



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

February 6, 2015

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

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Department of Human Services

ARC 1812C & 1813C

Rule Summary Implements the January 1, 2015, cost-of-living increases to several State Supplementary Assistance categories including:

- Residential Care Facility (RCF): The cost of a bed day will increase from \$29.66 to \$30.05 per day.
- Personal Needs Allowance: The combined RCF Personal Needs Allowance (PNA) will increase from \$100 to \$101 per month.
- Dependent Person: The dependent person payment will increase by \$7.00 per month per household, from a maximum of \$370 to \$377.
- Family Life Home: The total monthly payment to the family will increase from \$783 to \$794. However, the increase in the client's social security income from the cost of living adjustment will offset this.

Agency Stated Authority: Iowa Code section 217.3(6) and 2014 Iowa Acts, House File 2463, section 144(2) and (3).

Fiscal Impact **Agency Response:** These changes are estimated to cost the General Fund \$83,000 in FY 2015 and \$168,000 in FY 2016. These changes are required by federal law and funding was appropriated in FY 2015 to cover the increase and additional funding has been requested in FY 2016.

LSA Response: The LSA concurs.

ARC 1807C

Rule Summary Corrects a cross-reference to Board of Educational Examiners (BoEE) rules in Department of Human Services rules regarding qualifications of Area Education Agency personnel providing psychological evaluations and counseling or psychotherapy services under the Medicaid program. The current cross-reference is obsolete.

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

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

LSA Response: The LSA concurs.

Rule Summary

To the extent funding is appropriated, the reasonable costs of staff training will be treated as direct costs, rather than as indirect administrative costs subject to a limit of 20% of other costs.

ARC 1818C

Agency Stated Authority: Iowa Code section 249A.4 and 2013 Iowa Acts, Senate File 452, section 12.

Fiscal Impact

Agency Response: Applying the training cost percentage estimate to these expenses results in an increase in expenditures from \$3.4 million to \$6.8 million annually with a state share of \$1.5 million to \$3.0 million. As the proposed rule is written, there will be no fiscal impact until the Legislature appropriates funding for provider training to be a direct cost.

LSA Response: Senate File 446, section 14.24 (FY 2014 Health and Human Services Appropriations Act), appropriated \$300,000 for reimbursement of provider training as direct costs.

Rule Summary

Makes the following changes:

- Replaces the phrase “mental retardation” with the more widely accepted term “intellectual disability.”
- Adds facilities licensed as Intermediate Care Facility for Persons with Mental Illness (ICF/PMI) to the definition of special population facilities.
- Adds a definition related to provider preventable conditions.
- Clarifies responsibilities for the level of care (LOC) determination process and the Preadmission Screening and Resident Review (PASRR) process, including language requiring a facility to gain a resident's consent for the facility to request a state fair hearing related to a PASRR determination.
- Clarifies policy related to inclusion of certain costs in the nursing facility per diem rate and changes corresponding language for consistency.
- Removes obsolete language related to a Medicaid state plan amendment that did not receive federal approval.
- Clarifies current policy for payment of reserve bed days to the Iowa Veteran's Home in order to maximize federal funding.
- Clarifies that Medicaid funding is only available to residents of ICF/PMI facilities that are age 65 or older pursuant to federal law. Adds language prohibiting Medicaid payment for provider preventable conditions as required by federal law.
- Changes the facility's occupancy rate requirement for applicability of family supplementation in a private room from 80.0% to 50.0% and establishes reporting requirements related to this change. This change was mandated in HF 2463 (FY 2015 Health and Human Services Appropriations Act).
- Adds language to prevent facilities from charging residents for days that were not payable by Medicaid due to a provider preventable condition.
- Removes references to obsolete forms and updates procedures that replace the obsolete forms.

ARC 1806C

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

Fiscal Impact

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

LSA Response: The LSA concurs.

ARC 1809C

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

Agency Stated Authority: Iowa Code section 234.6.

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

LSA Response: The LSA concurs.

ARC 1819C

Rule Summary Amends rules for Child Development Homes and Child Care services regarding overpayments and recoupments. Requires timely notification about change within a Child Development Home. Adds to the reasons the DHS may refuse to enter into a provider agreement or revoke a current agreement. Creates a tiered sanctions structure for providers that violate the provider agreement. Creates a rule to recoup overpayments 50.0% from the provider and 50.0% from the child care client if both are at fault for the overpayment.

Agency Stated Authority: Iowa Code section 234.6.

Fiscal Impact **Agency Response:** Unknown, but anticipated to be minimal fiscal impact.

LSA Response: The LSA concurs. If a provider agreement is terminated, it is anticipated that families will transfer to another eligible provider.

ARC 1808C

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

Agency Stated Authority: Iowa Code section 237.5A.

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

LSA Response: The LSA concurs.

ARC 1817C

Rule Summary Expands Aftercare Services/Preparation for Adult Living (PAL) program rules pursuant to 2014 Iowa Acts chapter 1140 (FY 2015 Health and Human Services Appropriations Act). Changes include redefined access to aftercare services and PAL stipend to youth aging out of the Iowa state training school and court-ordered Iowa juvenile detention centers effective July 1, 2014. The reasons for termination of the PAL stipend are revised.

Agency Stated Authority: Iowa Code section 234.46 and 2014 Iowa Acts chapter 1140.

Fiscal Impact **Agency Response:** Estimated General Fund expenditures for youth in the program in year one during implementation are \$263,000. Program expenditures in year two of the program are estimated at \$753,000 due to increased enrollment and full-year costs.

LSA Response: The LSA concurs. The General Assembly appropriated an additional \$858,187 to pay for the expansion of this program and restricted \$90,000 to the cost of administrating the implementation of the program.

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Credit Union Division

ARC 1816C

Rule Summary Amends Chapter 16 “Mergers” of the Iowa Administrative Code to include rules regarding “spin off” credit unions per statutory merger guidelines. The amendments define and clarify the instances when a spin off may be requested and determine the contents of the requesting credit union’s merger plan. Senate File 183 of the 2013 Legislative Session updated the Iowa Code to permit the creation of spin off credit unions, but administrative rules are needed to fully implement the change.

Agency Stated Authority: Iowa Code section 533.107(6).

Fiscal Impact **Agency Response:** No fiscal impact. The process of implementing spin offs is rarely used and when done so, is very low in cost.

LSA Response: The LSA concurs.

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Economic Development Authority

ARC 1826C

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

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact **Agency Response:** Expenditures from the Apprenticeship Training Program Fund are estimated to be \$2.8 million in FY 2015 and \$3.0 million in FY 2016.

LSA Response: The LSA concurs.

ARC 1822C

Rule Summary Modifies the rules related to the Business Accelerator Program by changing “may” to “shall”. Clarifies that the authority must provide resources in the affected programs when those resources are available.

Agency Stated Authority: Iowa Code sections 15.106A, 15E.231, and 15E.351.

Fiscal Impact **Agency Response:** These amendments do not have any fiscal impact to the state of Iowa.

LSA Response: The LSA concurs.

ARC 1820C

Rule Summary Provides grant applicants with greater clarity on the standards for Iowa Tourism Grant Program eligibility, application scoring, and program administration. Some of the changes include the following:

- Modifies the definition of “Collaborative Application” by requiring a partner to provide monetary support to satisfy the definition.
- Replaces the local cash match/leverage funds ratio scoring element with a well-developed and relevant budget element.
- Adds the following to the description of expenses that are ineligible for reimbursement:
 - Vertical Infrastructure.
 - Applicant staff salaries and wages.

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact **Agency Response:** No fiscal impact to the State. The Agency does not anticipate any costs to the regulated community.

LSA Response: The LSA concurs.

ARC 1827C

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

Agency Stated Authority: Iowa Code section 15.106A.

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

LSA Response: As stated in the Fiscal Note, the implementation of the Act will reduce revenue to the General Fund in future years as follows:

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

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

ARC 1825C

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

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact

Agency Response: The program allows the IEDA to transfer funds from other sources into the new Program Fund. It is estimated that \$5.0 million will be transferred each year to support the Program.

LSA Response: The LSA concurs.

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Environmental Protection Commission

ARC 1823C

Rule Summary

Revises or rescinds solid waste rules that are outdated or are unnecessary. The changes include:

- Chapter 107 Beverage Container Deposits:
 - Chapter 107.1 - Rescinds the unnumbered third paragraph that refers to a repealed statute.
 - Chapter 107.2 - Rescinds redundant definitions and corrects cross-references.
 - Chapter 107.16 - Rescinds the rule for a grant program that is no longer funded.
- Chapter 110 Hydrogeologic Investigation and Monitoring Requirement -- rescinds and reserves the chapter. Provisions of this chapter were incorporated into other landfill chapters.
- Chapter 112 Sanitary Landfills - Rescinds and reserves the chapter as landfills cannot accept biosolids in Iowa.
- Chapter 210 Beautification Grant Program - rescinds and reserves the chapter as funding expired on June 30, 2014.
- Chapter 218 Waste Tire Stockpile Abatement Program - rescinds and reserves the chapter as program was funded through a surcharge on vehicle titles that expired at the end of fiscal year 2007.

Agency Stated Authority: Iowa Code section 455A.6.

Fiscal Impact

Agency Response: No fiscal impact to the State.

LSA Response: The LSA concurs.

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Nursing Board

ARC 1815C

Rule Summary

Updates definitions, clarifies procedures and processes, and other technical changes to Chapter 3 “License to Practice—Registered Nurse/Licensed Practice Nurse.”

Agency Stated Authority: Iowa Code section 147.76.

Fiscal Impact

Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Department of Public Health

ARC 1840C

Rule Summary Updates rules to the Grants to Counties for the Private Well Testing Program to include guidelines regarding the application process and minimum program requirements, increases reimbursement rates, permits testing for arsenic, and makes technical corrections.

Agency Stated Authority: Iowa Code sections 455E.11 and 135.11(26).

Fiscal Impact **Agency Response:** This revision proposes to increase existing reimbursement rates to well owners for services to private drinking water wells. It does not impact the overall annual budget or the Groundwater Protection Fund.

LSA Response: The allocations for funding for each county remain the same. Counties could potentially reach their full allocation sooner under higher reimbursements.

ARC 1841C

Rule Summary Increases the application fee for the examination for limited radiological technologists due to a fee increase from the American Registry of Radiologic Technologists (ARRT) that provides the test.

Agency Stated Authority: Iowa Code section 136C.3.

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

LSA Response: The LSA concurs.

ARC 1838C

Rule Summary Establishes a vision screening requirement for children enrolled in a public or accredited nonpublic elementary school pursuant to 2013 Iowa Acts chapter 76 (Vision Screening for School Children Act). Describes the vision screening requirement for children enrolling in kindergarten and third grade, and specifies the procedures that constitute a vision screening, who can conduct a screening, and reporting requirements.

Agency Stated Authority: Iowa Code section 135.39D.

Fiscal Impact **Agency Response:** The one-time software programming cost to develop the Vision Module in the Immunization Registry Information System (IRIS) is \$150,000. Annual on going hosting and maintenance costs are estimated at \$63,000.

LSA Response: The LSA concurs. The original Fiscal Note estimated staffing for the Program that has not taken place. Funding for the software development has come from the IOWAccess Revolving Fund and the utilization of Title V Maternal and Child Health Services Block Grant. The Preventative Health and Health Services Block Grant is being utilized for outreach materials for the Program. Ongoing sources of funds to maintain the Program could come from the Title V Block Grant, but are not guaranteed to be available.

ARC 1839C

Rule Summary Replaces language in the Chapter on Local Public Health Services. Updates language regarding the allocation of appropriations from the General Assembly. Makes technical corrections to Code citations, minimum agency requirements for

coordination of services, and qualifications for home care aide and case management services.

Agency Stated Authority: Iowa Code section 135.11, subsection 13.

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

LSA Response: The LSA concurs.

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Historical Division

ARC 1836C

Rule Summary Amends the Historic Preservation and Cultural and Entertainment District (HPCED) Tax Credit Program. The 2014 Iowa Acts, HF 2453 (Historic Preservation and Cultural and Entertainment District Act) made changes to the HPCED Program. These rules describe the Department of Cultural Affairs' administration of the Program as it relates to projects approved both before and after the July 1, 2014, effective date of the Act.

Agency Stated Authority: Iowa Code sections 17A.3 and 303.1A.

Fiscal Impact **Agency Response:** These rules will not have a fiscal impact on the State. However, the legislation related to these rules does have a fiscal impact as described in the Fiscal Note. The portion of this Act that allows unused smaller project tax credits to be redirected to other projects is projected to result in the redemption of an additional \$8.6 million in tax credits over the next nine fiscal years. There are no known costs to the regulated community. The application process will require more information from applicants that will help the Department assess whether projects are ready and viable.

LSA Response: The LSA concurs. The permitted redirection of tax credits will reduce General Fund revenue by an estimated \$8.6 million over nine fiscal years.

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Department of Revenue

ARC 1837C

Rule Summary Amends Chapters 42, 52, and 58 of the Iowa Administrative Code (IAC). Amendments implement the 2014 Iowa Acts and House File 2453 to the HPCED. The proposed rule changes explain aspects of the program as administered by the Department of Revenue. The program allows for unclaimed tax credits to be awarded to other projects and updates the process of reserving tax credits for qualified projects.

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

Fiscal Impact **Agency Response:** The General Fund revenue is reduced by \$1.3 million for FY 2015 and \$5.1 million for FY 2016, as noted in the Fiscal Note dated April 23, 2014.

LSA Response: Though the rules themselves have no fiscal impact, the portion of HF 2453 that redirects unused project tax credits to other projects is projected to result in the redemption of an additional \$8.6 million in tax credits in the next nine fiscal years. There is no identifiable fiscal impact after FY 2023.

ARC 1805C

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

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

Fiscal Impact **Agency Response:** Senate File 2338 has no fiscal impact. House File 2444 will decrease revenue to the Road Use Tax Fund by \$6.3 million in FY 2015. The estimated fiscal impact matches the end of session Fiscal Note.

LSA Response: The LSA concurs.

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Secretary of State

ARC 1831C

Rule Summary Updates references and implements sentence language throughout Chapter 21. These amendments are purely technical in nature and will not have any effect on election administration in the State of Iowa.

Agency Stated Authority: Iowa Code sections 47.1 and 17A.4.

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

LSA Response: The LSA concurs.

ARC 1828C

Rule Summary Adopts recommendations of the Iowa Board of Voting Equipment Examiners to improve security and integrity of election processes and procedures. The changes help ensure the computers used to tabulate election results are secure and that county commissioners acknowledge risks associated with connecting election computers to the county network and/or the internet.

Agency Stated Authority: Iowa Code sections 47.1 and 17A.4.

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

LSA Response: The LSA concurs.

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Department of Transportation

ARC 1832C

Rule Summary Authorizes the Department of Transportation (DOT) to control the visibility of junkyards located along certain routes on the National Highway System. The rule will require new junkyard operators to establish screening. Currently, the Department's control is limited to the interstate highway system. The National Highway System includes the interstates, most major state highways, and a few principal arterial and connector routes under municipal or county jurisdiction. Control of junkyards along the National Highway system is required by the current federal transportation funding authorization.

Agency Stated Authority: Iowa Code sections 307.10, 307.12, and SF 2355 (DOT Omnibus Policy Bill).

Fiscal Impact **Agency Response:** No fiscal impact. Failure to establish control of junkyards may trigger a 7.0% decrease in federal highway apportionment, an estimated \$32.0 million per year.

LSA Response: The LSA concurs.

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Department of Administrative Services

ARC 1842C

Rule Summary Amends certain State Accounting Enterprise (SAE) rules to eliminate conflict with statute and ensure proper due process in the offset procedure for debts owed to State agencies.

Agency Stated Authority: Iowa Code section 8A.104(5).

Fiscal Impact **Agency Response:** Amendments are unlikely to affect the amount or frequency of offsets by public agencies.

LSA Response: The LSA concurs.

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Dental Board

ARC 1810C

Rule Summary Requires all moderate sedation permit holders to use capnography or a pretracheal/precordial stethoscope at all facilities where they provide sedation beginning January 1, 2015. Authorizes moderate sedation permit holders that sedate child patients to maintain Pediatric Advanced Life Support (PALS) certification in lieu of Advanced Cardiac Life Support (ACLS) certification.

Agency Stated Authority: Iowa Code sections 153.33 and 153.34.

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

LSA Response: The LSA concurs.

ARC 1811C

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

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

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

LSA Response: The LSA concurs.

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Department of Inspections and Appeals (DIA)

ARC 1829C

Rule Summary Rescinds Chapter 9 of the Department's rules dealing with the processing of indigent defense fund claims. The amendments eliminate the outdated and obsolete chapters of the DIA's administrative rules. Adopts the procedures for processing indigent defense fund claims as recommended by the State Public Defender that has updated the rules to be more thorough and complete.

Agency Stated Authority: Iowa Code section 10A.104(5).

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

LSA Response: The LSA concurs.

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Professional Licensure Division

ARC 1834C

Rule Summary Adopts rules for issuing provisional psychology licenses pursuant to 2014 Iowa Acts, chapter 1043 (Provisional Licenses in Psychology Act) to persons possessing doctoral degrees in psychology from institutions approved by the Board of Psychology. Sets fees for the administrative costs of issuance and renewal of provisional licenses.

Agency Stated Authority: Iowa Code section 154B.6(3).

Fiscal Impact **Agency Response:** Minimal fiscal impact for expenditures related to software development changes.

LSA Response: The LSA concurs.

ARC 1833C

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

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

Fiscal Impact **Agency Response:** Costs with software development for provisional licensure have not been identified.

LSA Response: The costs are anticipated to be minimal.

ARC 1835C

Rule Summary Implements changes for the licensure of dietitians enacted in the 2014 Iowa Acts chapter 1006 (Dietetics Licensure Requirements Act).

Agency Stated Authority: 2014 Iowa Acts chapter 1006.

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

LSA Response: The LSA concurs.

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