



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**December 8, 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 Administrative Services

**ARC 2267C**

**Rule Summary** Amends certain departmental rules eliminating outdated provisions and conflicts with statute, and makes other changes that reflect and clarify departmental practice.

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

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

**LSA Response:** The LSA concurs.

**ARC 2268C**

**Rule Summary** Adopts a new Chapter to administer and promote equal opportunity in all State contracts and service and to prohibit discrimination in the provision of State contracts. Senate File 510 (FY 2016 Standing Appropriations Act) moved the enforcement of this code section from the Department of Management (DOM) to the Department of Administrative Services (DAS).

**Agency Stated Authority:** Iowa Code section 19B.7.

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

**LSA Response:** The LSA concurs.

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**Alcoholic Beverages Division**

**ARC 2255C**

**Rule Summary** Establishes requirements and restrictions for Class “C” beer permit holders for the filling, refilling, sealing, and selling beer in a container other than the original container. These rules are necessitated by the enactment of SF 456 (Draft Beer Sales Act), section 1 and SF 510, section 14, pursuant to the 2015 Iowa Acts.

**Agency Stated Authority:** Iowa Code section 123.21.

**Fiscal Impact** **Agency Response:** Fiscal impact to the regulated community and the State of Iowa is undeterminable at this time.

**LSA Response:** The LSA concurs. As it unclear how these requirements will affect beer sales across the State, the fiscal impact cannot be determined at this time.

**ARC 2254C**

**Rule Summary** Rescinds the existing rules on tasting, sampling, and trade spending. Adopts three distinct rules on the same subject matter to clarify and separate each aspect of the subject matter. The proposed amendment defines terms and explains each subject matter in greater detail to benefit the public and industry members.

**Agency Stated Authority:** Iowa Code section 123.21.

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

**LSA Response:** The LSA concurs.

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**Dental Board**

**ARC 2252C**

**Rule Summary** Implements HF 202 (Retired Volunteer Dental Licenses Act) to establish the criteria for application and qualification for obtaining a retired volunteer license for a dentist or dental hygienist. The applicant must have retired from the practice of dentistry or dental hygiene, to enable the dentist or dental hygienist to provide volunteer dental or dental hygiene services without having to maintain an active license.

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

**Fiscal Impact** **Agency Response:** Database vendor has estimated approximately \$90,000 in programming costs to incorporate this new license type into our existing online system.

**LSA Response:** The LSA concurs. There is no impact to the General Fund since the Dental Board is fee supported.

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**Economic Development Authority**

**ARC 2263C**

**Rule Summary** Establishes a revolving Nuisance Property Remediation Assistance Fund for purposes of providing financial assistance to cities for the remediation of nuisance properties, abandoned buildings, and other structures SF 499 (FY 2016 Economic Development Appropriations Act). The rules establish a Program to provide the

assistance and describe the manner that the Authority intends to implement and administer the Program. The amount of assistance awarded from the Fund is negotiated between each applicant and the Authority based on the total amount of funds available to the Authority for the Program. The Authority Director makes the final funding decision. The terms of assistance are specified in the contract between the parties, specifically the loan amount, terms, interest rate, and repayment requirements. The rules specify the scoring criteria.

**Agency Stated Authority:** Iowa Code section 15.106A.

**Fiscal Impact Agency Response:** No fiscal impact to the State.

**LSA Response:** The LSA concurs.

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**Educational Examiners Board**

**Rule Summary** **ARC 2229C**  
Increases 19 licensure fees by \$4 each. Current fees range from \$15 to \$500. Fee increases range from 0.8% to 26.7%. A complete list of increased fees is available from the LSA on request.

**Agency Stated Authority:** Iowa Code section 272.2(2).

**Fiscal Impact Agency Response:** These fee increases are estimated to increase annual revenue by \$123,000. Of this total, \$92,000 (75.0%) will remain with the Board and \$31,000 (25.0%) will be deposited in the General Fund per Iowa Code section 272.10.

**LSA Response:** The LSA concurs with the fiscal impact. The increase in revenue of \$123,000 assumes 30,693 transactions will occur, a projection based on the average transaction data for the Board of Educational Examiners during FY 2013, FY 2014, and FY 2015.

**Rule Summary** **ARC 2230C**  
Updates administrative rules to reflect the changes resulting from the passage of SF 131 (Board of Educational Examiners Licensure Act). Clarifies the review of the Iowa Court Information System during background checks. The changes also streamline several rules by creating a singular reference for all background check procedures.

**Agency Stated Authority:** Iowa Code section 272.2(17).

**Fiscal Impact Agency Response:** As the proposed changes do not require additional expenditures or staff requirements, no fiscal impact is expected.

**LSA Response:** The LSA concurs.

**Rule Summary** **ARC 2237C**  
Changes the number of practicum and internship hours required to add the Grades K-8 and 5-12 Professional School Counselor endorsement to both an Iowa teaching license and an Iowa professional service license. Practicum and internship hours are changed from 500 at the Grades K-8 level and 500 at the 5-12 level to a minimum of a 100 hour practicum and a minimum 600 hour supervised internship. For candidates seeking both the K-8 and 5-12 professional school counselor

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endorsements, a minimum of 100 hours of the practicum or internship experiences must be completed.

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

**Fiscal Impact**      **Agency Response:** The proposed amendments will not require any additional expenditures or impact Board revenue.

**LSA Response:** The LSA concurs.

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### Iowa Ethics and Campaign Disclosure Board

#### **ARC 2240C**

**Rule Summary**      Allows for an increase of the threshold for creating and registering a committee with the Ethics Board from \$750 to \$1,000. Increases the maximum amount of an anonymous donation from \$10 to \$25. These updates are pursuant to the enactment of SF 135, as signed by the Governor, on April 24, 2015.

**Agency Stated Authority:** Iowa Code section 68B.32A(1).

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

**LSA Response:** The LSA concurs.

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### Insurance Division

#### **ARC 2260C**

**Rule Summary**      Rescinds current rules and adopts new rules and amendments as necessitated by the enactment of SF 487 (Portable Electronics Insurance Sales Act), 2015 Iowa Acts. The new rules create updated licensing procedures for selling portable electronics insurance and clarify travel and rental insurance sales licensing rules in order to comply with similar rules.

**Agency Stated Authority:** Iowa Code section 522A.7.

**Fiscal Impact**      **Agency Response:** These rules will impose a fiscal impact on the State of less than \$100,000 in licensing fees paid to the State every three years.

**LSA Response:** The LSA concurs.

#### **ARC 2258C**

**Rule Summary**      Rescinds current rules and adopts the new and amended Iowa Administrative Code Chapter 100. The new Iowa Administrative Code (IAC) Chapter contains the terms and conditions that entities and individuals can be licensed to provide preneed sales of cemetery and funeral merchandise, or funeral services. This new IAC chapter implements the amendments to Iowa Code chapter 523A as necessitated by the enactment of HF 632, 2015 Iowa Acts.

**Agency Stated Authority:** Iowa Code section 523A.809.

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

**LSA Response:** The LSA concurs.

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### **ARC 2259C**

**Rule Summary** Updates current rules to reflect the enactment of HF 632, 2015 Iowa Acts, to allow intrastate crowdfunding as a securities exemption under Iowa Code section 502.202. The amendments further establish procedures for persons to conduct intrastate crowdfunding, on or after January 1, 2016.

**Agency Stated Authority:** Iowa Code section 502.605.

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

**LSA Response:** The LSA concurs.

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### **Iowa Finance Authority**

### **ARC 2128C**

**Rule Summary** Strikes and replaces the Title Guaranty Division Chapter to clarify the rules, align the language with statutory authority and current practice, and streamline the process for obtaining a title plant waiver. Such a waiver is defined as a compilation of all instruments of record that may impact a title to real property.

**Agency Stated Authority:** Iowa Code chapter 16.

**Fiscal Impact** **Agency Response:** No fiscal impact. No appropriated funds are used and the proposed changes are not expected to impact revenue generated by the Program.

**LSA Response:** The LSA concurs.

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### **Labor Services Division**

### **ARC 2264C**

**Rule Summary** Changes the safety standards governing alterations of residential elevators installed in public buildings and escalators by making the more flexible American Society of Mechanical Engineers (ASME) standards applicable.

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

**Fiscal Impact** **Agency Response:** No fiscal impact to the State.

**LSA Response:** The LSA concurs.

### **ARC 2251C**

**Rule Summary** Adopts by reference changes to the American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code, National Electrical Code, National Fire Protection Association, and National Board of Inspection Code, national codes.

**Agency Stated Authority:** Iowa Code section 88.14.

**Fiscal Impact** **Agency Response:** No fiscal impact to the State.

**LSA Response:** The LSA concurs.

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**Board of Medicine**

**ARC 2249C**

**Rule Summary** Implements 2015 Iowa Acts, chapter 68 (SF 462 Maintenance and Administration of Epinephrine in Schools and Certain Other Facilities Act), to allow physicians to write prescriptions for authorized facilities to stock an epinephrine auto-injector supply.

**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 Safety**

**ARC 2266C**

**Rule Summary** Adopts rules consistent with the 2015 International Fire Code (IFC). These proposed rules reflect the most current industry standards, promote consistency of governing codes, eases the burden of planning, constructing, and maintaining buildings while also meeting the expectations and needs of the public that use these buildings.

**Agency Stated Authority:** Iowa Code section 100.1.

**Fiscal Impact** **Agency Response:** The fiscal impact to the construction industry is expected to be minimal. While there may be costs associated with complying with the 2015 IFC, there also may be reduced costs as a result of streamlining construction requirements and easing the burdens of planning, construction, and maintenance of buildings.

**LSA Response:** The LSA concurs.

**ARC 2250C**

**Rule Summary** Adopts 2015 International Building Code (IBC) provisions in place of previous versions of the IBC. However, the proposed amendments do not, at this time, include the 2015 IBC Energy Code. It has been the policy of the Building Code Bureau of the State Fire Marshal's Office and the Building Code Advisory Board to adopt the most recent edition of the International Building Code. The Building Code Advisory Council has approved the proposed amendments. The Building Code Bureau has consulted informally with stakeholders in the construction industry, and they are in support of the adoption of the 2015 IBC as proposed in these amendments.

**Agency Stated Authority:** Iowa Code sections 103A.7, 103A.11, and 103A.14.

**Fiscal Impact** **Agency Response:** The fiscal impact is expected to be minimal. There may be costs associated with following the provisions of the new rules however, the new rules also streamline construction requirements, ease the burden of planning and constructing buildings, and promote consistency of governing codes.

**LSA Response:** The LSA concurs.

**ARC 2265C**

**Rule Summary** Adopts the provisions of the 2015 IBC Code as it relates to historic buildings.

**Agency Stated Authority:** Iowa Code sections 103A.7, 103A.11, and 103A.14.

**Fiscal Impact**      **Agency Response:** The fiscal impact to the State is expected to be minimal. There will be costs to comply with the current standards. However, the new rules also streamline construction requirements and promote consistency of governing codes that should ease the burden and potentially offset the costs. It is anticipated that there will be a positive impact on jobs.

**LSA Response:** The LSA concurs.

**Rule Summary**      **ARC 2245C**  
Establishes the Iowa Electrician and Electrical Contractor Licensing Program and creates the Electrical Examining Board with authority to establish standards for the safety of electrical work and for licensing of electricians and electrical contractors. The amendments establish procedures for issuing licenses to master electricians licensed in states that have entered into reciprocal licensing agreements with the Board, establish procedures for refunding license fees; and correct the mailing address of the Board for submitting requests for waivers of administrative rules to the Board. The proposed amendments update rules regarding post secondary education requirements, to clarify requirements for qualification for a journeyman license and set requirements for qualification for a residential electrician license. The proposed amendments update rules regarding organization reporting and electrical inspection program operated by political subdivisions, to clarify requirements for certification of electrical inspectors.

**Agency Stated Authority:** Iowa Code chapter 103.

**Fiscal Impact**      **Agency Response:** There is little fiscal impact from these rules. The rules should make it easier for trained persons to become licensed electricians in Iowa, and easier for veterans with experience to become licensed as electricians.

**LSA Response:** The LSA concurs.

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**Secretary of State**

**Rule Summary**      **ARC 2262C**  
Requires State agencies covered under the National Voter Registration Act (NVRA) and its enacting statute Iowa Code chapter 48A to track and report data to the Secretary of State's Office (SOS) on voter registration information to demonstrate continued compliance under the federal NVRA. The rule also exempts NVRA-designated agencies from offering voter registration to minors they know to be under 17 1/2, while maintaining a requirement that voter registration information still be handed out.

**Agency Stated Authority:** Iowa Code sections 48A.19 and 17A.4

**Fiscal Impact**      **Agency Response:** The impact is anticipated to be minimal. There may be some nominal costs to processes within agencies but nothing directly impacting costs. The NVRA compliance has been federally mandated since 1993, and the infrastructure already exists.

**LSA Response:** The LSA concurs.

**ARC 2269C**

**Rule Summary**     *\*\*\*Termination of this rulemaking has been requested by the Secretary of State\*\*\**  
Authorizes the Secretary of State's Office to retain fees generated by requests for Voter Registration Lists.

**Agency Stated Authority:** Iowa Code sections 48A.38 and 17A.4.

**Fiscal Impact**     **Agency Response:** Providing voter registration lists is required under Iowa Code section 48A.38. This rule change would allow the Secretary of State's Office to collect and retain fees associated with producing voter registration lists. The fiscal impact will result in approximately \$50,000 a year being deposited in the Election Fund in the Secretary of State's Office rather than being deposited in the State General Fund.

**LSA Response:** This rulemaking will reduce General Fund revenue. The following shows the fee revenue for the past five years:

- FY 2015 - \$83,392
- FY 2014 - \$41,816
- FY 2013 - \$85,564
- FY 2012 - \$41,031
- FY 2011 - \$44,601

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**Voter Registration Commission**

**ARC 2246C**

**Rule Summary**     Announces the public hearing to be held on December 23, 2015, at 8:30 a.m. at the Secretary of State's Office in the Lucas Building to discuss updates to the Motor Voter and online voter registration systems through the Department of Transportation's (DOT) website.

**Agency Stated Authority:** Iowa Code sections 47.8, 48A.13, and 17A.4.

**Fiscal Impact**     **Agency Response:** No fiscal impact because the process will use the existing technology infrastructure within the DOT.

**LSA Response:** The LSA concurs.

**ARC 2261C**

**Rule Summary**     Defines political purpose under Iowa Code section 48A.39.

**Agency Stated Authority:** Iowa Code sections 48A.39 and 17A.4.

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

**LSA Response:** The LSA concurs.

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**State Public Defender**

**ARC 2233C**

**Rule Summary**     Establishes measures to promote fairness in the review of claims of contract attorneys and other professionals that render services on behalf of indigent clients. The proposed amendments make technical and substantive revisions to promote



fairness in the claims review process. In addition, the amendments expand the types of misdemeanor cases in which the state public defender system provides representation to indigent persons to comply with the Iowa Supreme Court decision in *State v. Young*, 863 N.W.2d 249 (Iowa 2015). The rule also expands the purposes for which evaluations may be court ordered to comply with the Iowa Supreme Court decision in *State v. Lyle*, 854 N.W. 2d 378 (Iowa 2014).

**Agency Stated Authority:** Iowa Code section 13B.4(8).

**Fiscal Impact**

**Agency Response:** The measures affecting the claims review process will have minimal to no fiscal impact.

The constitutionally required standards from the *State v. Lyle* and *State v. Young* decisions have already been imposed. The rule change should create no additional cost to the Indigent Defense Fund beyond the additional cost already imposed as a result of compliance with the decisions themselves. The fiscal impact regarding the additional evaluations required by the *State v. Lyle* decision is unknown.

**LSA Response:** The LSA concurs. The rule change will have no additional fiscal impact to the Indigent Defense Fund beyond the additional cost already imposed as a result of compliance with the *State v. Young* and *State v. Lyle* decisions.

As of November 4, 2015, the cost generated by stand-alone misdemeanors has increased by \$132,000 in FY 2016. For FY 2016, the projected total cost increase to the indigent defense fund is \$396,000. It is important to note that the State Public Defender has seen an overall increase in claims since the beginning of FY 2016. As of November 4, 2015, there have been 2,476 more claims in FY 2016 than at the same point in FY 2015. The overall increase in claims has resulted in a \$1.1 million increase in total costs thus far in FY 2016.

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**Department of Corrections**

**ARC 2256C**

**Rule Summary**

Updates rules on routine matters such as address corrections, hours of operation, and location of product catalogs. Clarifies that products may be sold to contractors when the products will be sold to a public entity, adopts by reference the provisions of Department of Administrative Services rules dealing with procurement of goods and services, and adds a definitional term governing private sector employment of offenders.

**Agency Stated Authority:** Iowa Code section 904.804.

**Fiscal Impact**

**Agency Response:** This rule change has minimal fiscal impact, and only clarifies that a general contractor can purchase Iowa Prison Industry products on behalf of an authorized customer.

**LSA Response:** The LSA concurs.

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**Department of Revenue**

**ARC 2247C**

**Rule Summary**

Amends the IAC reference to excise taxes on motor fuel and special fuel, establishes a biodiesel distribution percentage formula, and updates terminology and references

to the Iowa Code. These updates reflect the enactment of SF 257 (Motor Fuel Tax Act).

Increases Iowa’s motor fuel tax for gasoline, gasohol, and diesel fuels by 10.0 cents per gallon. Fuels impacted by this increase include ethanol-blended gasoline, unblended gasoline, diesel, biodiesel, compressed natural gas (CNG), liquid petroleum gas (LPG), and liquefied natural gas. Increases the tax on special aviation fuel in aircrafts from 3.0 to 5.0 cents per gallon.

Following public comment, the rule was amended to meet industry standards of a 1.0 percent blending error. No other public comments were made.

**Agency Stated Authority:** Iowa Code section 17A.3, 421.14, and 452A.59.

**Fiscal Impact**

**Agency Response:** Fiscal impact estimates are taken from the fiscal note for SF 257.

**LSA Response:** Fuel taxes collected in the last four months of FY 2015 reflect an estimated increase of \$79.2 million compared to the prior tax rates. The fiscal note estimated revenue to the Road Use Tax Fund will increase an average of \$200.0 million per year from FY 2016 to FY 2020.

**ARC 2239C**

**Rule Summary**

Clarifies and expands the sales and use tax exemption for computers, machinery, and equipment used by manufacturers and other specified users for certain purposes under Iowa Code section 423.3(47). This filing provides notice of a public hearing and changes the applicability date to July 1, 2016. The proposed amendments are otherwise identical to those published under the Notice.

**Agency Stated Authority:** Iowa Code sections 17A.3 and 423.42.

**Fiscal Impact**

**Agency Response:** See the following table:

<b>General Fund Revenue Reduction - Updated</b>			
Department of Revenue Projection			
In Millions of Dollars			
	State General Fund	Local Option Taxes	Total Tax Reduction, State and Local Taxes Combined
FY 2016	\$0.0	\$0.0	\$0.0
FY 2017	37.0	5.3	42.3
FY 2018	37.9	5.4	43.3
FY 2019	38.8	5.5	44.3
FY 2020	39.8	5.6	45.4
FY 2021	40.6	5.8	46.4

**LSA Response:** For more information, see the revised LSA analysis document.

<b>General Fund Revenue Reduction - Updated</b>				
Legislative Services Agency Projection				
In Millions of Dollars				
	State General Fund	School Infrastructure	Local Option Taxes	Total Tax Reduction, State and Local Taxes Combined
FY 2016	\$0.0	\$0.0	\$0.0	\$0.0
FY 2017	34.8	7.0	6.1	47.9
FY 2018	35.9	7.2	6.3	49.4
FY 2019	37.1	7.4	6.5	51.0
FY 2020	38.3	7.7	6.7	52.7
FY 2021	39.6	7.9	6.9	54.4

In future fiscal years, the impact is expected to grow at a rate just above the rate of inflation.

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**Department of Human Services (DHS)**

**ARC 2243C**

**Rule Summary** Terminates this cost containment rule making due to the implementation of managed care and decreased cost savings initially associated with this proposal.

**Agency Stated Authority:** Iowa Code section 249A.4 and 2015 Iowa Acts, SF 505 (Health and Human Services Appropriations Act).

**Fiscal Impact** **Agency Response:** This change was estimated to result in General Fund savings of \$1.0 million per year in FY 2016 and FY 2017. The rule changes were related to cost-savings initiatives that were part of the Health and Human Services Appropriations Act and by not implementing the rule, the savings will no longer be achieved.

**LSA Response:** The LSA concurs.

**ARC 2242C**

**Rule Summary** Implements the second of a series of two rule makings that implement the Governor’s managed care initiative. Proposed changes to amendments in this rule making package include the following.

- Clarifying coverage under the “Marketplace Choice Plan,” as this coverage will be absorbed under the Iowa Health and Wellness Plan (IHAWP) and will be referred to as “Wellness Plan” moving forward.
- Clarifying the process for an IHAWP member to claim a “hardship exemption,” indicating that payment of the monthly contribution for the Wellness Plan will be a financial hardship.
- Rescinding references to the “Iowa Plan for Behavioral Health.”
- Rescinding outdated subrules regarding provider qualifications, prior to December 31, 2006, for Home and Community-Based Services (HCBS) provided in residential care facilities.
- Removing outdated references to “mental retardation” and replacing those with “intellectual disability.”
- Replacing outdated references to “comprehensive functional assessment tool” for the ID Waiver, with the “Supports Intensity Scale (SIS)” assessment.

- Removing outdated references to the “Iowa Foundation for Medical Care (IFMC)” and replacing those with the “IME Medical Services Unit.”
- Adding the managed care organization role or responsibility in delivery and payment of Medicaid covered services.
- Removing outdated reference to the “DSM Third Edition” and replacing with “Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5), published by the American Psychiatric Association”.
- Clarifying the provider notification for incident reports for members enrolled with a managed care organization.
- Adding a new service definition, reimbursement methodology, and record requirements for Child Care Medical Services.
- Rescinding references to Accountable Care Organizations.
- Removing outdated references to average wholesale price (AWP) for drug reimbursement and State maximum allowable cost (SMAC) reimbursement for generic drugs.
- Removing references to equivalent products and savings related to SMAC.
- Clarifying that requests for prior authorization go through the managed care organization.
- Clarifying the process for drug authorization and removing outdated language.
- Removing references to the MediPASS Program.
- Adding a definition of level of care criteria for facilities and the HCBS waivers.
- Removing the service plan as a requirement for the HCBS Waiver and State Plan HCBS eligibility determinations.

**Agency Stated Authority:** Iowa Code section 249A.4 and 2015 Iowa Acts, SF 505, section 12(24).

**Fiscal Impact**

**Agency Response:** The changes in this rule and for the transition to Medicaid managed care are anticipated to save the General Fund \$51.1 million in FY 2016 and \$102.3 million in FY 2017. The Department is still in the process of finalizing calculations, but believes modernization savings will be at or near these targets.

**LSA Response:** The DHS has provided information on how they plan to achieve the \$51.1 million in savings for FY 2016, but has not provided information on how the additional savings in FY 2017 will be achieved.

**Rule Summary**

**ARC 2241C**

Implements Iowa’s transition to managed care beginning January 1, 2016, hawk-i members, Iowa Health and Wellness Members as well as the majority of Medicaid members will have their services coordinated through a managed care organization. These amendments are the first of a series of two rule makings that the Department is proposing.

Chapter 88 currently contains two divisions that pertain to managed care (Division I, “Health Maintenance Organization” and Division IV, “Iowa Plan for Behavioral Health”) that will be rescinded. These amendments introduce a new Chapter 73, “Managed Care,” to provide a single set of rules for managed care. These amendments also rescind Division III, “Medicaid Patient Management,” that is no longer appropriate. Chapter 88 will be retitled “Specialized Managed Care” and will include the current rules for other managed care including: Prepaid Health Plans and Programs of all-Inclusive Care for the Elderly.

The proposed amendments to Chapter 73 include:

- Identification of requirements for the managed care organizations to participate in a contract with the DHS.

- Identification of enrollment provisions.
- Identification of disenrollment processes.
- Identification of covered services.
- Provisions regarding access to services and consumer choice of providers.
- Identification of responsibilities for incident reporting, discharge planning annual reviews.
- Identification of member appeal and grievance process requirements.
- Identification of record management and documentation requirements.
- Identification of payment process to managed care organization.
- Identification of claims payment requirements.
- Identification of quality assurance and program integrity requirements.

The proposed amendments to Chapter 88 include:

- Rescinds Division I, “ Health Maintenance Organization,” Division III, “Medicaid Patient Management,” and Division IV, “Iowa Plan for Behavioral Care.”
- Renumbers Division II, “ Prepaid Health Plan” and Division V, “Programs of All-Inclusive Care for the Elderly.”

**Agency Stated Authority:** Iowa Code section 249A.4 and 2015 Iowa Acts, SF 505, section 12(24).

**Fiscal Impact**

**Agency Response:** The changes in this rule and for the transition to Medicaid managed care are anticipated to save the General Fund \$51.1 million in FY 2016 and \$102.3 million in FY 2017. The Department is still in the process of finalizing calculations, but believes modernization savings will be at or near these targets.

**LSA Response:** The DHS has provided information on how they plan to achieve the \$51.1 million in savings for FY 2016, but has not provided information on how the additional savings in FY 2017 will be achieved.

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**Department of Homeland Security and Emergency Management**

**ARC 2270C**

**Rule Summary**

Adopts the latest revision of the Wireless NG911 Implementation and Operation Plan and makes changes to the emergency communications service surcharge distribution process.

**Agency Stated Authority:** Iowa Code sections 17A.3 and 34A.22.

**Fiscal Impact**

**Agency Response:** These amendments only impact the distribution of funds for the Wireless Next Generation (NG911) Implementation and Operation plan.

**LSA Response:** The LSA concurs. There is already a funding stream established for the project through the E911 Wireless Surcharge Fund.

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**Department of Inspections and Appeals**

**ARC 2257C**

**Rule Summary**

Amends current rules to add technical changes by updating references to comply with the most current version of the Code of Federal Regulations (CFR) related to pork products prepared at retail, food processing plants, and egg product processing plants.

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

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

**LSA Response:** The LSA concurs.

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**Department of Transportation**

**ARC 2231C**

**Rule Summary**      Eliminates outdated Code language, makes changes for clarity and consistency, adopts technical changes, and expands the retention period for waiver records. The DOT reviewed these three chapters as part of the five-year review of all of its rule chapters.

**Agency Stated Authority:** Iowa Code sections 307.12, 312.3C and 307A.2 as amended by HF 635.

**Fiscal Impact**      **Agency Response:** These proposed rule changes reflect current procedures, and Code citations, and make technical changes. There is no fiscal impact to the State.

**LSA Response:** The LSA concurs.

**ARC 2248C**

**Rule Summary**      Updates the years associated with the Board rotation cycle, clarifies that meeting agendas are posted online, and removes outdated language.

**Agency Stated Authority:** Iowa Code sections 306.6A, 307.12, and 307A.2 and HF 635 (2015 Transportation Omnibus Act).

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

**LSA Response:** The LSA concurs.

**ARC 2232C**

**Rule Summary**      Updates the IAC to include the current formula for distributing funding from the Secondary Road Fund to counties for road construction as result of the enactment of HF 635 (2015 Transportation Omnibus). The current formula was phased in over a five-year period ending in FY 2011. The updates also clarify that the Executive Director of the Iowa County Engineers Association Service Bureau is a nonvoting member of the Secondary Road Fund Distribution Committee. Language regarding the transition phase as completed is removed.

**Agency Stated Authority:** Iowa Code sections 307.10, 312.3C, and 307A.2

**Fiscal Impact**      **Agency Response:** The original rules adopted the initial formula for distribution of road funds to counties and defined the process for revising formulas. These proposed changes update the rules now that the transition phase of the county road fund distribution formulas has been completed. The formulas are now included in the rules.

**LSA Response:** The LSA concurs.

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**Utilities Division**

**ARC 2244C**

**Rule Summary** Amends the rules in response to HF 645 (Renewable Energy Tax Credits, Refuse Conversion Facility Act). The amendments allow for municipally owned city utilities and rate regulated public utilities to be included in the list types of facilities that can apply for renewable energy tax credits under Iowa Code chapter 476C.

**Agency Stated Authority:** Iowa Code sections 17A.4 and 476.1.

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

**LSA Response:** As the rules themselves simply expand the list of facilities eligible to apply for renewable energy tax credits, no fiscal impact is expected. However, a Fiscal Note was written for the corresponding legislation, HF 645. The legislation was estimated to reduce General Fund revenue by \$900,000 in FY 2016, and \$1.2 million in FY 2017. For further information, refer to the Fiscal Note for HF 645.

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**Iowa Commission on Volunteer Service**

**ARC 2238C**

**Rule Summary** Defines the Iowa Reading Corps Program, Program eligibility criteria, funding designation, administration, and application process. Select prekindergarten through third grade students will receive evidence-based tutoring designed to increase their literacy skills and improve their reading level.

**Agency Stated Authority:** Iowa Code chapter 15H and section 17A.3, Executive Order 48, and HF 488 (Iowa Reading Corps Program Act).

**Fiscal Impact** **Agency Response:** The Commission does not anticipate a fiscal impact to the State. The rules simply provide Program eligibility criteria.

**LSA Response:** The LSA concurs.

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