferred Drug List (PDL) pursuant to HF 619 (Medicaid Cost Containment Act). The rules expand the prior authorization requirements.	<p>Original estimated fiscal impact: The estimated net impact is a savings of \$5,450,000 federal funds and \$2,727,000 state funds. This reflects the net impact of the increased revenues and reduced expenditures after the administration costs are taken into account for six-months of operation in FY 2004. The annual net impact would be \$10.8 million federal funds and \$7.0 million State funds in FY 2005.</p> <p>Revised estimate: Since the last ARRC action on this rule, DHS has terminated its contract with the fiscal agent for the PDL. DHS plans to issue a new Request for Proposal in January, with a revised start date of March 1, 2004. If the new contractor is able to begin operating on March 1, 2004, the estimated FY 2004 savings may be half of the original estimate, or approximately \$1.35 million.</p>
Insurance Division (Dept. Commerce)		LSA Contact: Ron Robinson 1-6256
ARC 2992B	Implements the provisions of 2003 Iowa Acts, HF 599 (Iowa FAIR Plan), which applies retroactively to October 7, 1968, to validate action taken under the Iowa basic property insurance inspection program. Establishes procedures and requirements for a mandatory risk-sharing facility for basic property insurance coverage, as well as improve reasonable loss prevention measures. Formalizes the operations and procedures of the FAIR Plan and its Governing Committee.	No fiscal impact to the State.
ARC 3052B	The amendments provide technical corrections and guidance to insurers.	No fiscal impact to the State.
ARC 3053B	These amendments recognize, permit and prescribe the use of the 2001 CSO Mortality Table in determining the minimum reserve liabilities and non-forfeiture benefits. The table reflects increases in life expectancy since the adoption of the 1980 CSO Mortality Table.	Adoptions of the 2001 CSO Mortality Table will not increase costs to the State or companies authorized to do business in Iowa.
ARC 3054B	This new rule provides guidance to various insurers and fraternal benefit societies for statements of actuarial opinion and supporting memoranda. The changes are proposed to adopt the	No fiscal impact to the State.

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	current version of the regulation as adopted by the National Association of Insurance Commissioners	
Inspections and Appeals Department		LSA Contact: Doug Wulf 1-3250
ARC 2987B	The proposed rules require long-term care facilities participating in the Medicaid program to assist the Iowa Commission on Veterans Affairs in identifying those residents eligible for benefits through the federal Veterans Administration. The proposed rules also require facilities to seek reimbursement from the VA or other third-party payors prior to seeking reimbursement from the Medicaid program.	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. Possible savings to the Medicaid program if veterans are able to delay eligibility for Medicaid by accessing veterans' benefits. The savings cannot be quantified. Compliance with the requirement will occur as part of the routine resident records review during the survey or investigation.
ARC 2986B	Allows certain federally tax exempt organizations to have bingo games without obtaining a license if certain requirements are met.	No fiscal impact.
Law Enforcement Academy		LSA Contact: Jennifer Acton 1-7846
ARC 2978B	Establishes the personal standards for Iowa reserve peace officers.	<ul style="list-style-type: none"> • There are approximately 2,000 reserve peace officers in Iowa. Currently, only those reserve officers who carry weapons are required to submit forms for record purposes. Each agency adding a reserve peace officer after the effective date will be required to submit forms that ILEA staff will manage for record purposes. The Academy is estimating that an additional part-time person would need to be hired at approximately \$20,000 per year. • The cost for agencies that currently do not have personal standards for reserve officers is estimated between \$350 and \$400 per person. The 2,000 current reserve officers would be grandfathered in. The number of new reserve officers required to meet the new personal standards cannot be determined. The individual reserve peace officer may be asked to fund the costs of meeting the hiring standards. Costs could vary from agency to agency. The fee will go to whichever agency is conducting the personal standards training.
Department of Management		LSA Contact: Ron Robinson 1-6256
ARC 3040B	These rules establish the procedures used by the Local Government Innovation Fund	The fund contains \$975,000 of which up to 20% may be awarded as grants or

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	Committee for application review and grant and loan awards and ensure that the proceedings of the Committee are conducted in an orderly manner.	<p>forgivable loans. The remaining portion of the money is to be disbursed as loans to local governments at an equitable interest rate to be repaid within 5 years. At the end of the 5-year term, the fund will contain \$914,000.</p> <p>The rules allow additional loans to be made by the committee from the fund as the fund matures. These estimates do not include any interest earned on money held by the State Treasurer.</p> <p>There would be a minimal fiscal impact to the Department of Management and staff time. The seven member committee that award the loans and grants would be eligible for compensation and reimbursement of expenditures as defined in Section 7E.6, Code of Iowa.</p>
Board of Medical Examiners (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 3044B	Amendments update “foreign medical school” to “international medical school,” and the “Directory of World Health Organization” to the “International Medical Education Directory.” In addition, an amendment clarifies the Board’s position on Board-approved resident training programs in the State.	No fiscal impact.
ARC 3045B	The proposed amendments establish new standards of practice and principles of medical ethics.	No fiscal impact.
ARC 3043B	The proposed amendments require an acupuncturist to be a diplomate in acupuncture or oriental medicine from the National Certification Commission for Acupuncture and Oriental Medicine after June 1, 2004.	No fiscal impact.
ARC 3042B	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 the 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 Resources (Dept. Natural Resources)		LSA Contact: Deb Kozel 1-6767
ARC 3013B	Defines “retail” and “wholesale” activities with regards to Bait Dealer Licenses.	No fiscal impact.
ARC 3015B	<p>Makes the following changes to State Park Rules:</p> <ol style="list-style-type: none"> Increases the day-use lodge rental and group camp dining fee at Lake Keomah 	Minimal fiscal impact.

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	<p>State Park.</p> <p>2. Adds a lower weekday rental fee for all day-use lodge rentals.</p> <p>3. Clarifies fee language for day-use only classroom, library, and attendance at the Conservation Education Center.</p> <p>4. Establishes beach opening/closing times at the Brushy Creek State Recreation Area.</p> <p>5. Adds an area of Elk Rock State Park to the after-hours fishing category.</p>	
ARC 3014B	Removes the bobcat from the threatened species list.	No fiscal impact.
ARC 3011B	Establishes panfish bag limits, special walleye/sauger regulations, and three seasonal closed areas on the Mississippi River as well as a 15-inch minimum size limit on walleye at Viking Lake.	No fiscal impact.
ARC 3010B	Removes shovelnose sturgeon from the permission catch list on the Missouri River and adds silver carp to that list.	No fiscal impact.
ARC 3012B	Establishes limits for taking mussels with a sport fishing license.	No fiscal impact.
ARC 3009B	Allows nonresident deer hunters to purchase licenses online from DNR web site. Restricts arrow length for archery deer hunting.	Minimal fiscal impact.
ARC 3016B	Removes restriction on archery equipment used for wild turkey hunting. Specifies hunting seasons, bag limits, etc. for spring wild turkey season.	Minimal fiscal impact.
Board of Nursing (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 3055B	Eliminates the requirement to notify the Board of the rearrangement of the sequence of courses and consolidates three sections of rules requiring program reports to the Board.	No fiscal impact.
ARC 3056B	Establishes a set amount for the Advanced Registered Nurse Practitioner (ARNP) registration fee and eliminates the fee that changed based on the length of the registration.	Minimal fiscal impact. It is estimated that the change will result in a \$1,500 increase in revenue for the General Fund per year. Approximately 83.0% of renewals are now three years in length. Seventy ARNPs may pay an additional \$21.00 per year.
Iowa Public Employees' Retirement System		LSA Contact: Ron Robinson 1-6256
ARC 3003B	The proposed amendments limit the lump sum death benefit to the Internal Revenue Code maximum amount; streamline procedures for locating and paying the death benefit to a deceased member's heirs-at-law; align the refund rules with the retirement rules with respect to required periods of severance for certain elected officials; define the period for which retroactive payments may be paid for	<p>No fiscal impact to the State.</p> <p>The rule impacting the lump sum death benefits for all deaths occurring after January 14, 2003, is being adopted primarily to protect IPERS' tax qualified status under the federal Internal Revenue Code. The amendment does not have an actuarial significant fiscal impact on the system. However, it will be of some</p>

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	regular disability applicants; eliminate the restoration of wage records by quarters for refund buy-backs; define the time period for valid cost quotes for service purchases; delineate the responsibilities and procedures for obtaining service purchase cost quotes; eliminate special procedures for refund buy-backs; and make minor changes as prescribed by the legislature.	significance to affected IPERS beneficiaries and will be a cost savings item for the IPERS system. If the proposed amendment had been in effect for pre-retirement deaths beginning in January 2003, the 100x limit would have reduced IPERS death benefit payments by an amount in excess of \$1.8 million.
Department of Public Health		LSA Contact: Lisa Burk 1-7942
ARC 2979B	<p>The amendment outlines the process for reporting to the Department suspected or confirmed cases of quarantinable and other diseases that carry serious consequences or spread rapidly, as well as reporting procedures for common source epidemic or disease outbreaks of unusual numbers or under unusual circumstances.</p> <p>In addition, the amendment outlines the necessary assistance from health care providers, public, private, or hospital clinic laboratories in gathering information to conduct investigations and surveys of reportable diseases.</p> <p>The amendment also provides for the provision of examination, testing, and treatment of an individual or contact with a suspected or active quarantinable disease and outlines the provision, conditions, and principles for quarantine or isolation of individuals or groups of individuals with suspected or active disease.</p>	Fiscal impact cannot be determined. In the event of a bioterrorist attack that uses some form of biological agent causing the rapid spread of an infectious or communicable disease, or in the event of a non-bioterrorist attack due to an epidemic such as SARS or Pandemic Influenza, the cost of detection, containment, treatment, and mitigation could be significant.
ARC 2981B	The proposed chapter provides guidelines for birthing hospitals, birth centers, physicians, and other health care professionals for the screening of newborns for hearing loss. In addition, the rules facilitate the transfer of data regarding the hearing screens to the Department to enhance the capacity of agencies and practitioners to provide services to children and families.	Minimal fiscal impact.
ARC 2980B	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 as 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.
Professional Licensure Division (Dept. Public Health)		LSA Contact: Lisa Burk 1-7942
ARC 3039B	Physical and occupational therapy examiners – Technical changes related to the conduct of persons who attend public	Minimal fiscal impact.

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	meetings, name or address changes, and issuing duplicate license certificate or wallet card. Also, new practice and discipline chapters are adopted.	
ARC 3038B	Physical and occupational therapy examiners - Technical changes related to the conduct of persons who attend public meetings, name or address changes, and issuing duplicate license certificate or wallet card. Education, supervisory, and renewal requirements are amended and new practice and discipline chapters are adopted.	Minimal fiscal impact.
ARC 2990B	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 old and adopts new licensure renewal rule.	No fiscal impact.
Department of Public Safety		LSA Contact: Jennifer Acton 1-7846
ARC 2983B	<p>Establishes life safety standards for adult day services programs and establishes a fee.</p> <p><i>See Department of Elder Affairs for more information on this topic.</i></p>	<p>There are approximately 90 adult day programs in the State. Public Safety is proposing a \$50 inspection fee for previously certified and new certifications for adult day care facilities. This would be in conjunction with the Inspection and Appeals certifications and would take place on a two-year basis. The revenue generated from adult day inspections would be approximately \$4,500 over a two-year period.</p> <p>House File 675 (Elder Group Home and Assisted Living Regulation Act) authorized 2.00 FTE positions through a 28E agreement between Public Safety and Inspections and Appeals, which would be funded from the Senior Living Trust Fund. The partial year salary and benefits for one Fire Inspector for the remainder of FY 2004 would be approximately \$76,000, which includes half a year salary, benefits, and the one-time cost for a car, weapon, and other equipment specific to a fire inspector. For FY 2005, the salary, benefits, and ongoing expenses for one Fire Inspector would be approximately \$74,000. Depending on the caseload, Public Safety may fill the additional authorized Fire Inspector position at a later date.</p>
ARC 2984B	<p>Updates life safety requirements for assisted living facilities.</p> <p><i>See Department of Elder Affairs for more information</i></p>	No fiscal impact on existing assisted living facilities. If a major renovation occurs, the facility would be treated as new and would have to comply with the new edition of the

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
	<i>on this topic.</i>	Life Safety Code that is currently in effect. The inspection fee for any Assisted Living Facility is \$7.50 per bed. If the facility is cited for violations, there is no charge for the first re-inspection and \$100 fee for each additional re-inspection.
ARC 3050B ARC 3051B	Adopts new rules establishing criteria and procedures for the Fire Fighting Equipment Revolving Loan Fund. This Fund would allow local fire departments to apply for loans for purchase or repair of fire fighter equipment. Departments would be able to spread the cost of major equipment purchases or repairs over several years. Any local fire department in Iowa is eligible for one loan during a five-year period. Repayment would be established at the time the loan is awarded with a minimum of two payments per year for the duration of the loan. If the loan defaults, the penalty is 1.5% per month of the remaining unpaid principal of the loan added to the amount of the loan.	Senate File 452 (FY 2004 Infrastructure Appropriations Act) provided an appropriation of \$500,000 to the Fire Service Training Bureau in the Fire Marshal's Division of the Department of Public Safety. There is currently a spending freeze on this money due to the pending Supreme Court decision on the Racing Association of Central Iowa (RACI) case. The Department cannot spend more than 40.0% of the RIF appropriations due to a directive from the Department of Management. Due to the freeze, \$200,000 of the \$500,000 appropriation is available. There is a 1.0% origination fee on all loans. This origination fee is used to pay direct costs such as printing and postage. Local applicants are required to provide a 10.0% match. There is no request for this appropriation in FY 2005. The application process will officially open January 15, 2004. Deadlines for submitting applications will be around March 1, 2004. Awards will be made around April 1, 2004.
Department of Revenue		LSA Contact: Ron Robinson 1-6256
ARC 2991B	Section 421.7, <u>Code of Iowa</u> , requires the Director of the Department of Revenue to determine the interest rate for each calendar year. The Director has determined that the rate of interest on interest-bearing taxes arising under Title XVI shall be 6.0% for the calendar year 2004 (0.5% per month). The Department will also pay interest at the 6.0% rate on refunds.	It is not possible to provide a fiscal estimate for the interest rate change at this time. Taxpayers who owe taxes will benefit because the interest rate is less than for the previous year. It will be to the detriment of taxpayers who have a refund coming because they will receive less interest than for the previous year.
ARC 3057B	This rule provides for the Endow Iowa tax credit for individual income, corporation income, and franchise tax for endowment gifts to a qualified community foundation. This implements 2003 Iowa Acts, HF 683 (Iowa Values Fund).	General Fund revenues will be reduced by \$2.0 million (Section 21 of HF 683 capped the amount of tax credits at \$2.0 million). This credit cannot be authorized after December 31, 2005, so the fiscal impact will be primarily for the FY 2004, FY 2005 and FY 2006 periods. Processing these tax credits due to this legislative change are part of the normal job duties of the Department. Individual income, corporation income and franchise taxpayers will be impacted by the rule, and they should benefit from the

Rule	Rule Summary	Fiscal Impact Analysis
		additional guidance in these rules.
ARC 3058B	<p>This rule provides for contingent tax credits for investments in the Iowa Fund of Funds as required by 2002 Iowa Acts, HF 2078 (Iowa Capital Formation and Venture Capital Act).</p> <p>This rule also provides that an individual taxed on income from a revocable trust can qualify for the tax credit for an investment in a qualifying business as required by 2003 Iowa Acts, SF 458 (FY 2004 Standing Appropriations Act).</p>	<p>The administrative cost of HF 2078 to the Department will not exceed \$100,000 over ten years. The Iowa Capital Investment Board and the Iowa Capital Investment Corporation will not have any fiscal impact on State finances since all expenses will be paid from administrative fees charged against the invested funds.</p> <p>There will be no cost regarding SF 458 since processing these tax credits are part of the normal job duties of the Department.</p>
ARC 3059B	The rules make changes in the stock and debt, income, and cost approaches to value that are used by the Department in establishing utility company assessments for property tax purposes. The changes remove references to the valuation of electric and gas companies.	<p>No fiscal impact to the State.</p> <p>Initially, the property tax assessments for these utility companies will decrease as will the amount of property taxes these companies pay to local governments. However, it is anticipated that these companies will use the tax savings to build more operating plant in Iowa with the result that future property tax assessments for these companies will increase as will the tax base for the local governments.</p>
ARC 3060B	The rule increases the severity of the penalties on retailers found in violation of selling cigarettes or tobacco products to minors.	<p>No fiscal impact to the State.</p> <p>Retailers in violation of cigarette sales to minors will be required to pay stiffer penalties or have its' permit suspended.</p>
ARC 3061B	These rules set forth amendments that clarify existing rules, remove obsolete rules or rule provisions, and correct references to Department reorganization. These amendments are proposed to clean up these existing rules.	No fiscal impact.
ARC 3062B	These rules set forth amendments that clarify existing rules and remove obsolete rules or rule provisions. These amendments are proposed to clean up these existing rules.	No fiscal impact.
Telecommunications & Technology Commission		LSA Analyst: Jennifer Acton 1-7846
ARC 3051B	This rule would make the Iowa Telecommunications and Technology Commission's purchasing rules more consistent with the administrative rules adopted by the Department of Administrative Services. The rule expands the competitive bidding thresholds so the Commission's rules are in accordance with other State agencies. Also, the rule allows the Commission to take advantage of the new electronic purchasing system.	No fiscal impact.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
Utilities' Division (Dept. of Commerce)		LSA Analyst: Ron Robinson 1-6256
ARC 2989B	This rule making fulfills the requirements of Executive Orders 8 and 9 to update, clarify, and revise the Board's customer service rules. The Board also made some changes to its customer service rules based upon its ongoing review to make the rules more understandable and to reflect changes in utility practice.	No fiscal impact to the State.
ARC 3064B	Provides that notice of waiver requests related to the electric generating siting statutes be provided to adjoining landowners.	No fiscal impact to the State.
Voter Registration Commission		LSA Analyst: Doug Wulf 1-3250
ARC 3037B	Adds to mail-in voter registration applications new elements that are required by the federal Help America Vote Act of 2002, including the Iowa driver's license number (if the applicant has an Iowa driver's license), nonoperator's identification card number, or the last four digits of the applicant's social security number; citizenship and age questions; and a notice that applicants who register by mail must provide identification documents unless their driver's license number, nonoperator's identification card number, or the last four digits of the social security number can be verified. These requirements are part of the Help America Vote Act. Also, provides procedures to be followed if applicants submit incomplete application forms, and requires the removal of driver's license and nonoperator identification card numbers from lists of registered voters.	Minimal or 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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