



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

March 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>

Table of Contents			
Agency	Page	Agency	Page
Department of Human Services	1	Labor Services Division	16
Attorney General	4	Department of Public Safety	17
College Student Aid Commission	4	Department of Revenue	17
Credit Union Division	5	Department of Transportation	18
Economic Development Authority	5	Utilities Division	19
Educational Examiners Board	6	Iowa Commission on Volunteer Service	19
Department of Education	7	Department on Aging	20
Engineering and Land Surveying Examining Board	9	Dental Board	20
Environmental Protection Commission	9	Iowa Lottery Authority	20
Department of Inspections and Appeals	10	Department of Public Health	21
Insurance Division	12	Racing and Gaming Commission	21
Iowa Finance Authority	12	Regents Board	21
Iowa Public Employees' Retirement System	15		

Department of Human Services (DHS)

Rule Summary Replaces references to the multi-axial classification of mental disorders used prior to the implementation of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) in 2013 with appropriate references to the new DSM-5. **ARC 1850C**

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

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Requires Child Development Home providers to maintain accessible emergency contact information, and keep a paper copy of the parental contact information and alternative contact for the children in care. **ARC 1852C**

Agency Stated Authority: Iowa Code chapter 237A.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

ARC 1863C

- Rule Summary** Updates rules related to Child Development Homes as follows:
- Specifies minimum requirements for first aid kits.
 - Permits tamper-resistant electrical outlets in addition to safety caps.
 - Conforms to fire marshal requirements that establish a 3 foot safety distance for heating elements and combustible materials.
 - Conforms Iowa Code section 237A.3A that requires a child development home to be located in a single-family residence that is owned, rented, or leased by the person or, for dual registrations, at least one of the persons that are named on the child development home's certificate of registration.
 - Conforms rules to Iowa Code section 237A.5(2), regarding founded child abuse provisions. The current rule specifically states founded "child" abuse that was determined to be physical abuse.
 - Removes transition language for license renewal that is no longer needed.

Agency Stated Authority: Iowa Code chapter 237A.

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

LSA Response: The LSA concurs.

ARC 1862C

- Rule Summary** Updates rules related to Child Development Homes as follows:
- Requires providers to document medication given to children while in their care.
 - Allows health documentation for children under 18 years old residing in the home to be similar to the children's files of those attending the home.
 - Permits a provider to show verification of higher education participation in lieu of a high school diploma or GED.
 - Limits Child Development Homes to two named providers.

Agency Stated Authority: Iowa Code chapter 237A.

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

LSA Response: The LSA concurs.

ARC 1851C

Rule Summary Revises requirements related to Child Development Homes regarding fencing around above-ground swimming pools.

Agency Stated Authority: Iowa Code section 237A.12.

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

LSA Response: The LSA concurs.

ARC 1892C

- 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) is increased from \$100 to \$101 per month.
 - Dependent Person: The maximum Dependent Person payment is increased from \$370 to \$377.

- Family Life Home: The total monthly payment to the family is increased from \$783.00 to \$794.00. However, the increase in the client's Social Security Income (SSI) from the Cost of Living Adjustment (COLA) 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: Amendments 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.

Rule Summary

Makes changes to align with a new Request For Proposal (RFP) for Non-Emergency Medical Transportation (NEMT). In the RFP, the DHS informs bidders that the Department is eliminating the two-business-day advance notice for mileage reimbursement trips. Defines a timeframe that a member or transportation provider may submit a claim to the broker for reimbursement.

Agency Stated Authority: Iowa Code section 249A.4

ARC 1901C

Fiscal Impact

Agency Response: This rule change will not increase state costs and may eventually result in some savings. By eliminating the two-day advance notice for members that require only mileage reimbursement, the Department is hoping for a greater incentive for members to drive themselves and thus reduce program costs.

LSA Response: The LSA concurs.

Rule Summary

Amends rules for Child Development Homes and Child Care services regarding overpayments and recoupments. Requires timely notification about changes 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.

Agency Stated Authority: Iowa Code section 234.6.

ARC 1893C

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.

Rule Summary

Revises the Child Care Assistance (CCA) fee chart based on updated federal government poverty levels.

Agency Stated Authority: Iowa Code section 234.6.

ARC 1900C

Fiscal Impact

Agency Response: There is no fiscal impact because this rule change will not change caseloads or costs per case. This change will just allow for families that have received increased income to maintain their current fee level.

LSA Response: The LSA concurs.

ARC 1894C

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.

STAFF CONTACT: Jess Benson (515-281-4611) jess.benson@legis.iowa.gov

Attorney General

ARC 1889C

Rule Summary Amends the rules to reflect current practices concerning administration of the Victim Services Grant Program.

Agency Stated Authority: Iowa Code sections 13.31 and 13.32.

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

LSA Response: The LSA concurs.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.iowa.gov

College Student Aid Commission

ARC 1869C

Rule Summary Updates the Commission's address and identifies the level of confidentiality or public availability of various types of records.

Agency Stated Authority: Iowa Code section 261.3.

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

LSA Response: The LSA concurs.

ARC 1870C

Rule Summary Rescinds chapters 10, 11, 15, and 19, pertaining to the following obsolete programs:

- Federal Family Education Loan Programs
- State of Iowa Scholarship Program
- Iowa Guaranteed Loan Payment Program
- Accelerated Career Education Grant Program

Agency Stated Authority: Iowa Code section 261.3.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary

Clarifies the definition of financial need under the Skilled Workforce Shortage Tuition Grant Program to be cost of attendance less expected family contribution, federal Pell Grant award, and Iowa Vocational-Technical Tuition Grant award. An award under the Skilled Workforce Shortage Tuition Grant must be at least \$200 per semester and cannot exceed one-half of the average tuition and mandatory fees at an Iowa community college.

ARC 1871C

Agency Stated Authority: Iowa Code section 261.130.

Fiscal Impact Agency Response: No fiscal impact

LSA Response: The LSA concurs. For FY 2015, this Program received an appropriation of \$5.0 million from the Skilled Worker Job Creation Fund.

STAFF CONTACT: Robin Madison (515-281-5270) robin.madison@legis.iowa.gov

Credit Union Division

Rule Summary

Amends chapter 16 of the Iowa Administrative Code (IAC) to include rules regarding “spin-off” credit unions per statutory merger guidelines. Defines and clarifies the instances that a spin-off may be requested and determines the contents of the requesting credit union’s merger plan, and the procedures affected members are called to vote on the merger itself. SF 183 (2013 Iowa Acts) updated the Iowa Code to permit the creation of spin-off credit unions, but administrative rules are needed to fully implement the change.

ARC 1896C

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.

STAFF CONTACT: Christin Mechler (515-281-6561) christin.mechler@legis.iowa.gov

Economic Development Authority

Rule Summary

Terminates the rule making commenced in ARC 1820C, related to the Iowa Tourism Grant Program. The Authority plans to re-notice the proposed rules to incorporate further changes. The ARC 1820C filing updates the existing rules to provide 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:

ARC 1872C

- 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 ration 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. The Agency does not anticipate that there will be any costs to the regulated community.

LSA Response: The LSA concurs.

ARC 1890C

Rule Summary Aligns the Community Development Block Grant (CDBG) rules with planning and programming requirements of the U.S. Department of Housing and Urban Development (HUD). Clarifies the CDBG rules, updates references, and consolidates all CDBG funded program requirements into one chapter. Eliminates the specified allocations of funds.

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact **Agency Response:** No fiscal impact. The CDBG program is funded by the HUD and the amendments do not involve a change to the amount of money the State spends.

LSA Response: The LSA concurs.

STAFF CONTACT: Ron Robinson (515-281-6256) ron.robinson@legis.iowa.gov

Educational Examiners Board

ARC 1878C

Rule Summary Aligns the rule for military exchange licenses created in 2013 to streamline the process for military personnel to obtain Iowa teaching licensure with the requirements of the Home Base Iowa Act of 2014. Incorporates the Home Base Iowa Act definitions of military service and veterans. Allows an applicant to apply for credit for verified military education, training, or service applicable to any experience or educational requirement for licensure.

Agency Stated Authority: Iowa Code chapters 272C.4(11) and (12) and 272.2(1)(a).

Fiscal Impact **Agency Response:** The amendments will not require any additional expenditures by the Board and are not anticipated to significantly increase revenue.

LSA Response: The LSA concurs.

ARC 1884C

Rule Summary Adds a K-12 special education endorsement that increases specific preparation requirements of special education teachers both in general education and special education preparation. Addresses the noncategorical delivery models of special education and includes coverage of Iowa's specific special education issues and practices. Creates the K-12 endorsement as an option but does not remove the other endorsements.

Agency Stated Authority: Iowa Code chapter 272.2(1)(a).

Fiscal Impact **Agency Response:** The rule will not require any additional state expenditure and is not expected to significantly change board revenue.

LSA Response: The LSA concurs.

STAFF CONTACT: Timothy Crellin (515-725-1286) timothy.crellin@legis.iowa.gov

Department of Education

ARC 1879C

Rule Summary Clarifies the determination of residency and tuition rates for community college students, including veterans, and moves the State Board of Education’s Uniform Policy on Residency Status into administrative rule. Clarifies the technical specialty component of diploma and certificate programs.

Agency Stated Authority: Iowa Code section 256.7(5).

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

LSA Response: The LSA concurs.

ARC 1875C

Rule Summary Revises rules related to the Pathways for Academic Career and Employment (PACE) Program and the Gap Tuition Assistance Program to reflect changes made to statute in HF 604 (Education Appropriations Act 2013 Iowa Acts). Amendments include the addition of pathway navigators and regional industry sector partnerships, increasing the federal poverty level benchmark to 250.0% for target populations and applicants for Gap Tuition Assistance, and the inclusion of staff support services as eligible costs.

Agency Stated Authority: Iowa Code section 256.7(5)

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

LSA Response: The LSA concurs. In FY 2015, the PACE Program received an appropriation of \$5.0 million from the Skilled Worker and Job Creation Fund.

ARC 1880C

Rule Summary Revises administrative code that outlines the standards and program requirements that all paraeducator certification programs must meet in order to be approved to be paraeducators in Iowa. Updates existing standards to remain current with research in student achievement, accountability, and continuous program improvement. Amends rules to align with the Iowa Board of Educational Examiners on the issuance of paraeducator certificates.

Agency Stated Authority: Iowa Code chapters 256.7(5) and 256.7(22).

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

LSA Response: The LSA concurs.

ARC 1881C

- Rule Summary** Reflects legislative changes impacting existing categorical funding programs. Adopts the following changes.
- Updates references of “allowable growth” to read “supplemental state aid” or “supplemental amount” based on HF 215 (Education Reform Appropriations Act), 2013 Iowa Acts.
 - Allows bundling of information technology to meet the \$500 threshold in Physical Plant and Equipment Levy (PPEL) permitted uses. This update is based on HF 645 (FY 2012 Education Appropriations Act), 2011 Iowa Acts, and Iowa Code section 298.3.
 - Updates permissive uses of Home School Assistance Program (HSAP) funds based on SF 2376 (FY 2011 Education Appropriations Act), 2010 Iowa Acts.
 - Specifies that building construction is a nonpermissive use of Statewide Voluntary Preschool Program (SWVPP) funds based on HF 877 (Statewide Voluntary Preschool Program for Four-Year-Olds), 2007 Iowa Acts, and Iowa Code section 256C.4(1)(e).
 - Updates operation sharing to include curriculum director and school counselor based on HF 2271, 2014 Iowa Acts, and Iowa Code section 257.11(5)(a).
 - Increases the number of years a student is eligible for supplementary weighting as an English Language Learner (ELL) from four to five years. This change is in response to SF 452 (FY 2014 Standing Appropriations Act), 2013 Iowa Acts, and Iowa Code section 257.31(5), and Iowa Code section 280.4(3).
 - Clarifies that equipment costs and transportation costs related to the Talented and Gifted (TAG) program is allowable.
 - Removes references to grants in aid for the early intervention supplement and teacher salary supplement that are now funded through the school aid formula.
 - Adds a new language for the teacher leadership supplement categorical funding amount established in HF 215 (Education Reform Appropriations Act), 2013 Iowa Acts, and Iowa Code section 284.15.
 - Removes a section dealing with the Educational Excellence, Phase I program that no longer exists.
 - Creates a new set of rules related to Early Literacy based on SF 2284 (Education Reform), 2012 Iowa Acts, and Iowa Code sections 256.7(31), 256.9(53), 279.60 and 279.68.
 - Clarifies asbestos abatement and start-up costs for new buildings are permitted uses of general funds. Both items can be brought to the School Budget Review Committee (SBRC) for additional supplemental aid but must first be paid from general funds and then taxed back with SBRC approval.
 - Adjusts the early retirement incentives provision as a permitted use of the management levy from “55 to 65” to “55 or older” with the enactment of SF 220, 2014 Iowa Acts, and Iowa Code section 279.46.
 - Clarifies permitted uses of the PPEL funds as outlined in Iowa Code section 298.3.
 - Clarifies the permissive use of capital projects funds, for improving buildings or sites for the purpose of accessing broadband, as has been the interpretation for years.
 - Adds new language and explains the permissive and nonpermissive uses of the Entrepreneurial Education Fund established in HF 533, 2013 Iowa Acts, and Iowa Code section 298A.15.
 - Updates special education instruction fund to reflect current terminology – no change in practice.
 - Updates juvenile home program instruction fund to reflect current terminology and also adds language assuming that Area Education Agencies will include cost containment as a principle to consider when developing the programs. This mirrors the guidance issued by the Department of Education to the field and is

consistent with other permissive and nonpermissive uses of categorical funds sections.

Agency Stated Authority: Iowa Code section 256.7(5).

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

LSA Response: The LSA concurs.

STAFF CONTACT: Timothy Crellin (515-725-1286) timothy.crellin@legis.iowa.gov

Engineering and Land Surveying Examining Board

ARC 1886C

Rule Summary Amends chapter 7 to expand the definition of professional development hours and how they will be credited towards specific programs. Amends chapter 9 to provide more detailed guidance to licensees on actions or omissions that could result in disciplinary actions.

Agency Stated Authority: Iowa Code section 542B.6.

Fiscal Impact **Agency Response:** No fiscal impact. No fees are being charged currently and no new fees will be imposed as a result of the adoption of these rules.

LSA Response: The LSA concurs.

STAFF CONTACT: Christin Mechler (515-281-6561) christin.mechler@legis.iowa.gov

Environmental Protection Commission

ARC 1877C

Rule Summary Amends the recreational and warm water aquatic life use designations for river and stream segments in Iowa. Additional information is available for individual Use Assessment and Use Attainability Analysis (UA/UAA) from the Department of Natural Resources (DNR).

The DNR applies a step-by-step process to gather site-specific field data on stream features and uses and then assesses available information to determine if the presumed recreational and aquatic life uses are appropriate. The DNR elected to perform a UA/UAA on any newly-designated stream that receives a continuous discharge from a facility with a National Pollutant Discharge Elimination System (NPDES) permit and will complete the analysis prior to issuing a NPDES permit for an affected facility.

Changes include under Surface Water Classifications:

- Seven stream segments as Class A1 Primary Contact Recreational Use.
- One stream segment as Class A1 Primary Contact Recreational Use and Class BWW-1 Warm Water – Type 1 Aquatic Life Use.
- Eight stream segments as Class A1 Primary Contact Recreational Use and Class BWW-2 Warm Water Type 2 Aquatic Life Use.
- Three stream segments as Class A2 Secondary Contact Recreational Use.
- Thirty-seven stream segments as Class A2 Secondary Contact Recreational Use and Class BWW-2 Warm Water - Type 2 Aquatic Life Use.
- Four stream segments as Class A2 Secondary Contact Recreational Use and Class BWW-3 Warm Water Use.

- Five stream segments as Class A3 Children's Recreational Use.
- Sixteen streams as Class A3 Children's Recreational Use and Class BW-2 Warm Water Use.
- Two streams to match the United States Geological Survey (USGS) title.
- Two streams approved in previous rulemaking efforts that were omitted.
- Revises the legal descriptions of approximately 51 stream segments that are not individually listed.

Agency Stated Authority: Iowa Code section [455B.103](#).

Fiscal Impact

Agency Response: No fiscal impact to the State. The stream designation does not alter the costs of permit application review or permit reissuance. Wastewater treatment facilities, particularly those owned by local governments, could be impacted by the rule change. It is estimated between \$46.0 million and \$64.0 million could be expended on facility upgrades.

LSA Response: The LSA concurs.

Rule Summary

Revises the General Permit No. 2 that authorizes the discharge of storm water from construction sites. The changes implement the recommendations of a Stakeholders Group that was created by the Governor under [Executive Order 80](#).

ARC 1873C

The changes implement the federal effluent guidelines for [Construction and Development Point Sources](#) that includes the preservation of topsoil at construction sites. The current requirement is that if four inches or more of topsoil existed prior to development, a minimum of four inches is to be in place on the surface after construction is complete unless land use precludes the practice. Residential developers and builders believe current requirements are too costly.

Proposed changes will not require a covering of topsoil over the entire site but will require the topsoil be somewhere on or under the surface of the permitted site unless the developer or builder determines it is not economically practicable and achievable.

Agency Stated Authority: Iowa Code sections [455B.103A](#).

Fiscal Impact

Agency Response: No fiscal impact to the Department. No additional activity by state personnel will be required by these changes as the storm water program already exists and the proposed changes will not increase the existing workload.

LSA Response: The LSA concurs.

STAFF CONTACT: Debra Kozel (515-281-6767) deb.kozel@legis.iowa.gov

Department of Inspections and Appeals

Rule Summary

Amends IAC Chapter 31 with technical changes to be consistent with the most current version of the Code of Federal Regulations (CFR) as related to food processing. Amendments include the following:

ARC 1861C

- Clarifies provisions related to certified food protection manager and adds an exception for certain taverns with food.
- Reinstates an exception to the food code related to reduced oxygen packaging of meat products in retail operations.
- Updates food processing standards.
- Adds provisions related to certain color additives.

- Adds provisions related to canned vegetables.

Agency Stated Authority: Iowa Code chapters 137C, 137D and sections 10A.104 and 137F.2.

Fiscal Impact **Agency Response:** No fiscal impact. The adoption of the corrections to the rulemaking is technical in nature and without cost association.

LSA Response: The LSA concurs.

ARC 1860C

Rule Summary Amends IAC chapters 68, 69, and 70. Updates the definition of “change of ownership” as well the mandatory process for notifying the Department when assisted living programs or elder group homes experience a change in program manager. Clarifies the contents of an application for the certification of a program.

Agency Stated Authority: Iowa Code section 231C.3(1).

Fiscal Impact **Agency Response:** No fiscal impact. The amendments require additional information to be provided by certain programs regulated by the Department and are consistent with the process used to license long-term care facilities.

LSA Response: The LSA concurs.

ARC 1858C

Rule Summary Implements changes made to Iowa Code sections 99B.2 and 99B.7 to amend Chapter 103 of the IAC. Adopts new definitions of “senior citizen,” “senior citizen group home,” “senior citizen organization” and “senior housing project”. Amends the licensing requirements and procedural rules of conducting a bingo occasion. Provides guidelines on disbursing cash prizes and sets penalties for those that do not comply with the rules.

Agency Stated Authority: Iowa Code section 99B.13.

Fiscal Impact **Agency Response:** No fiscal impact. The proposed rules simply update the outdated portions of the Department’s rules.

LSA Response: The LSA concurs.

ARC 1859C

Rule Summary Amends IAC chapters 104 and 105. Updates include technical changes to comply with current statutory language, including making the terminology consistent to “electrical or mechanical.” Also updates penalty provisions to comply with the Iowa Code and changes prize limits from \$5 to \$50.

Agency Stated Authority: Iowa Code section 99B.13.

Fiscal Impact **Agency Response:** No fiscal impact. The proposed rules simply update the Department’s current rules.

LSA Response: The LSA concurs.

Insurance Division

ARC 1843C

Rule Summary Delays the effective date of Rule 43 “Annual Mortality Tables for Use in Determining Reserve Liabilities for Annuities” from January 1, 2015, to January 1, 2016. The delay will prevent Iowa domiciled insurers from being placed at a competitive disadvantage in the marketplace and adversely affect the insurer and its policy holders.

Agency Stated Authority: Iowa Code section 505.8.

Fiscal Impact **Agency Response:** No fiscal impact. The amendment simply changes the effective date of the rule.

LSA Response: The LSA concurs.

ARC 1844C

Rule Summary Establishes procedural requirements to implement statutory changes that institute a disclosure framework for enterprise risk. The amendments enable the Insurance Division to assess risk related to the financial stability of domestic insurers. Through the implementation of various reporting forms, the amendments identify specific disclosures that must be addressed by an insurer when entering into a cost-sharing or management agreement with an insurance affiliate.

The amendments affect all Iowa domiciled insurers that are members of an insurance holding group as defined under Iowa Code chapter 521A.

Agency Stated Authority: Iowa Code sections 505.8 and 521A.8.

Fiscal Impact **Agency Response:** No fiscal impact. No material or financial costs are expected as a result of implementing the statutory changes.

LSA Response: The LSA concurs.

ARC 1888C

Rule Summary Amends Chapters 100, 101, 102, 103, and 104. Changes cross references and allows for the suspension of a sales agent license for failure to pay state debt pursuant to Iowa Code chapter 272D. Rescinds Chapter 106 “Disciplinary Procedures” and incorporates the provisions into Chapter 105 “Standards of Conduct and Prohibited Practices”.

Agency Stated Authority: Iowa Code chapter 523A.

Fiscal Impact **Agency Response:** No fiscal impact. The proposed amendments update and clarify current statutes and regulations.

LSA Response: The LSA concurs.

STAFF CONTACT: Christin Mechler (515-281-6561) christin.mechler@legis.iowa.gov

Iowa Finance Authority

ARC 1845C

Rule Summary Allows the Iowa Finance Authority (IFA) to set fees associated with the Mortgage Credit Certificates (MCC) Program and post the fees on its website rather than setting the fees in administrative rule.

	<p>Agency Stated Authority: Iowa Code sections <u>16.5(1)(r)</u> and <u>17A.3(1)(b)</u>.</p>
Fiscal Impact	<p>Agency Response: No fiscal impact to the State.</p> <p>LSA Response: The LSA concurs.</p>
Rule Summary	<p style="text-align: right;"><u>ARC 1855C</u></p> <p>Updates the implementation sentence related to purchasing by correcting a Code citation.</p> <p>Agency Stated Authority: Iowa Code sections <u>17A.3(1)(b)</u>, <u>16.5(1)(r)</u>, and <u>16.5(1)(f)</u>.</p>
Fiscal Impact	<p>Agency Response: No fiscal impact. The change is technical in nature and does not affect spending.</p> <p>LSA Response: The LSA concurs.</p>
Rule Summary	<p style="text-align: right;"><u>ARC 1856C</u></p> <p>Updates the implementation statement related to the Transitional Housing Revolving Loan Program by changing a Code citation.</p> <p>Agency Stated Authority: Iowa Code sections <u>17A.3(1)(b)</u>, <u>16.5(1)(r)</u>, and <u>16.48</u>.</p>
Fiscal Impact	<p>Agency Response: No fiscal impact. The amendment is technical and does not impact spending.</p> <p>LSA Response: The LSA concurs.</p>
Rule Summary	<p style="text-align: right;"><u>ARC 1866C</u></p> <p>Updates the implementation statements related to the Water Pollution Control Works and Drinking Water Facilities Financing Program.</p> <p>Agency Stated Authority: Iowa Code sections <u>17A.3(1)(b)</u>, <u>16.5(1)(r)</u>, and <u>16.48</u>.</p>
Fiscal Impact	<p>Agency Response: No fiscal impact. The amendment is technical and does not affect spending.</p> <p>LSA Response: The LSA concurs.</p>
Rule Summary	<p style="text-align: right;"><u>ARC 1854C</u></p> <p>Expands the Home Ownership Assistance Program to include members of the National Guard, Reserve, or regular component of the armed forces of the United States that served during the period of the Persian Gulf Conflict pursuant to <u>SF 303</u> (Military Retirement Pay Tax Exemption Act). Modifies the definitions and requirements of “participating lender” and adds the definition of “facilitating lender” to comply with the requirement in the Act to allow for other financing offers.</p> <p>Agency Stated Authority: 2014 Iowa Acts, <u>SF 303</u> (Military Retirement Pay Tax Exemption Act), Division 8.</p>
Fiscal Impact	<p>Agency Response: No fiscal impact.</p> <p>LSA Response: Expanding eligibility of veterans for the IFA Home Ownership Assistance Program will increase applicants. <u>HF 2463</u> (Human Services</p>

Administrative Rules – Fiscal Impact Summaries

March 6, 2015

14

Appropriations Act) increased the annual General Fund appropriation for the Program by \$900,000, enough to provide 180 additional grants at the maximum award of \$5,000 per grant.

ARC 1865C

Rule Summary Clarifies the implementation statements related to the Jump-Start Housing Assistance Program.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), 16.5(1)(r), and 16.56.

Fiscal Impact **Agency Response:** No fiscal impact. The amendment is technical and does not affect spending.

LSA Response: The LSA concurs.

ARC 1864C

Rule Summary Clarifies the implementation statements related to the Council on Homelessness.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), 16.5(1)(r), and 16.2D.

Fiscal Impact **Agency Response:** No fiscal impact. The amendment is technical and does not affect spending.

LSA Response: The LSA concurs

ARC 1906C

Rule Summary Amends rules related to the Water Quality Financial Assistance Program to reflect revisions to Iowa Code section 16.131.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact to the State. The amendments are technical corrections to reflect revisions to State law.

LSA Response: The LSA concurs.

ARC 1907C

Rule Summary Amends rules related to the Affordable Housing Assistance Grant Fund by rescinding the rules to reflect current law.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact to the State. The rulemaking rescinds the rules for a discontinued program.

LSA Response: The LSA concurs.

ARC 1903C

Rule Summary Amends rules related to the Community Housing and Services for Persons with Disabilities Revolving Loan Program to reflect revisions to Iowa Code section 16.49.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact to the State. The amendments are technical corrections to reflect revisions to State law.

LSA Response: The LSA concurs.

ARC 1905C

Rule Summary Amends rules related to the Iowa Agricultural Development Division to reflect revisions to Iowa Code section 16.49.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact to the State. The amendments are technical corrections to reflect revisions to State law.

LSA Response: The LSA concurs.

STAFF CONTACT: Ron Robinson (515-281-6256) ron.robinson@legis.iowa.gov

Iowa Public Employees' Retirement System (IPERS)

ARC 1887C

Rule Summary IPERS proposes the following rule changes:

- Implements contribution rates for regular and special service members beginning July 1, 2015, and adds two new protection occupation class groups enacted during the 2014 Legislative Session (Insurance Fraud Investigators and Parole Officers employed by Community-Based Corrections and certified through the Iowa Law Enforcement Academy).
- Changes the timing of service purchases made by permitting members to purchase service credit only at the time of retirement, effective January 1, 2016.
- Clarifies requirements of a completed retirement or disability retirement application when submitted by a member with regards to termination dates provided by the employer and acceptable birth proof, to conform overpayment rules for recovery of overpayments, and interest charged in the case of fraud, to the business rules and procedures currently in place.
- Clarifies vesting requirements and that level payment options are not available to members applying for disability benefits.
- Updates rules to remove language regarding same gender spouse or former spouse or same sex spouse or former spouse or Administrable Domestic Relations Order (ADRO) or any definitions of and/or related provisions, to conform IPERS with IRS reporting requirements for distributions to non-spouse successor alternate payees and to update rules regarding IPERS' administration of Domestic Relations Orders.
- Updates the definition of a record to be consistent with business rules and procedures.

Agency Stated Authority: Iowa Code sections 97B.4 and 97B.15

Fiscal Impact **Agency Response:** Included in these rules is the decrease in contribution rates for FY 2016 for the Protection Occupation group under IPERS. The decrease in the contribution rate from 16.90% to 16.40% will result in a savings of \$1.7 million. The contribution amounts are split 60/40 between employers and members resulting in an estimated member rate decrease of \$675,000 and an estimated employer decrease of \$1.0 million.

Also included in these rules is a change in the current service purchase credit method. The rule change restricts the actual purchase of service credit until the time of retirement rather than permitting members to buy service purchase at any time prior to retirement. The current method is based on actuarial assumptions that result in some members underpaying and others overpaying the actual cost. The change

also requires members to be vested by years of service at the time of purchase rather than vested by age. IPERS and its actuary determined that this approach will better protect both the member and IPERS as the member's actual work experience, termination date, actual age, and final average salary will be used to calculate the service purchase cost rather than projections as to these cost elements. In the past, quarters purchased were averaged together for the quarterly cost. This change will also require the quarters to be valued individually. Individual quarters can significantly increase a member's pension benefit and likewise, the cost of the service purchased. By requiring individual quarters to be calculated, it will reflect a more true cost of the service purchase. This change is expected to be neutral to the System.

LSA Response: The LSA concurs.

STAFF CONTACT: Jennifer Acton (515-281-7846) jennifer.acton@legis.iowa.gov

Labor Services Division

ARC 1849C

Rule Summary Makes editorial and technical changes, removes obsolete language, and changes three fees to reflect the costs of enforcement. The inspection schedule for construction elevators is set to match the three-month schedule recommended by the American Society of Mechanical Engineers. Establishes new rules for elevators restricted for handicapped use. Requires all electrical equipment pertaining to the elevator to comply with rules and not just electrical equipment in the machine room and hoistway.

Agency Stated Authority: Iowa Code section 89A.3.

Fiscal Impact **Agency Response:** No fiscal impact to the State. The fee changes in this notice relate to equipment that makes up a small percentage of regulated conveyances in Iowa, with two fee increases and one decrease. While the frequency of inspections for construction elevators is increased, there are very few construction elevators in use. The other changes will not have a fiscal impact.

LSA Response: The LSA concurs.

ARC 1853C

Rule Summary This notice proposes enhanced safety features for passenger elevators.

Agency Stated Authority: Iowa Code section 89A.3.

Fiscal Impact **Agency Response:** This will have only a minor fiscal impact on the State. Owners of equipment with the hazardous doors will incur expenses. The subcommittee assigned by the Elevator Safety Board studied available methods to prevent accidents and settled on light curtains as the least expensive option. A small number of elevator owners will have to pay for multi-point light curtains.

LSA Response: The LSA concurs. These changes will require a small number of elevator owners to install additional safety features.

ARC 1891C

Rule Summary Adopts by reference most of the new American Society of Mechanical Engineers A17.3 (2011) safety code for existing elevators and escalators, with an enforcement date of May 1, 2020.

Agency Stated Authority: Iowa Code section 89A.3.

Administrative Rules – Fiscal Impact Summaries

March 6, 2015

17

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined. There will be costs for elevator owners to upgrade their equipment. The Board did not adopt the most costly requirements and set a five-year period for compliance.

LSA Response: No fiscal impact. Owners of existing elevators may incur expenses and will have until May 1, 2020, to bring the equipment up to the requirements.

STAFF CONTACT: Ron Robinson (515-281-6256) ron.robinson@legis.iowa.gov

Department of Public Safety

ARC 1868C

Rule Summary Updates the current standards to adopt the most recent edition of the National Fuel Gas Code that was developed by the National Fire Protection Association (NFPA).

Agency Stated Authority: Iowa Code section 80A.15.

Fiscal Impact **Agency Response:** There may be additional costs to business to meet NFPA standards, but there are no additional resources required from the State.

LSA Response: The LSA concurs.

ARC 1867C

Rule Summary Implements the Home Base Iowa Act, Senate File 303 of the 85th General Assembly, codified as Iowa Code section 272C.4. The adopted rule does not reduce the standards for licensing, but streamlines the process for skilled electricians that served in the military.

Agency Stated Authority: Iowa Code section 103.6.

Fiscal Impact **Agency Response:** The adopted rules explain the process more clearly to veterans, but do not substantially change the work of the Electrical Examining Board that administers the rules. Current rules provide for similar options to accommodate the training and experience of returning veterans.

LSA Response: The LSA concurs.

STAFF CONTACT: Alice Wisner (515-281-6764) alice.wisner@legis.iowa.gov

Department of Revenue

ARC 1857C

Rule Summary Amends the rules regarding the Redevelopment Tax Credit Program to reflect the enactment of 2014 Iowa Acts, SF 2339. Clarifies existing rules and updates the information requirements for tax credit transfers to help the Department gather more complete data about the program that will aid the tax expenditure committee in its evaluation.

Agency Stated Authority: Iowa Code sections 17A.3, 421.14, and 422.68.

Fiscal Impact **Agency Response:** The amended rules do not have a fiscal impact. However SF 2339 will reduce General Fund revenue by \$ 1.4 million between FY2017 and FY2022. Additional information can be found in the corresponding LSA fiscal note.

LSA Response: The LSA concurs.

ARC 1883C

Rule Summary Removes requirements for the Department of Revenue to mail a preaddressed estimate tax form to all resident taxpayers that filed an estimate tax form in the prior year. Taxpayers that choose to continue to use paper forms may procure these from the Department or on the Department's website.

Agency Stated Authority: Iowa Code sections 17A.3 and 421.14.

Fiscal Impact **Agency Response:** The Department estimates this amendment will allow the Department of Revenue to forego printing and mailing 110,000 tax forms, This is estimated to reduce expenditures by \$46,000 for tax year 2014.

LSA Response: The LSA concurs.

STAFF CONTACT: Christin Mechler (515-281-6561) christin.mechler@legis.iowa.gov

Department of Transportation

ARC 1846C

Rule Summary Requires the Department of Transportation to retain records related to the final decision for contested cases. Currently, records must be maintained for three years. This change is consistent with Iowa Code section 17A.12. Contested cases primarily pertain to drivers' license revocation, suspension, and disqualification. However, this also pertains to titles, dealer licenses, and other issues.

Agency Stated Authority: Iowa Code sections 307.10 and 307.12.

Fiscal Impact **Agency Response:** Rule changes are minor and will have no fiscal impact.

LSA Response: The LSA concurs.

ARC 1885C

Rule Summary Adopts the latest version of the Manual on Uniform Traffic Control Devices (MUTCD) and strikes subrules that were incorporated into the MUTCD. Allows signage for named bridges and incorporates changes to the signage for named routes. Other changes exempt the interstate from being named, require applicants to pay installation costs of the signs, make changes to the size of the signs, and make changes for clarity and consistency.

Agency Stated Authority: Iowa Code sections 307.10, 307.12 and 321.252.

Fiscal Impact **Agency Response:** Minimal fiscal impact. No changes to existing traffic control devices are required. As the traffic control devices are replaced, the new devices must comply with the MUTCD.

Requiring applicants to pay for sign posts installation and hardware will decrease DOT expenditures by an estimated \$5,000 per year.

LSA Response: The LSA concurs.

STAFF CONTACT: Adam Broich (515-281-8223) adam.broich@legis.iowa.gov

Utilities Division

ARC 1848C

Rule Summary Allows a public water utility to enter into an agreement with a city utility, city enterprise, combined city utility, or combined city enterprise to disconnect water service if an overdue debt is owed for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment.

Agency Stated Authority: Iowa Code sections 17A.4, 476.86, and 476.87.

Fiscal Impact **Agency Response:** The state will not experience any fiscal impact. The Board tentatively concluded that the amendments will beneficially impact the ability of cities served by public water utilities, regulated by the Board, to recover for debts owed for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment in an amount in excess of \$4,000,000.

LSA Response: The LSA concurs.

ARC 1899C

Rule Summary Updates rules governing the Boards designation of Eligible Telecommunications Carriers (ETCs) in order to receive support from the federal Universal Service Fund. Eliminates outdated provisions, aligns the Boards rules with recent reforms to the federal Universal Service Fund, and clarifies the process for telecommunications carriers to apply to the Board for the designation as an ETC.

The changes deal with:

- Report content.
- Universal service and lifeline connections for low-income consumers.
- Connect America Fund and broadband service.
- Definitions related to eligible telecommunications carriers.
- Application requirements for the ETC designation.
- Obligation to offer lifeline services to persons at or below 135.0% of the Federal Poverty Guidelines and determination of subscriber eligibility.
- Service to tribal lands.
- Filing reports and audits consistent with the federal requirements.
- Relinquishing the ETC designation.

Agency Stated Authority: Iowa Code sections 17A.4, 476.2, and 476.102 and 47 United States Code section 214(e)(3).

Fiscal Impact **Agency Response:** In large part, the proposed revisions update current rules to align with federal rules and will have no fiscal impact on Iowa telecommunications carriers.

LSA Response: The LSA concurs.

STAFF CONTACT: Christin Mechler (515-281-6561) christin.mechler@legis.iowa.gov

Iowa Commission on Volunteer Service

ARC 1882C

Rule Summary Revises procedures for the Retired Senior Volunteer Program (RSVP) to establish a new funding distribution formula related to clarifying reporting requirements. The maximum award per volunteer will be determined by the Commission annually instead of by rule. Base funding will be established by the previous fiscal year funding rather than the 2001 level. The proposed rules were revised since the

amended notice was filed. The volunteer management requirement was expanded to include the provision of volunteer management resources, such as best practices and materials. The reporting requirement was revised to track the number of persons that report that the volunteer management resources, rather than only training, increased their knowledge. Another change was made to indicate that the Commission will retain funds for up to two years to be used to support RSVP training designed to increase volunteer recruitment and retention and to detail that after two years the funds will be distributed across other RSVP programs. The additional funds will be awarded on a one-year basis only.

Agency Stated Authority: Iowa Code chapter 15H.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

STAFF CONTACT: Ron Robinson (515-281-6256) ron.robinson@legis.iowa.gov

Department on Aging

ARC 1898C

Rule Summary The rule makes the following changes:

- Provides a current address for the Department's official website.
- Aligns the chapter with the Department's current organizational units and structure.
- Removes provisions duplicative of already existing Iowa Code, Iowa Administrative Code, and federal law.

Agency Stated Authority: Iowa Code section 231.23

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

STAFF CONTACT: Jess Benson (515-281-4611) jess.benson@legis.iowa.gov

Dental Board

ARC 1897C

Rule Summary Reduces the retention schedule for study models and casts after the patient's date of last examination.

Agency Stated Authority: Iowa Code sections 147.76 and 272C.2.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

STAFF CONTACT: Kenneth Ohms (515-725-2200) kenneth.ohms@legis.iowa.gov

Iowa Lottery Authority

ARC 1847C

Rule Summary Updates Chapters 1, 2, 3, 5, 6, 18, 19 and 20 to reference the new business address of the Iowa Lottery Authority. Additionally, modifies Chapters 18, 19, and 20 to update the method for relaying game odds to players to include the Lottery Authority's website as a source of information.

Agency Stated Authority: Iowa Code section 99G.9(3).

Fiscal Impact Agency Response: No fiscal impact. The changes are technical in nature.

LSA Response: The LSA concurs.

STAFF CONTACT: Christin Mechler (515-281-6561) christin.mechler@legis.iowa.gov

Department of Public Health

ARC 1874C

Rule Summary Adopts by reference 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.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

STAFF CONTACT: Kenneth Ohms (515-725-2200) kenneth.ohms@legis.iowa.gov

Racing and Gaming Commission

ARC 1876C

Rule Summary Amends the following Chapters of the Iowa Administrative Code:

- Chapter 5 – Track and Excursion Boat Licensees’ Responsibilities.
- Chapter 8 – Wagering and Simulcasting.
- Chapter 10 – Thoroughbred and Quarter Horse Racing.
- Chapter 11 – Gambling Games.
- Chapter 12 – Accounting and Cash Control.

Updates and clarifies a number of requirements, including those for peace officer presence at a licensed gaming facility and independent network assessments to be done on a biennial basis. Removes references to the Gambling Treatment Fund and nullifies the use of month-end reporting. Updates rule language and regulations in regard to live racing and trifecta wagering circumstances. Amendments provide for the use of microchipping and multistate wide area progressive slot machine systems, subject to agreement between participating states.

Agency Stated Authority: Iowa Code sections 99D.7 and 99F.4.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

STAFF CONTACT: Christin Mechler (515-281-6561) christin.mechler@legis.iowa.gov
David Reynolds (515-281-6934) dave.reynolds@legis.iowa.gov

Regents Board

ARC 1902C

Rule Summary Aligns the public universities with federal rules and the Home Base Iowa statute regarding the classification of veterans as residents.

Agency Stated Authority: Iowa Code section 262.9(3).

Fiscal Impact **Agency Response:** The fiscal impact of the rule change cannot be determined.

LSA Response: The LSA concurs. The rule change will reduce tuition costs for nonresident veterans and their spouses and dependents by permitting them to pay in-state tuition rates. This has the potential to reduce tuition revenue at the universities but the amount of that reduction cannot be determined. In the 2014-2015 academic year, the difference between the resident and nonresident undergraduate tuition rates is:

- University of Iowa - \$19,330
- Iowa State University - \$12,886
- University of Northern Iowa - \$9,898

ARC 1895C

Rule Summary Increases the application fees at the University of Northern Iowa (UNI) from \$50 to \$60 for graduate/professional domestic students and from \$70 to \$75 for graduate/professional international students.

Agency Stated Authority: Iowa Code section 262.9(3).

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

LSA Response: The LSA concurs. No fiscal impact. The University estimates that the proposed fee increases will generate \$12,000 annually.

STAFF CONTACT: Robin Madison (515-281-5270) robin.madison@legis.iowa.gov
