



ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

Section 17A.4(3) Iowa Code Supplement requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm.

DEPARTMENT OF ADMINISTRATIVE SERVICES

ARC 5258B

Rule Summary The proposed rule was created to describe a standard method State agencies can use to acquire goods and services of general use. The rule does not make substantive changes to State policy for competitive procurement methods, standard contract requirements, agency guidelines, or vendor responsibilities and rights.

Fiscal Impact The fiscal impact cannot be determined since the rule is optional. State agencies may choose to use current practices when procuring goods and services.

STAFF CONTACT: Jess Benson (Ext. 14613)

CIVIL RIGHTS COMMISSION

ARC 5238B

Rule Summary Amends the current rule to remove certain limitations requiring documents to be mailed by certified mail, and provides the option of using cost-efficient alternatives by the Commission.

Fiscal Impact This rule change may save the State up to \$3,000 per year due to reduced use of certified mail and more efficient use of existing staff.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

COLLEGE STUDENT AID COMMISSION

ARC 5226B and ARC 5227B

Rule Summary The changes align the Commission's rules with statutory changes made in HF 2527 (FY 2007 Education Appropriations Act). Specifically, the rules address changes resulting from the update to the definition of eligible borrower. The changes increase the Commission's guarantee to a broader range of lenders, ensure protection of the Commission's portfolio in consolidations, and conform to federal changes.

Fiscal Impact No fiscal impact.

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ARC 5224B and ARC 5225B

Rule Summary The changes align the Commission's rules with recent federal changes regarding student loan debt collection.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Mary Shipman (Ext. 14617)

DEPARTMENT OF CORRECTIONS

ARC 5192B

Rule Summary Amends the rules governing the Sex Offender Treatment Program by eliminating the polygraph examination from the psychosexual assessment conducted on Program participants. This change is required due to a recent Iowa Appeals Court ruling. Also, amends the rules to reflect the updated standards for Sex Offender Treatment Standards issued by the Iowa Board for the Treatment of Sexual Abusers.

Fiscal Impact No fiscal impact. Polygraph examinations will continue to be used in treatment, but will no longer be included as part of the psychosexual assessment.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

DEPARTMENT OF ECONOMIC DEVELOPMENT

ARC 5234B

Rule Summary Adds a definition of "employee" that is applicable to all of the Department's State direct financial assistance programs and tax credit programs.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

BOARD OF EDUCATIONAL EXAMINERS

ARC 5247B

Rule Summary New chapter of rules to address the procedural responsibilities of the Board in licensing applicants who are not citizens of the United States. Specifies documentation required for application.

Fiscal Impact No fiscal impact.

ARC 5249B

Rule Summary Implements the Beginning Administrator Mentoring and Induction Program created in HF 2792 (FY 2007 Additional Education Funding Act). Also, creates new requirements for administrators to obtain full licensure.

Fiscal Impact No fiscal impact. Costs associated with licensure will be assessed to the applicant. House File 2792 included an FY 2007 General Fund appropriation of \$250,000 to the Department of Education for costs associated with implementing the Program, including stipends for mentors.

ARC 5250B

Rule Summary Requires the Board of Educational Examiners to review the Sex Offender Registry, the Central Registry for Child Abuse Information, and the Dependent Adult Abuse Records for every renewal application.

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Fiscal Impact No fiscal impact. Costs associated with this provision will be assessed to the applicant.

ARC 5248B

Rule Summary Changes rules for license renewal to provide that only a small portion of an applicant's educational credits will be verified through auditing. The rule will facilitate on-line renewal and allow the Board office to respond more quickly to applications for renewal.

Fiscal Impact This change should help the Board contain personnel expenditures and other costs in the future by reducing the amount of staff time required for processing renewal applications. Staff time saved will be reallocated to other priorities.

STAFF CONTACT: Robin Madison (Ext. 15270)

ENVIRONMENTAL PROTECTION COMMISSION – DEPARTMENT OF NATURAL RESOURCES

ARC 5245B

Rule Summary Incorporates the use of environmental covenants as one form of regulated corrective action at leaking underground storage tank sites that are enrolled in the land recycling program. The rules provide policies and procedures for drafting covenants and submitting them to the Department of Natural Resources (DNR).

Fiscal Impact No fiscal impact.

ARC 5246B

Rule Summary The proposed rule:

- Updates the construction permit requirements for major sources of hazardous air pollutants with the most current amendment date for the cited federal regulation.
- Clarifies the construction permit exemption for laundry activities.
- Adopts the federal preferred air quality model – AERMOD.
- Adds the federal definition of “area source” to the Title V program definitions.
- Deletes the chemical “methyl ethyl ketone” from the list of hazardous air pollutants.
- Clarifies which sources are required to obtain Title V permits.
- Clarifies the requirements for nonmajor (area) sources to obtain a Title V permit.
- Removes requirements for Title V exempt sources that elect to apply for a Title V permit.
- Amends the Title V rules to list source categories exempt from the requirement to obtain a Title V permit.
- Updates a cross-reference in the Title V rules.
- Adopts federal amendments to, and new standards for, 40 CFR (Code of Federal Regulations) Part 60, New Source Performance Standards (NSPS).
- Adopts federal amendments to 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants (NESHAPS).

The proposed rule changes will primarily affect regulated parties (industry) with applicable air emissions or emission equipment. The changes will provide a better description and updated references to existing federal regulations. Adoption of these rules also will make the rules for Title V subject sources easier to read, understand, and implement for both the department, industry, and the general public.

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Fiscal Impact No fiscal impact. Owners and operators of affected air emissions sources are subject to the federal requirements, whether the State incorporates the federal requirements or not.

ARC 5244B

Rule Summary Adopts wastewater permit fees for construction permits, individual stormwater permits, and the National Pollutant Discharge Elimination System (NPDES) General Permit No. 5. Changes from the original notice include:

- Makes a correction by removing the fee for an animal confinement operation.
- Clarifies the need for some facilities to pay both storm water only permit fees and non-storm water NPDES permit fees.
- Requires the fees to be collected and maintained by the DNR.
- Clarifies the requirements for facilities that need to pay both storm water only permit fees and non-storm water NPDES fees.
- Adds references to the fees for General Permit No. 5.
- Changes the fee due date.
- Requires the submission of an application fee for approved non-storm water NPDES permit amendment request.
- Adds a single construction permit fee.

Fiscal Impact The estimated fiscal impact is an increase in revenues of \$700,000 per year to the NPDES Permit Fund. House File 2540 (FY 2007 Agriculture and Natural Resources Appropriations Act) appropriated \$600,000 and 6.0 FTE positions to the DNR for the NPDES program, and \$100,000 and 2.0 FTE positions to the Department of Economic Development to hire environmental advocates to assist persons requiring a NPDES permit. One FTE position will work with livestock facilities and the other with non-livestock facilities.

ARC 5242B

Rule Summary Adds the list of Designated Wetlands as established by the DNR and the required separation distances for construction of confinement animal feeding operation structures. Eligible lands must be owned and managed by the federal government or by the DNR. Lands within a drainage district or levee district are not eligible. Changes to the original notice include:

- Reduces the number of wetlands from 700 to 681.
- A new subrule was added to grandfather treatment for existing and specified pending operations before the list of designated wetlands becomes effective on August 23, 2006.

Fiscal Impact No fiscal impact since current DNR employees will enforce the separation distances. Private industry may lose potential benefits of locating confinement feeding operations in the proximity of this set of newly designated wetlands.

ARC 5243B

Rule Summary Authorizes the Director of the DNR to place conditions or deny a construction permit, to modify or disapprove a manure management plan, or to prohibit construction of a proposed confinement feeding operation. Confinement operations criteria used by the Director will include: “if this would add to the pollution of State water”; “violation of State water quality standards”; or “provide an adverse affect on natural resources or the environment due to the current concentration of confinement feeding operations or associated manure application fields in a specific area.”

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Fiscal Impact No fiscal impact.

Rule Summary Regulatory analysis requested on April 12 regarding the regulation of septic tank pumpers. Requires the DNR to contract with a County Board of Health to complete mandatory inspections.

ARC 5042B

Fiscal Impact Annual fees collected are estimated at \$85,000 per year from 220 licensed pumpers. Assuming ten counties contract with the DNR to provide 22 inspections each, the average annual amount the county will receive is \$8,500.

STAFF CONTACT: Debra Kozel (Ext. 16767)

ETHICS AND CAMPAIGN DISCLOSURE BOARD

Rule Summary Reflects statutory changes, removes unnecessary Board rules, combines other rules, and rewrites the current prohibition on the use of information on statements and reports filed with the Board.

ARC 5271B

Fiscal Impact No fiscal impact.

Rule Summary Requires a candidate who has filed a statement of organization for one office and then exceeds the financial activity threshold for a new office, to file, within ten days of exceeding the threshold, either an amended statement of organization disclosing information for the new office sought, or organize and register a new committee.

ARC 5275B

Fiscal Impact No fiscal impact.

Rule Summary Clarifies that a committee that has exceeded \$750 in campaign activity prior to a campaign report cutoff date is required to file the report even though the committee has not yet filed a statement of organization.

ARC 5273B

Fiscal Impact No fiscal impact.

Rule Summary Corrects a citation to a recently renumbered rule concerning final disclosure reports filed by election committees.

ARC 5270B

Fiscal Impact No fiscal impact.

Rule Summary Removes the \$50 cap on the ability of candidates to use campaign funds to purchase tickets for a meal for the purpose of enhancing the candidacy of any person.

ARC 5276B

Fiscal Impact No fiscal impact.

Rule Summary Reflects current Board policies regarding the resolution of published political materials that does not contain a “paid for by” attribution.

ARC 5278B

Fiscal Impact No fiscal impact.

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| | ARC 5272B |
| Rule Summary | Rescinds 351 IAC subrule 4.48 that provides an additional exception for “occasional, isolated, and incidental” use of corporate resources. The Board does not believe the rule is supported by the statute and does not cite the rule in administrative decisions. The proposed amendment rescinds the rule. |
| Fiscal Impact | No fiscal impact. |
| | ARC 5274B |
| Rule Summary | Rescinds portions of 351 subrule 4.52(2) that require a corporation that jointly sponsors a fundraising letter with the political action committee (PAC) to submit a copy of the solicitation letter, and to also submit a copy each January with the PAC report. The Board has not been enforcing these requirements in the rule. |
| Fiscal Impact | No fiscal impact. |
| | ARC 5277B |
| Rule Summary | The Board’s current rules assess a civil penalty, subject to appeal, against a permanent organization that fails to file the proper form within ten days of making a contribution in excess of \$750. The proposed rule provides that if a contribution is the first that a permanent organization has ever made, a penalty will be assessed if the proper form is not filed within ten days of notice by the Board. |
| Fiscal Impact | The fiscal impact cannot be determined but is anticipated to be minimal. |
| | ARC 5268B |
| Rule Summary | Reflects current Board policy regarding notification to the regulated community and the public that certain statutes outside the Board’s jurisdiction prohibit persons who hold government positions from engaging in political activities. The Board maintains this list of governmental positions on its web site. |
| Fiscal Impact | No fiscal impact. |
| | ARC 5269B |
| Rule Summary | Reflects the statutory changes that add “lease” to the requirement that an official or employee of a regulatory agency obtain the agency’s consent prior to selling goods or services. |
| Fiscal Impact | No fiscal impact. |
| | ARC 5266B |
| Rule Summary | Reflects statutory changes to add “leases” to the prohibition of a member of the Governor’s Office from selling goods or services to a lobbyist or to a person that employs a lobbyist without proper consent. The proposed rule also provides a blanket consent provision to allow the Governor’s Office to approve a class of sales or leases. |
| Fiscal Impact | Minimal fiscal impact. The Governor’s Office may file copies of new consents with the Board. |
| | ARC 5267B |
| Rule Summary | Reflects statutory changes that direct the Board to impose discipline for violations of Chapters 68A and 68B and Section 8.7, <u>Code of Iowa</u> , or rules adopted by the Board. |

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Fiscal Impact Minimal fiscal impact. There may be some enforcement actions initiated for violations.

STAFF CONTACT: Sam Leto (Ext. 16764)

IOWA FINANCE AUTHORITY

Rule Summary Establishes procedures and requirements for closing protection letters, and also establishes procedures for suspension or termination of Division participants. **ARC 5293B**

Fiscal Impact The fiscal impact cannot be determined. The rules allow the sale of closing protection letters, which sales generate funds for the Title Guaranty Division. It is possible that the Division will at some point have to pay claims pursuant to such letters. By statute, any claims against the Title Guaranty Division are claims against only the Title Guaranty Fund and not claims against the State.

Rule Summary Adoption of the 2007 Low-Income Housing Tax Credit Qualified Allocation Plan. **ARC 5228B**

Fiscal Impact No fiscal impact.

Rule Summary Updates and replaces the current compliance manual for all Low-Income Housing Tax Credit projects monitored for compliance. **ARC 5289B**

Fiscal Impact Minimal fiscal impact. The proposed amendments are in conjunction with rate changes which will reduce the cost for title guaranties. The result will be less revenue per transaction being paid to the Title Guaranty Division; however, more guaranties may be issued as a result.

Rule Summary Rescinds Chapter 15 pertaining to the Housing Assistance Fund. The Fund's resources were reallocated to the State Housing Trust Fund in HF 2797 (FY 2007 Standing Appropriations Act). The rules have not changed since they were noticed. **ARC 5291B**

Fiscal Impact No fiscal impact.

Rule Summary Updates the allocation plan for the State Housing Trust Fund. The rules have not changed since they were noticed. **ARC 5229B**

Fiscal Impact No fiscal impact.

Rule Summary Reflects amendments to Section 16.183, Code of Iowa, made by HF 2734 (FY 2007 Health and Human Services Appropriations Act), and adds health and wellness, health screening, and nutritional assessments to the specific community-based services. The amendments set forth certain criteria that must be met by projects in order to be eligible for assistance under the Home and Community-Based Services (HCBS) Revolving Loan Program. **ARC 5292B**

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Fiscal Impact The fiscal impact is anticipated to be minimal. The proposed rules expand the program guidelines for the HCBS Revolving Loan Program. Any new costs should be small.

ARC 5290B

Rule Summary Implements a Program to help eligible members of the armed forces of the United States purchase qualified homes in Iowa through matching grants. In 2005, the General Assembly enacted SF 75 (Military Pay Differential Program Changes Act) and HF 374 (Veterans' Affairs Act) appropriating funds to the Iowa Finance Authority for a Military Service Member Home Ownership Assistance Program. In 2006, the General Assembly passed HF 2080 (Supplemental Military Homeownership Appropriations Act) appropriating additional funds and continuing the Program.

Fiscal Impact Minimal fiscal impact. The proposed rules set the procedures and requirements for the grant Program and will not result in any expenditure other than to facilitate the award of the funds appropriated. There will be some administrative costs associated with running the program.

STAFF CONTACT: Ron Robinson (Ext. 16256)

DEPARTMENT OF HUMAN SERVICES

ARC 5202B and ARC 5220B

Rule Summary Establishes rules for the new Preparation for Adult Living Services (PALS) Program. The Program will serve youth leaving State-paid foster care on or after age 18, who were in foster care for six of the past 12 months, by providing a monthly stipend up to their 21st birthday, as long as the youth is engaged in full-time employment, continuing education, or a training program.

Fiscal Impact The Program will serve an average monthly population of approximately 130 youths at a cost of \$1.1 million in both FY 2007 and FY 2008. House File 2734 (FY 2007 Health and Human Services Appropriations Act) provided an estimated increase of \$854,000 in the Child and Family Services appropriation for this purpose for FY 2007.

ARC 5283B

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

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

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determining the fiscal impact. Being a Medicaid Program, this revenue increase is divided between the Federal government and the State. The State revenue increase will be an estimated \$23,000 for the second half of FY 2006, and \$55,000 for FY 2007.

ARC 5200B and ARC 5219B

Rule Summary Establishes a new optional Medicaid coverage group to provide Medicaid to youth under age 21 who were placed in foster care when they turned age 18 and left foster care on or after May 1, 2006, who do not otherwise qualify for an existing Medicaid program.

Fiscal Impact The Program will serve an estimated 413 youths at a State cost of \$1.1 million in FY 2007, and an estimated 826 youths at a State cost of \$2.2 million in FY 2008. House File 2734 (FY 2007 Health and Human Services Appropriations Act) provided an estimated increase of \$800,000 in the Medicaid appropriation for this purpose in FY 2007.

ARC 5287B

Rule Summary The proposed rule changes bring the State into compliance with the federal Deficit Reduction Act of 2005. This change will impact the amount of protected assets that a person remaining in the community is allowed to retain when his or her spouse resides in a long-term care facility. The rules expand the amount of the institutionalized spouse's income that may be counted when calculating the income of the community spouse. The rule changes also extend the Medicaid eligibility look-back period for asset transfers of less-than-market value from 36 months to 60 months.

Fiscal Impact The fiscal impact is expected to be a savings to the State Medicaid program of an estimated \$1.1 million in FY 2007 and \$1.1 million in FY 2008. The expected savings is related to expanding the protected asset consideration to the income of the spouse living in long-term care.

ARC 5217B

Rule Summary Implements the changes required by the federal Deficit Reduction Act of 2005. The Act requires individuals receiving or applying for Medicaid to provide proof that they are U.S. citizens or nationals.

Fiscal Impact No fiscal impact.

ARC 5215B

Rule Summary Under current Medicaid requirements, immigrants who do not qualify for citizen or alien status may still receive three days of Medicaid coverage for an emergency medical condition. These rules change the procedure for approving this coverage from the verification of an eligible diagnosis code by the Department of Human Services (DHS) to a statement from a physician that the care is needed. The amendments also change an incorrect reference to a form used by women who are eligible only for the family planning waiver.

Fiscal Impact No fiscal impact.

ARC 5212B and ARC 5211B

Rule Summary Implements HF 2319 (FY 2007 Medicaid Personal Needs Allowance Act), which directs the Department of Human Services (DHS) to allow residents of nursing

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facilities participating in the Medicaid Program to retain a personal needs allowance of \$50 per month from their income, such as Social Security benefits.

Fiscal Impact House File 2734 (FY 2007 Human Services Appropriations Act) appropriated an estimated increase of \$1.4 million in the Medicaid appropriation for this purpose for FY 2007.

ARC 5213B

Rule Summary Annual update of institution charges and costs. This includes calculations for nursing facilities, intermediate care facilities for the mentally retarded (ICF/MRS), mental health institutes, and psychiatric medical institutions for children (PMICS). The calculations of private pay costs impact the Medical Assistance (Medicaid) costs.

Fiscal Impact Minimal fiscal impact. The majority of the fiscal impact was included in the FY 2007 Medical Assistance Program estimated cost.

ARC 5214B

Rule Summary Provides that the value of one vehicle be disregarded when eligibility for the Family Medical Assistance Program is considered. The rules also provide a disregard of up to \$4,435 per car for each additional adult or working teenage child in the house.

Fiscal Impact The fiscal impact is anticipated to be minimal. There were only five cases where families were denied Medicaid coverage due to the value of a vehicle in FY 2005.

ARC 5285B

Rule Summary Clarifies the estate recovery process as it applies to a person under age 55 who enters a nursing facility, an intermediate care facility for the mentally retarded, or a mental health institute, and is not expected to return home.

Fiscal Impact No fiscal impact.

ARC 5284B

Rule Summary Revises Medicaid rules to add coverage of drugs for smoking cessation, including generic bupropion products and non-prescription nicotine patches and gum, with prior authorization. The rule changes are mandated by State law.

Fiscal Impact The coverage of these products will begin on January 1, 2007. The estimated fiscal impact to the General Fund is \$274,000 in FY 2007 and \$562,000 in FY 2008. The Department will include the FY 2007 funding as part of their supplemental Medicaid request.

ARC 5195B and ARC 5209B

Rule Summary Continues the previously implemented increase in mileage reimbursement for Medicaid and Promise Jobs participants through FY 2007.

Fiscal Impact Previously, Medicaid recipients were reimbursed \$0.20 per mile and Promise Jobs participants were reimbursed \$0.21 per mile. It is estimated that maintaining the increased reimbursement for Medicaid participants will cost \$965,000 in FY 2007. This amount will need to be included in the FY 2007 Medicaid shortfall estimate. It is estimated that maintaining the increased reimbursement for Promise Jobs will cost \$1.9 million. House File 2734 provides an appropriation of \$2.0 million from the Temporary Assistance for Needy Families Fund for this purpose for FY 2007.

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ARC 5194B and ARC 5210B

Rule Summary Implements the 3.0% increase for most Medicaid providers, effective July 1, 2006.

Fiscal Impact House File 2734 appropriated an estimated increase of \$17.7 million in the Medicaid appropriation for this purpose for FY 2007.

ARC 5216B

Rule Summary Requires all Medicaid providers to keep tax-reporting data current, and specifies that any tax-reporting fine incurred by the DHS that is the result of faulty tax data reporting by the provider will be passed on to the provider. If the provider is informed that the data provided is incorrect and fails to make the needed corrections, the rule changes permit termination of the provider identification number.

Fiscal Impact Minimal fiscal impact. The Iowa Medicaid Enterprise is in the process of resolving the faulty tax data issue. It is estimated that the total tax-filing penalty for tax year 2005 will be less than \$15,000.

ARC 5282B and ARC 5288B

Rule Summary Changes the administration of the State Cases (State Payment) Program from the State to the counties.

Fiscal Impact No fiscal impact. Funding was appropriated for the costs. The legislation limits the costs to the amount appropriated.

ARC 5201B and ARC 5218B

Rule Summary Makes a series of technical changes to IowaCare Program procedures, and clarifies that the four-month premium payment requirement is to be completed only upon initial enrollment and not upon re-enrollment. The rules also provide for a new application to be used for re-enrollment. IowaCare premium amounts are updated to reflect the revised federal poverty levels. The rules also allow Department of Human Services (DHS) workers more time to determine eligibility upon re-enrollment. Additionally, the proposed changes specify that the citizenship of applicants must be verified, per federal Deficit Reduction Act requirements.

Fiscal Impact The fiscal impact is expected to be an increase in revenues of an estimated \$18,000 in FY 2007 due to the increases in premium rates to reflect the revised federal poverty levels.

ARC 5286B

Rule Summary The proposed amendments to the IowaCare Program rules provide for cash premium payments to be accepted at Broadlawns Medical Center, clarify that people eligible for the Medically Needy with a spend-down can be eligible for IowaCare, and require a written request for a hardship exemption with a partial premium payment.

Fiscal Impact No fiscal impact.

ARC 5196B and ARC 5208B

Rule Summary Provides the Department of Human Services with the discretion to waive all or a portion of the 30-hour training requirement for prospective foster or adoptive parents as set forth in SF 2217 (FY 2007 Department of Human Services Omnibus Act).

Fiscal Impact No fiscal impact.

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ARC 5203B and ARC 5207B

Rule Summary Implements a 3.0% across-the-board rate increase to the rates in effect on June 30, 2006, for social services providers, or for the provider's actual and allowable cost for each service plus inflation, whichever is less. Also, clarifies the way in which emergency juvenile shelter providers are paid by the DHS and identifies the number of emergency shelter beds to be available through contracts in FY 2007.

Fiscal Impact House File 2734 appropriated an estimated increase of \$305,000 in the Child and Family Services appropriation for this purpose for FY 2007. The Act also requires that the amount budgeted for shelter care from the Child and Family Services appropriation be based on the cost to fund 273 guaranteed beds and seven beds that are not guaranteed. The State share paid for shelter care is \$88.79 per day as specified in the Act.

ARC 5197B and ARC 5206B

Rule Summary Implements a cost-of-living increase for foster family daily reimbursement rates, supervised apartment living rates, and adoption subsidy maintenance rates, effective July 1, 2006, in order to maintain rates at the levels required by the Code of Iowa, which is 65.0% of the USDA cost of raising a child.

Fiscal Impact House File 2734 appropriated a total estimated increase of \$576,000 for these purposes in FY 2007, including an increase of \$225,000 in the Child and Family Services appropriation, and an increase of \$351,000 in the Adoption Subsidy appropriation.

ARC 5199B and ARC 5204B

Rule Summary Implements a 3.0% across-the-board rate increase for rehabilitative treatment and supportive services providers for rates in effect on June 30, 2006, effective July 1, 2006.

Fiscal Impact House File 2734 appropriated an estimated increase of \$2.0 million in the Child and Family Services appropriation for this purpose in FY 2007.

ARC 5198B and ARC 5205B

Rule Summary Increases the amount adoptive parents may be reimbursed for reasonable court costs and other expenses from the current \$500 limit to a maximum of \$700 for non-recurring fees, including attorney fees as specified in SF 2290 (FY 2007 Adoption Proceedings Expenses Act).

Fiscal Impact The fiscal impact is anticipated to be an increase in Adoption Subsidy Program expenditures of \$207,000 in FY 2007, if the maximum amount allowed for legal fees is paid for 1,035 children. Of this, \$103,500 (50.0%) will be paid from State funds and 50.0% will be paid from federal Title IV-E funds.

ARC 5251B

Rule Summary Incorporates requirements of a federal five-year demonstration waiver that will allow for the implementation of a Subsidized Guardianship Program using federal Title IV-E funds to provide financial assistance to guardians of eligible children.

Fiscal Impact No fiscal impact.

DEPARTMENT OF INSPECTIONS AND APPEALS

ARC 5261B

Rule Summary Strikes confusing and inconsistent language in the various chapters dealing with death records of residents. The term “death record” is interpreted by many, including the Iowa Department of Public Health, to mean “death certificate.” A death certificate may only be completed upon the death of an individual by a licensed physician or medical examiner. Additionally, language found in 481 IAC paragraph 58.15(2)“j” requires that under certain circumstances, a nursing facility may obtain a copy of a resident’s death certificate and maintain it in the resident’s medical record.

The Department does not believe it is necessary for a nursing facility to obtain a death certificate for a deceased resident. Rather, notations should be made in the resident’s records indicating the time and death of the resident, the circumstances of the resident’s death, such as the resident’s physical condition and vital signs, the disposition of the resident’s body, and the date and time that the resident’s family and physician were notified of the resident’s death. Such notations in the resident’s record are sufficient to document a resident’s death, without requiring that a copy of the death certificate be obtained.

Item 5 corrects an omission from the rules governing intermediate care facilities for the mentally retarded by adding a new rule regarding resident records, including the language dealing with resident death records. The addition of the proposed language makes Chapter 64 consistent with the record requirements for all regulated long-term care facilities.

Fiscal Impact No fiscal impact to the State; however, the adoption of the proposed amendments will simplify the recordkeeping activities for many regulated entities and eliminate a costly and burdensome requirement.

ARC 5260B

Rule Summary Corrects an error in the rule pertaining to contractual services for which facilities may receive reimbursement from the state Medical Assistance Program. The current rule states that facilities are to hold open a resident’s bed for no more than 18 days per year. The proposed amendment changes the number of days a resident’s bed may be held open to a maximum of 30 days per year, and further provides that either a physician or a qualified mental retardation professional may authorize a resident’s temporary absence from the facility.

Fiscal Impact No fiscal impact. The Department’s proposed amendment conforms to the Department of Human Services payment process.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

INSURANCE DIVISION – DEPARTMENT OF COMMERCE

ARC 5280B

Rule Summary Rescinds Chapter 55 relating to registration requirements, to implement statutory changes. Effective July 1, 2004, the administration of the only remaining filing requirement was transferred to the Secretary of State. Business opportunity sellers are no longer required to file disclosure documents and register with the Insurance Division.

Fiscal Impact No fiscal impact.

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ARC 5279B

Rule Summary The new chapter provides standards for aggregated derivative transactions among affiliates in an insurance company holding system, provides standards for conduit and external qualified counterparties, and defines which aggregated transactions and conduit derivative transactions are not subject to the notification requirements in Section 521A.5(1), Code of Iowa.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

LABOR SERVICES DIVISION – DEPARTMENT OF WORKFORCE DEVELOPMENT

ARC 5191B

Rule Summary Updates the Division's procedural rules and adopt, by reference, changes to federal occupational safety and health regulations. The rules have not changed since they were noticed.

Fiscal Impact The fiscal impact cannot be determined. The U.S. Department of Labor was required to adopt a new hexavalent chromium standard due to significant health risks created by exposure. The Department prepared an extensive economic analysis of the new requirements for the nation as a whole; however, there is no reliable method of determining the number of Iowa businesses impacted by the hexavalent chromium standard. Therefore, the fiscal impact cannot be determined.

The change in the roll-over protective structures standard creates more testing options for businesses that manufacture and retrofit equipment. Therefore, it was determined by the U.S. Department of Labor that no additional costs would be imposed by the roll-over change. Any savings to businesses depends on whether businesses that manufacture and retrofit equipment opt to use the newly available testing options.

ARC 5190B

Rule Summary Sets forth procedures for the Labor Commissioner to use for wage claims under Chapter 91A, Code of Iowa. The rules have not changed since they were noticed.

Fiscal Impact No fiscal impact.

ARC 5223B

Rule Summary Creates Elevator Safety Board procedures; rescinds a requirement for scavenger pumps in new elevators; extends the deadline for implementation of an existing requirement for safety bulkheads in older elevators; and adopts a new requirement for Phase I fire recall and shunt trip breakers when building owners and operators install fire sprinkler systems in the hoist-ways of certain older elevators. The Phase I fire recall and shunt trip breakers prevent riders from being trapped in elevators in the event the fire sprinkler in the elevator hoist-way activates.

Fiscal Impact The procedural rules will have no fiscal impact. Extending the deadline for enforcement of the safety bulkhead requirement will delay capital outlays in the range of \$30,000 to \$40,000 for certain building owners and operators. Rescinding the scavenger pump requirement will save about \$300 to \$500 per elevator during the installation of about 400 new elevators per year.

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Adopting the requirement for Phase I fire recall and shunt trip breakers when fire sprinkler systems are installed in certain older elevator hoist-ways and machine rooms will have a fiscal impact on building owners and operators. There is no reliable data available on the total cost for all entities, and there is no reliable way to estimate the number of building owners and operators that opt to renovate by adding fire sprinklers each year.

Further, the range in cost per elevator is significant. The charge by the elevator installation companies for the necessary work can range from almost nothing to more than \$50,000 depending on the type of elevator, the number of landings, and the age and condition of the elevator and elevator controller. Additional costs for related work such as electrical wiring by other contractors will be incurred in some buildings. When this work is needed, it can cost about \$10,000.

The changes to the rules since they were noticed did not change the fiscal impact.

ARC 5253B
Rule Summary Adopts changes mandated by HF 2459 (FY 2007 Economic Development Appropriations Subcommittee Act) by expanding the number of contractors exempt from construction contractor registration and bonding, and expanding the number of contractors exempt from the registration fee that must register.

The proposed changes update rules, allow asbestos workers to begin work sooner after issuance of an asbestos license, and require contractors to relinquish revoked licenses to the Division of Labor Services.

Fiscal Impact Minimal fiscal impact. A small decrease in the number of paid registrations is anticipated.

ARC 5252B
Rule Summary Adopts changes mandated by HF 2459 (FY 2007 Economic Development Appropriations Subcommittee Act) by expanding the number of contractors exempt from construction contractor registration and bonding, and expanding the number of contractors exempt from the registration fee that must register.

Fiscal Impact Minimal fiscal impact. A small decrease in the number of paid registrations is anticipated.

STAFF CONTACT: Ron Robinson (Ext. 16256)

MEDICAL EXAMINERS BOARD – DEPARTMENT OF PUBLIC HEALTH

ARC 5265B
Rule Summary Addresses which physicians need an Iowa medical license to practice in Iowa and which do not. Also, various changes to provide for clarification and simplification of processes.

Fiscal Impact No fiscal impact.

ARC 5236B
Rule Summary Rescinds the current chapter for mandatory reporting and grounds for discipline and replaces it with five new chapters that contain few changes from the way the Board currently functions. The new chapters cover mandatory reporting, grounds for

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discipline, complaints and investigations, disciplinary hearing procedures, and licensure reinstatement after disciplinary action.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

NATURAL RESOURCE COMMISSION – DEPARTMENT OF NATURAL RESOURCES

ARC 5222B

Rule Summary Establishes rules for reporting the harvesting of deer and wild turkey. Provides procedures to verify landowners and/or tenants that are eligible for a free deer and/or wild turkey license. Further specifies that a tenant submit an affidavit to the Department of Natural Resources (DNR) to receive a license. In addition, specifies that a person who provides false information to obtain a free license is guilty of a simple misdemeanor and is subject to a license revocation.

Fiscal Impact Minimal fiscal impact.

ARC 5221B

Rule Summary Establishes season dates and antlerless deer license quotas for the resident deer hunting season. Makes the following changes compared to the first notice:

- Establishes antlerless license quotas.
- Clarifies tagging requirements.
- Restricts the use of an antlerless deer license to the season that the any-sex deer license was purchased.
- Allows senior hunters to use crossbows.
- Adds a definition for a juvenile child.

Fiscal Impact Minimal fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

BOARD OF NURSING – DEPARTMENT OF PUBLIC HEALTH

ARC 5262B

Rule Summary Corrects typographical errors and simplifies language for notice of disciplinary proceedings and making application for reinstatement.

Fiscal Impact No fiscal impact.

ARC 5193B

Rule Summary Changes to reflect electronic processes and updates to provide for a flat fee for production of rosters, allowing clients to prepay.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

PAROLE BOARD

ARC 5188B

Rule Summary This proposed rule updates the Parole Board's address with their new location in the Jesse Parker Building.

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Fiscal Impact No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

PROFESSIONAL LICENSURE DIVISION – DEPARTMENT OF PUBLIC HEALTH

Rule Summary Mortuary Science Examiners – Provides the Board with the ability to retain licensure overpayments of less than \$10, which will be used to reduce program administrative costs. **ARC 5182B**

Fiscal Impact No fiscal impact.

Rule Summary Mortuary Science Examiners – Requires taking either a one credit hour course in Iowa law and rules or continuing education, rather than an examination for an initial license, license renewal, license by endorsement, and license reactivation beginning July 1, 2007. **ARC 5187B**

Fiscal Impact No fiscal impact.

Rule Summary Massage Therapy Examiners – Provides the Board with the ability to retain licensure overpayments of less than \$10 to reduce program administrative costs. **ARC 5183B**

Fiscal Impact No fiscal impact.

Rule Summary Nursing Home Administrators – Provides for an individual who has applied for an Iowa license and was licensed and practicing in another state for the past two years prior to applying for Iowa licensure to be issued an Iowa license, providing the individual has a minimum of a BA/BS Degree and no discipline-related issues. **ARC 5281B**

Fiscal Impact No fiscal impact.

Rule Summary Speech Pathology and Audiology Examiners – Provides the Board with the ability to retain licensure overpayments of less than \$10, which will be used to reduce program administrative costs. **ARC 5181B**

Fiscal Impact No fiscal impact.

Rule Summary Athletic Training Examiners – Provides the Board with the ability to retain licensure overpayments of less than \$10, which will be used to reduce program administrative costs. **ARC 5230B**

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

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DEPARTMENT OF PUBLIC HEALTH

ARC 5233B

Rule Summary Adds language to allow sharing of newborn hearing screening information with states bordering Iowa through an agreement with the Department of Public Health to the extent the information is necessary to perform newborn hearing screening follow-up. Also, clarifies what form to use if a parent objects to the hearing screening.

Fiscal Impact No fiscal impact.

ARC 5259B

Rule Summary Provides for technical changes and corrections for chapters relating to radon testing, analysis, and mitigation.

Fiscal Impact No fiscal impact.

ARC 5263B

Rule Summary Emergency Medical Services (EMS) Providers – Removes reference to the Iowa Law Enforcement Academy as a training program; brings student registration process in line with web-based system; allows EMS students to perform clinical training without being cleared by the Bureau of EMS; and recognizes national Continuing Education Hour (CEH) approval and college coursework for provider renewal.

Fiscal Impact No fiscal impact.

ARC 5264B

Rule Summary EMS Disciplinary Appeals – Changes the timeframe for appealing a proposed action of the Department of Public Health from 30 to 20 days.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC SAFETY

ARC 5240B and ARC 5241B

Rule Summary Emergency rules recognizing the enforcement of the 2006 edition of the International Fire Code and adoption of various requirements for automated fire extinguishing systems.

Fiscal Impact There is no State or local impact on regulated extinguishing system requirements since fire extinguishing contractors have to be certified as of October 1 (under previous rules which took effect on July 1) and are required to follow generally the same requirements.

ARC 5186B

Rule Summary Requires sprinklers in elevator hoist-ways and machine rooms.

Fiscal Impact There is no State or local impact. The requirements are coordinated with the Elevator Safety Board rules, which take effect on August 9.

ARC 5257B and ARC 5256B

Rule Summary Emergency rules to establish procedures for the distribution of \$4.3 million as provided in HF 2782 (FY 2007 Infrastructure Appropriations Act) to establish 11 regional emergency response training centers.

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Fiscal Impact The fiscal impact derives from specific appropriations in HF 2782. Any fiscal impacts beyond FY 2007 are unknown. House File 2782 appropriated \$2.3 million from the Rebuild Iowa Infrastructure Fund (RIIF) to the Department of Public Safety for the planning, design, and construction of regional emergency response training centers. The Act also appropriated \$2.0 million from the Endowment for Iowa's Health Restricted Capitals Fund to the Department of Public Safety for the planning, design, and construction of regional emergency response training centers. The \$2.0 million is allocated as follows:

- \$400,000 to the North Iowa Area Community College (NIACC).
- \$400,000 to the Southeastern Community College.
- \$400,000 to the Des Moines Area Community College (DMACC).
- \$400,000 to the City of Coralville Fire Department.
- \$400,000 to the Iowa Central Community College.

ARC 5185B

Rule Summary Proposes adoption of the 2006 edition of the International Energy Conservation Code for residential and nonresidential construction.

Fiscal Impact There is no anticipated State or local impact. The specific impact of the proposed adoption of the 2006 edition on those regulated is unknown.

ARC 5184B

Rule Summary Eliminates reliance on the Home Heating Index in residential construction to allow for increased flexibility.

Fiscal Impact There is no anticipated State or local impact. The specific impact on those affected by the regulation is unknown, but the Department anticipates it to be favorable.

ARC5232B

Rule Summary Emergency rule which includes a provision for the purchase of permissive service credit ("buy-back"), as provided in SF 2199 (FY 2007 Purchase of Service Under Retirement Systems Act), and a revision to the line of duty death benefit eligibility provided in HF 2655 (FY 2007 Recorders' Technical Clean-Up Act).

Fiscal Impact The "buy-back" is required to be actuarially neutral according to SF 2199, resulting in no General Fund fiscal impact and a minimal fiscal impact on the Peace Officers Retirement (POR) System Fund over time. There will be costs incurred to obtain actuarial estimates for each eligible member considering participating in the Program. In FY 2007, the total cost of obtaining actuarial estimates is not expected to exceed \$20,000, and the costs will be borne by the POR System Fund.

ARC 5231B

Rule Summary Same rule changes as ARC 5232B, which was filed emergency.

Fiscal Impact Refer to the fiscal impact for ARC 5232B.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

DEPARTMENT OF REVENUE

ARC 5255B

Rule Summary Implements SF 2409 (FY 2007 School Tuition Organization Tax Credit Act), which creates an individual income tax credit for contributions to a School Tuition

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Organization. The contribution may not be claimed as a deduction from Iowa income tax. Tax credits are equal to 65.0% of the contribution and are limited to a total of \$2.5 million for tax year 2006 and \$5.0 million for succeeding tax years.

Fiscal Impact The school tuition organization tax credit will have a fiscal impact of \$2.5 million for FY 2007 and \$5.0 million for FY 2008 and each subsequent fiscal year, as reflected in the fiscal note for SF 2409.

STAFF CONTACT: Jess Benson (Ext. 14613)

DEPARTMENT OF TRANSPORTATION

ARC 5237B

Rule Summary House File 253 (FY 2006 Regulation of Government Ethics and Lobbying Act) transferred the requirement to adopt rules specifying the method by which officials of a regulatory agency may obtain agency consent to sell goods or services to a person subject to the regulatory authority of the agency. The requirement was transferred from the regulatory agency itself to the Ethics and Campaign Disclosure Board. Therefore, the Department of Transportation (DOT) is no longer required to adopt these rules and is rescinding them. The Ethics and Campaign Disclosure Board has adopted rules to comply with HF 253; the rules were effective April 5, 2006.

Fiscal Impact No fiscal impact.

ARC 5189B

Rule Summary The Iowa Administrative Code (761 IAC subrule 605.25(2)) currently allows a driver's license to be renewed earlier than 30 days before the license expiration date when good cause exists, but limits early renewal to no more than one year prior to the expiration date for everyone except active military personnel being deployed. This amendment removes the one-year restriction and the exception for military personnel, thereby allowing the Department the discretion to renew the driver's license of any individual earlier than one year prior to the expiration date. The rule change is being made to accommodate early renewal for customers who will be traveling out of State during the time currently allowed for driver's license renewal.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

UTILITIES DIVISION – DEPARTMENT OF COMMERCE

ARC 5239B

Rule Summary Rescinds outdated provisions and clarifies existing provisions of the Board's rules relating to restoration of agricultural land during and after construction of interstate natural gas pipelines.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Sam Leto (Ext. 16764)

DEPARTMENT OF VETERANS AFFAIRS

ARC 5180B and ARC 5179B

Rule Summary Implements the Injured Veterans Grant Program, providing \$10,000 in increments of \$2,500 if the injured veteran continues to be hospitalized or is receiving treatment from the military or Veterans' Administration.

Fiscal Impact House File 2080 (FY 2007 Military Homeowner, Supplemental Appropriations Act) appropriated \$1.0 million for FY 2007, and SF 2312 (FY 2007 Veterans Appreciation Benefit Act) provided for expenditure of the funds.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

WORKERS' COMPENSATION DIVISION – DEPARTMENT OF WORKFORCE DEVELOPMENT

ARC 5254B

Rule Summary Changes the payroll tax table dates from the year 2006 to the year 2007, and the year 2005 to the year 2006, to reflect the current tables.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)
