

## MEMORANDUM

TO: Administrative Rules Review Committee  
 FROM: Fiscal Services Division, Legislative Services Agency  
 DATE: July 8, 2003  
 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). The process and format have not been finalized. A meeting was held on June 19, 2003 at 1:30 p.m. to discuss the form with agency staff and the ARRC members. The following summarizes some of the agency comments from the meeting:

- Revenue impacts should not be included as “revenue” is not specifically referenced in the statute.
- Nothing should have to be provided if the impact is less than \$100,000.
- Concern about making changes to the fiscal information when changes to the rule occur.
- Concern that the new process will be time consuming.

The LSA plans to meet with the Administrative Rules Coordinator and the ARRC staff to discuss the comments from the forum and potentially make changes to the LSA instructions to address some of the agency concerns. We hope to have final instructions available for the August or September ARRC meeting. This memorandum provides an overview of the fiscal impact of the rules presented by the agencies for the July 8, 2003, ARRC meeting as an interim method of presenting the fiscal analysis.

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
<b>Agriculture and Land Stewardship</b>		<b>LSA Contact:</b> Deb Kozel
ARC 2547B	Embryo transfer for low-foaled status	Minimal fiscal impact.
<b>College Student Aid Commission</b>		<b>LSA Contact:</b> Mary Shipman
ARC 2536B	Agency procedure for rule making.	Minimal fiscal impact. Technical changes.
ARC 2535B	Declaratory orders.	Minimal fiscal impact. Technical changes.
ARC 2534B	Due process.	Minimal fiscal impact. Technical changes.
ARC 2533B	Contested cases.	Minimal fiscal impact. Technical changes.
ARC 2532B	Public records and fair information practices.	Minimal fiscal impact. Technical changes.
ARC 2531B	Uniform rules for waivers.	Minimal fiscal impact. Technical changes.

<b><u>Rule</u></b>	<b><u>Rule Summary</u></b>	<b><u>Fiscal Impact Analysis</u></b>
<b>Department of Commerce – Insurance Division</b>		<b>LSA Contact:</b> Ron Robinson
ARC 2529B & ARC 2530C	Allows insurance companies to deliver copies of insurance certificates electronically rather than a paper copy.	No fiscal impact to the State. The changes may result in some savings to private companies.
<b>Department of Commerce – Real Estate Appraiser Examining Board</b>		<b>LSA Contact:</b> Ron Robinson
ARC 2544B	Allows Appraiser Board to review work of people doing appraising if they feel the person is not qualified and charge them a fee.	Minimal fiscal impact to the Board as few instances expected.
<b>Department of Commerce – Utilities Division</b>		<b>LSA Contact:</b> Ron Robinson
ARC 2550B	Gas pipeline and storage.	No information has been provided.
ARC 2548B	Rule revisions pursuant to executive order #8 and #9.	No information has been provided.
ARC 2549B	Defining the term “eligible customers”	No information has been provided.
<b>Department of Economic Development</b>		<b>LSA Contact:</b> Russ Trimble
ARC 2519B	Amends the Entrepreneurial Ventures Assistance Program by adding a definition of “eligible business”, increases the amount of financial assistance available for certain business activities, prohibits funding for businesses engaged in personal services, consulting and franchises, and makes a technical correction.	No information has been provided.
<b>Department of Education</b>		<b>LSA Contact:</b> Robin Madison
ARC 2542B	Professional Development for Accredited Schools	No information has been provided.
<b>Board of Educational Examiners</b>		<b>LSA Contact:</b> Robin Madison
ARC 2537B	Specifies mandatory grounds for license denial or revocation.	Minimal fiscal impact. May result in slightly fewer license applications, reducing the agency’s costs.
<b>Department of Emergency Management</b>		<b>LSA Contact:</b> Jennifer Dean
ARC 2543B	Iowa comprehensive plan.	No information has been provided.
<b>Iowa Finance Authority</b>		<b>LSA Contact:</b> Russ Trimble
ARC 2560B	Replaces the current qualified allocation plan for the Low-Income Housing Tax Credit Program with the 2004 plan. The qualified allocation plan sets forth the purpose of the plan, various criteria for participation in the Program, and the compliance and appeal process. Also establishes filing fees for low-income housing tax credits and compliance monitoring.	No fiscal impact. The changes will not increase or decrease the use of Low-Income Housing Tax Credits (a federal resource).

<u>Rule</u>	<u>Rule Summary</u>	<u>Fiscal Impact Analysis</u>
<b>Department of Human Services (DHS)</b>		<b>LSA Contact:</b> Jennifer Vermeer Lisa Burk
ARC 2559B	Requires Food Stamps recipients that do not report monthly to report if their income changes by more than \$50 per month (currently \$25 per month). The change is required by Federal regulations.	No State fiscal impact. Federal cost estimates are \$58 million nationwide. DHS estimates Iowa's share to be approximately \$87,000 per year. The Food Stamps Program is 100% federally funded, so the impact is to federal funds.
ARC 2540B	Provides the annual update to the statewide average cost of nursing facility services to a person paying privately. These rates are used in determining Medicaid eligibility for persons in a nursing facility.	No fiscal impact. These updates occur each year. Since the Medicaid budget is based on historical trends, these annual increases are built into the baseline used to calculate FY 2004 costs.
ARC 2541B	HF 489, 2003 Iowa Acts amends the circumstances under which a waiver may be granted from the recovery of Medicaid costs from the estate of a Medicaid recipient.	No fiscal impact as the number of affected persons is minimal.
ARC 2515B	Clarifies the methodology used in re-basing hospital inpatient and outpatient reimbursement rates.	No fiscal impact. The rate re-base methodology was adopted in 2002. These changes clarify the existing methodology.
ARC 2517B	Changes the procedures for electronic submission of prior authorization and claims. This change is the result of implementation of the Federal Health Insurance Portability and Accountability Act (HIPAA).	Estimated state cost of \$3,300 for a one-time mailing to providers to notify them of the change. The cost will be paid from the Healthy Iowan's Tobacco Trust appropriation for HIPAA.
ARC 2516B	Clarifications to previously adopted rules related to accountability measures for non-state owned nursing facilities	No fiscal impact. Clarifying changes only.
ARC 2538B	Revises rules to adjust child care assistance limits and fees paid by parents based on their monthly gross income using the federal poverty guidelines and median income for 2003. Effective July 1, 2003, income guidelines will rise by approximately 1.5% depending on family size. The sliding fee schedule is adjusted as well.	No fiscal impact. For the past three years that eligibility levels have been raised based on federal poverty levels, caseloads have not increased.
Chapter 53	HF 667, 2003 Iowa Acts rescinds the requirement that a person receiving Home and Community Based Services under a waiver must be discharged from a medical institution immediately before receiving waiver services in order to receive funding	Minimal fiscal impact. DHS estimates that approximately 2 clients per month would no longer be eligible for the Rent Subsidy Program at an average cost of \$168.44 per month. This would result in an annual state savings of \$49,000.

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DHS (continued)	from the rent subsidy program. The consumer must now document that they are at risk of placement in a nursing facility.	
<b>Department of Inspections and Appeals</b>		<b>LSA Contact:</b> Douglas Wulf
ARC 2520	Updates State rules to comply with changes in federal Medicare conditions of participation.	No fiscal impact.
ARC 2521	Makes changes relating to dispensing medication and use of surge protectors. The changes are discretionary, not mandatory for the facilities.	No fiscal impact.
Selective Review	Fines imposed in care facility inspections.	No information has been provided.
Selective Review	Citations in care facilities: termination of independent review.	No information has been provided.
<b>Iowa Lottery Authority</b>		<b>LSA Contact:</b> Ron Robinson
ARC 2552B	The general purchasing rules are being amended so that they reflect changes in procurement practices that have occurred as technology has evolved. This codifies current practice.	No fiscal impact.
ARC 2551B	Revises the rules to employ the same terminology in the pull-tab prize rules as is used in the scratch ticket prize rules.	No fiscal impact.
<b>Department of Natural Resources -- Environmental Protection</b>		<b>LSA Contact:</b> Deb Kozel
ARC 2525B	Makes changes to air quality regulation by: <ol style="list-style-type: none"> <li>1. Specifies requirements for trial burns of alternative fuels.</li> <li>2. Modifies dates in the <u>Iowa Administrative Code</u> to comply with federal regulation.</li> <li>3. Specifies exemptions for air quality construction permits.</li> <li>4. Lists an additional 21 hazardous air pollutants to comply with the federal Clean Air Act.</li> <li>5. Adopts the Sampling Compliance Manual that will be used by the DNR.</li> </ol>	Minimal fiscal impact.
ARC 2527B	Increases the cap for the federal Title V air quality permit fee that is collected by the Department of Natural Resources (DNR).	No fiscal impact.

<b><u>Rule</u></b>	<b><u>Rule Summary</u></b>	<b><u>Fiscal Impact Analysis</u></b>
ARC 2523B	Makes the following changes to the State's water quality standards: 1. Expands the single use Class A designation to three sub-categories. Includes primary contact recreational use, secondary contact recreational use, and a children's recreational use. 2. Establishes a numerical factor for E.coli bacteria measurement and changes the time period for the standards. Provides a Surface Water Classifications document. 4. Clarifies the locations and names of waterbodies under the Antidegradation Policy and the List of Protected Streams.	Minimal fiscal impact.
ARC 2526B	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. Defines terms related to the wastewater discharge systems.	Minimal fiscal impact to DNR as the rule reauthorizes a federal program. May have impact on small business.
ARC 2524B	Revises disposal and handling rules of special waste items to include stabilized grit, bar screenings, and grease skimming. The DNR has worked in conjunction with the Iowa Society of Solid Waste Operators to streamline the permitting process.	Minimal fiscal impact to the DNR.
<b>Department of Public Health – Medical Examiners Board</b>		<b>LSA Contact:</b> Lisa Burk
ARC 2545B	The proposed amendments change the chapter title to reflect the broader purpose of addressing physician assistant supervision, eligibility to supervise, and establish that a physician is required to notify the Board of any physician assistants being supervised.	Minimal fiscal impact due to potential computer changes.
<b>Department of Public Health – Nursing Board</b>		<b>LSA Contact:</b> Lisa Burk
ARC 2558B	Identifies what types of licensure and personnel information are public record and makes provisions for obtaining these public records. The proposed rules set the requirements for printed materials and advertising in the Board's newsletter, which is a non-public forum.	The Board reports that the fiscal impact cannot be determined.

<b><u>Rule</u></b>	<b><u>Rule Summary</u></b>	<b><u>Fiscal Impact Analysis</u></b>
ARC 2557B	Increases nursing licensure fees to support regulatory activities of the Board and allows for 90.0% of the increase to be retained for regulatory activities per HF 667 (FY 2004 Health and Human Services Appropriations Act).	Nurses renewing licenses will pay an additional \$6.00 per year, which is \$18 per renewal cycle. Endorsement and examination candidates will pay \$18 more than current fees. It is estimated that 90.0% of the increase will total \$218,000, which will be used to hire additional nurse investigators. The remaining 10.0% of the increase will be an estimated \$25,000 and will be deposited into the General Fund.
ARC 2556B	Imposes a convenience fee on nurses that renew licenses online.	The Board estimates that less than \$100,000 in convenience fees will be collected each year. The fees will be used to offset the costs of the credit card merchant fee and Information Technology costs for hosting the Program and making Program changes.
ARC 2553B	Clarifies that Registered Nurses (RNs) may delegate non-lifesaving procedures to emergency medical services (EMS) personnel based on the EMS employee's level of certification and job description.	The Board reports that the fiscal impact cannot be determined.
ARC 2555B	Allows licensed practical nurses (LPNs) in an end-stage renal dialysis (ESRD) unit to administer anesthesia prior to cannulation of the vascular access site. Permits LPNs to administer specific routine intravenous medications.	The Board reports that the fiscal impact cannot be determined.
ARC 2554B	Allows Licensed Practical Nurses (LPNs) employed by Women, Infants, and Children (WIC) clinics to perform specific functions without onsite supervision of a Registered Nurse (RN).	The Board reports that the fiscal impact cannot be determined.
<b>Department of Public Health – Professional Licensure Board</b>		<b>LSA Contact:</b> Lisa Burk
ARC 2514B	The proposed amendments to these rules define practice issues for social workers and update the discipline chapter by using standard language that is in the process of being adopted for all boards regulated by Professional Licensure. The amendments also adopt requirements for obtaining a duplicate wallet card or certificate and for changing the licensee's name and address of record.	No to minimal fiscal impact.
<b>Department of Public Health</b>		<b>LSA Contact:</b> Lisa Burk
ARC 2522B	Volunteer health care provider program.	No information has been provided.

<b><u>Rule</u></b>	<b><u>Rule Summary</u></b>	<b><u>Fiscal Impact Analysis</u></b>
Special Review	Revises the rules to include saliva as an appropriate substance in testing for certain specific substances. Currently, the Department has determined that the substances appropriate for testing the presence of alcohol or other drugs include breath, urine, and blood.	No information has been provided.
<b>Racing and Gaming Commission</b>		<b>LSA Contact:</b> Douglas Wulf
ARC 2546B	Modifies the rules related to consideration of a deferred judgment and adjudication of delinquency as a conviction and quarter horse time trial races.	No fiscal impact.
<b>Secretary of State</b>		<b>LSA Contact:</b> Douglas Wulf
ARC 2539C	Implements federal requirements to provide a time-limited process for citizens to file complaints related to voting problems and the Office to hold hearings.	No fiscal impact. The Office has indicated that they will handle any complaints with existing staff.
<b>Department of Workforce Development</b>		<b>LSA Contact:</b> Russ Trimble
ARC 2518B	Removes obsolete language and rules, which are a barrier to business development.	According to the Department, these rules are not substantive and have no fiscal impact.

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