



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

08/02/2017

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 <https://www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact>.

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Department of Human Services

ARC 3159C and ARC 3163C

Rule Summary Implements the cost containment strategy to ensure that the total reimbursement for Medicare Part A and B crossover claims is limited to the actual Medicaid reimbursement rate.

Agency Stated Authority: Iowa Code section 17A.4(3).

Fiscal Impact **Agency Response:** This change is estimated to save the General Fund \$7.7 million in FY 2018 and FY 2019. The State's Medicaid actuary estimated the crossover payment amount for inpatient hospital and physician claims according to the Medicaid fee schedule, and compared these repriced amounts to the amount the Department of Human Services paid to determine the potential savings.

LSA Response: The LSA concurs.

ARC 3158C and ARC 3164C

Rule Summary Implements the cost containment strategy to adjust the Iowa Medicaid anesthesia conversion factor to equal the calendar year 2017 Medicare anesthesia conversion factor, as adjusted for the State, and converted to a per minute amount. Each January 1 thereafter, the Department shall apply the applicable Medicare anesthesia conversion factor adjusted for the State, and converted to a per-minute amount.

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Agency Stated Authority: Iowa Code section [249A.4](#).

Fiscal Impact **Agency Response:** This change is estimated to save the General Fund \$3.1 million in FY 2018 and FY 2019. Savings estimates assume fee-for-service claim utilization for calendar year 2015 and would also be the same for managed care in future years. Assumes the managed care contractors are using the current Medicaid anesthesia conversion factor. The savings will be realized in managed care through an adjustment to the capitation rates.

LSA Response: The LSA concurs.

ARC 3162C and ARC 3165C

Rule Summary Implements the cost containment strategy to adjust Medicaid reimbursement rates for physician services rendered in facility settings (e.g., hospitals), by applying a “site of service” differential to reflect the difference between the cost of physician services when provided in a health facility setting and the cost of physician services when provided in a physician’s office.

Agency Stated Authority: Iowa Code section [249A.4](#).

Fiscal Impact **Agency Response:** As a result of the implementation of the site of service differential, this change is estimated to save the General Fund \$2.0 million in FY 2018 and FY 2019. This rulemaking change follows the Medicare practice that reduces the Medicaid fee schedule based on certain locations to better account for overhead related to a professional service. The initial savings estimate was based on only the top 20 codes.

LSA Response: The LSA concurs.

ARC 3161C and ARC 3166C

Rule Summary Implements the cost containment strategy to adjust the inpatient diagnostic related group (DRG) cost outlier threshold formula to be the greater of two times the statewide average DRG payment for that case, or the hospital’s individual DRG payment for that case, plus \$75,000. The current formula is the greater of two times the statewide average DRG payment for the case, or the hospital’s individual DRG payment for the case, plus \$16,000.

Agency Stated Authority: Iowa Code section [249A.4](#).

Fiscal Impact **Agency Response:** This change is estimated to save the General Fund \$10.0 million in FY 2018 and FY 2019.

LSA Response: The LSA concurs.

ARC 3160C and ARC 3167C

Rule Summary Implements the cost containment strategy to adjust the reimbursement policy in order to eliminate the primary care physician rate increase originally authorized by the federal Health Care and Education Reconciliation Act of 2010, that allows qualified primary care physicians to receive the greater of the Medicare rate or Medicaid rate for a specified set of “primary care” Current Procedural Terminology (CPT) procedure codes.

Agency Stated Authority: Iowa Code section [249A.4](#).

Fiscal Impact **Agency Response:** This change is estimated to save the General Fund \$5.0 million in FY 2018 and FY 2019. Based on fee-for-service experience prior to the transition

to managed care, the annual cost of the primary care physician increase is \$16.0 to \$17.0 million. This includes claims for both the regular Medicaid and Iowa Health and Wellness Plan populations. Based on the average State match rate for these groups, the estimated State share is \$5.0 million.

LSA Response: The LSA concurs.

ARC 3182C

Rule Summary Updates the maximum Medicaid rate for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs), which are used to determine the disposition of the income of a Medical Assistance Income Trust (MAIT). The maximum Medicaid rate for ICF/IID increased from \$28,915 per month to \$29,240 per month. The increase will allow a minimal number of individuals to qualify for medical assistance with MAITs, as this slightly expands eligibility to apply for such benefits under Medicaid.

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

Fiscal Impact **Agency Response:** No fiscal impact. Any fiscal impact resulting from this rule would be a cost to the Medicaid program and not to the State. However, it is unlikely many individuals will establish Medicaid eligibility through use of an MAIT given the marginal nature of this change.

LSA Response: The LSA concurs.

ARC 3183C

Rule Summary Amends current rules to conform to the following changes:

- Decreases the statewide average cost of nursing facility services to a private-pay person. The figure is being revised to reflect the decrease in the cost of private pay rates for nursing facility care in Iowa. The change is not related to rates paid by Medicaid for nursing facility care. The figure is used to determine a period of ineligibility when an applicant or recipient transfers assets for less than fair market value. The average private-pay cost of nursing facility services decreased from \$5,809.13 to \$5,689.06.
- Updates the average charges for nursing facilities, Psychiatric Medical Institutions for Children (PMICs), and Mental Health Institutions (MHIs), which are used to determine the disposition of income of a Medical Assistance Income Trust (MAIT). Nursing facility amounts are not related to the rates paid by Medicaid for nursing facility care.
 - The average charge to a private pay resident of nursing facility care decreased from \$5,267 per month to \$5,234 per month.
 - The average charge for care in a PMIC remained the same as last year at \$7,999 per month.
 - The average charge for care in a MHI decreased from \$29,708 per month to \$29,312 per month.

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

Fiscal Impact **Agency Response:** Minimal fiscal impact. A decrease in the statewide average cost used to determine the period of ineligibility for long-term care services due to a transfer of assets may decrease Medicaid expenditures because the period of ineligibility for transfers will be longer. The change in the average statewide charges and maximum Medicaid rate, used for disposition of MAITs, may decrease Medicaid expenditures by allowing fewer individuals to become eligible by establishing a MAIT.

LSA Response: The LSA concurs.

ARC 3184C

Rule Summary Implements changes related to managed care and provides technical clarification. Changes include:

- Removes outdated references to “mental retardation” and replacing those with “intellectual disability”.
- Replaces references to services workers with “designated case manager” as members of the AIDS/HIV, Health and Disability (H&D) and Physical Disability (PD) Waivers will have community based case managers through their managed care organization (MCO) or through fee-for-service Medicaid.
- Replaces outdated references to “comprehensive functional assessment tool” under the Brain Injury (BI), and Elderly and Children’s Mental Health (CMH) Waivers with references to a Department-approved Comprehensive Functional Assessment tool that meets the requirements of the federal Patient Protection and Affordable Care Act of 2010.
- Replaces outdated references to “service worker assessment” under the AIDS/HIV, H&D and PD Waivers with references to a Department-approved Comprehensive Functional Assessment tool that meets the requirements of the federal Patient Protection and Affordable Care Act of 2010.
- Adds definitions for integrated health home (IHH) and care coordinator to the CMH Waiver.

Agency Stated Authority: Iowa Code section 249A.4

Fiscal Impact **Agency Response:** No fiscal impact. The standardized assessment changes result in no additional fiscal impact because these costs have already been incorporated into the Medical Assistance budget. Total assessment implementation and contracting costs included in the FY 2017 budget are estimated at \$4.8 million (\$2.4 million State share). This cost incorporates the assessment tools addressed in this rulemaking change. Actual costs will likely be less since the managed care entities will be responsible for conducting these assessments for their assigned Medicaid members, and this will reduce the State’s contracting costs. These expected administrative savings are a component of the managed care savings already included in the FY 2017 budget.

All other changes are expected to be budget neutral.

LSA Response: The LSA concurs.

ARC 3186C

Rule Summary Allows the Department to implement and utilize the National Electronic Interstate Compact Enterprise (NEICE). NEICE is a secure, cloud-based electronic system for exchanging the data and documents needed to place children across state lines. The implementation of NEICE would accelerate the Interstate Compact on the Placement of Children process by improving efficiency and decreasing delays in placement approval.

Agency Stated Authority: Iowa Code section 234.6.

Fiscal Impact **Agency Response:** No fiscal impact. The annual fee the State must pay to access NEICE is \$25,000. This cost may be decreased in the first year through financial assistance being provided to states by the federal Children’s Bureau.

LSA Response: The LSA concurs.

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ARC 3234C

Rule Summary Allows Home and Community-Based Services (HCBS) Waiver members who are inpatient in a hospital or medical institution for 31 to 120 days to resume waiver services upon discharge without having to reapply and be placed on the waiver wait list. Currently, if a member is inpatient more than 30 days the HCBS Waiver is canceled and the member must reapply and be placed on the waiver wait list.

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

Fiscal Impact **Agency Response:** This change is estimated to cost the General Fund \$169,000 in FY 2018 and FY 2019. Funding will be covered by existing appropriations. All waivers except the Elderly Waiver currently have a waiting list. For those waivers with a waiting list, no material impact is anticipated because this change will not alter the overall number of members enrolled on a monthly basis. Therefore, the estimated impact is limited to only the Elderly Waiver.

LSA Response: Medicaid currently has an estimated shortfall of \$5.9 million. The change above would increase that shortfall by \$169,000 unless another funding source is identified to offset the increase in expenditures.

ARC 3185C

Rule Summary Revises outdated foster home regulations by aligning foster home requirements with child care regulations. Rules also revise contractor requirements for pre-service training for the Recruitment, Retention, Training and Support (RRTS) contracts effective July 2017.

Agency Stated Authority: Iowa Code section 217.6.

Fiscal Impact **Agency Response:** No fiscal impact. These changes will not result in any change in reimbursement to foster parents, or in the cost to provide training to foster parents.

LSA Response: The LSA concurs.

ARC 3198C and ARC 3199C

Rule Summary Implements a State Family Planning Program (FPP). As a result of these amendments, providers of family planning services will change, as entities that provide abortions can no longer participate as a FPP provider. Providers unable to participate as a FPP provider will also be unable to participate as a point-of-service agency for eligibility determinations for FPP services.

Agency Stated Authority: Iowa Code section 234.6 and HF 653 (FY 2018 Health and Human Services Appropriations Act).

Fiscal Impact **Agency Response:** The new FPP is estimated to cost the State \$3.1 million in FY 2018 and FY 2019 due to the loss of federal finding. Family planning waiver expenses were projected to be \$3,383,880 (\$2,901,845 federal; \$482,035 State) in FY 2018 based on current cost and enrollment assumptions. Costs are expected to be the same under the State program, but the loss of federal Medicaid funding will require a \$2,901,845 State funding increase. In addition, administrative costs are expected to increase by approximately \$200,000 due to the loss of the federal administrative match and additional costs associated with converting to a State program.

LSA Response: The LSA concurs.

Department of Administrative Services

ARC 3231C

Rule Summary Limits military leave for 24-hour shift employees to 30 calendar days in accordance with Iowa Code section 29A.28(1)(a), for military duty deployment of 30 days or more. Additionally, provides 30 work days of leave for individuals whose shifts are 16 hours or less.

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

Fiscal Impact **Agency Response:** Approximately 16 24-hour shift State employees are expected to be deployed in their National Guard military capacity between October 2017 and July 2018. The State of Iowa's current military leave rule provides 24-hour shift employees 720 hours of military leave per calendar year. (In contrast, 8-hour shift employees only receive 240 hours of military leave). These 24-hour shift employees' salaries are 100.0% reimbursed by the federal government, but for purposes of military leave benefits, the federal government has limited reimbursement to 159 hours of military leave on a federal fiscal year basis. The implication for the approximately 16 employees set to deploy from October – July is that State military leave benefits will cross two calendar years (totaling 1,440 hours for 24-hour shift employees), but only one federal fiscal year (so the State is reimbursed only 159 of those hours). This disparity has created the potential for a projected cost of \$510,000 to the Department of Public Defense if the rule does not go into effect. The projected cost is close to 8.0% of the Department's budget.

LSA Response: The LSA concurs.

ARC 3177C and ARC 3179C

Rule Summary Addresses the possession of pistols and revolvers and the use of fireworks on the Capitol Complex in relation to HF 517 (FY 2017 Weapons Omnibus Act) and SF 489 (FY 2017 Fireworks Legalization Act).

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

Fiscal Impact **Agency Response:** The rulemaking does not have a fiscal impact; however, the fiscal impact of the legislation it references, HF 517 and SF 489, cannot be determined at this time.

LSA Response: The LSA concurs.

ARC 3215C

Rule Summary Amends existing Department of Administrative Services (DAS) rules related to human resources processes pursuant to the enactment of HF 291 (FY 2017 Public Employment Reform Act), accommodating the following revisions to the public employee collective bargaining process:

- Permits an employee's personally identifiable information related to facts about an employee's termination, discharge, or demotion to be released without the consent of the employee.
- Eliminates references to contract classes related to minimum pay and noncontract classes related to maximum pay.
- Eliminates the requirement that pay grade changes be negotiated with collective bargaining representatives, the distinction between contract and noncontract pay grade changes, the inclusion of lead worker pay when calculating new pay grade after a promotion, and the option to pay an employee above the employee's new

pay grade when the employee is disciplinarily or voluntarily demoted. Also eliminates the deduction of dues for employee organizations.

- Specifies Family and Medical Leave Act (FMLA) and workers' compensation leaves will be counted toward an employee's pay increase eligibility period.
- Specifies time spent on FMLA and workers' compensation leave will be included in the calculation of retention points during a reduction in force. Also specifies FMLA, workers' compensation, and military leave will be considered as time meeting job expectations, and makes a conforming change related to FMLA and an employee's pay increase eligibility date.
- Eliminates numerous distinctions between contract and noncontract work as it relates to special pay, grievance decisions, health flexible spending accounts, vacation buy-back, FMLA procedures, state health insurance premiums, overtime pay, and applications for promotions.
- Eliminates the reference to the collective bargaining agreement as it relates to lead worker pay, and makes a conforming change related to an employee's pay increase eligibility date.
- Eliminates the designation of Community Based Corrections employees from being eligible for a promotion or applying for job openings.
- Specifies all administrative rules for filling vacancies must be followed when filling a position by promotion or by voluntary demotion, and provides additional direction for employee transfers.
- Specifies a suspension with pay pending an investigation may be extended by the employee's director.
- Extends the time for a supervisor to attempt to resolve a grievance from seven to 14 days and modifies the grievance procedures including the pay status of grievant.
- Specifies informal settlement agreements are not binding until approved in accordance with new Iowa Code section 22.13A.

Agency Stated Authority: Iowa Code section 8A.104(5) and 8A.413.

Fiscal Impact **Agency Response:** The Department anticipates that the fiscal impact resulting from the proposed changes has a potential for annual savings for State government of approximately \$5.0 million. Amendments to existing rules align the calculation of pay for employees covered by employee pay standards set forth in the federal Fair Labor Standards Act, which specifies hours eligible for overtime by excluding hours in paid status that are not actually worked.

LSA Response: The LSA concurs. Approximately 57.0% of salaries are funded from the General Fund. The changes implemented by this rulemaking would result in a General Fund cost avoidance of approximately \$2.9 million of the identified \$5.0 million impact.

The Fiscal Note for HF 291, published during the 2017 Legislative Session, identified a potential reduction to State expenditures. At the time, sufficient information was not available to determine a fiscal impact. The fiscal impact estimate provided for this rulemaking encompasses changes made to overtime and callback pay.

Regents Board

ARC 3229C

Rule Summary Specifies that a merit system employee who receives a promotion to a new grade will receive a salary adjustment equivalent to no less than one step higher than the employee's present base pay, but not exceeding 5.0% without approval of the merit system. Also specifies that a merit system employee who receives a promotion to a new grade that is three or more grades higher than the employee's present grade, the resident director is authorized to approve an increase equivalent to no less than two steps higher, but not exceeding 10.0% without approval of the merit system. Clarifies changes to the grievance process for merit system employees.

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

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

LSA Response: The LSA concurs.

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Veterans Affairs, Iowa Department of

ARC 3147C

Rule Summary Updates department physical address, web address, and phone numbers.

Agency Stated Authority: Iowa Code section 35A.13.

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

LSA Response: The LSA concurs.

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Department of Agriculture and Land Stewardship

ARC 3232C

Rule Summary Increases licensing fees for a number of license types provided by the Department. Fees will be doubled and paid on a two-year basis instead of an annual basis. Implements HF 617 (FY 2017 Department of Agriculture Administration Act) and updates other provisions.

Agency Stated Authority: Iowa Code section 163.1.

Fiscal Impact **Agency Response:** Minimal fiscal impact. This will reduce the amount of administrative time spent on processing fees as the process will happen every two years instead of annually.

LSA Response: The LSA concurs.

ARC 3152C

Rule Summary Updates the reference dates pertaining to agricultural seeds pursuant to the federal Seed Act.

Agency Stated Authority: Iowa Code section 199.11.

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

LSA Response: The LSA concurs.

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Soil Conservation and Water Quality Division

Rule Summary **ARC 3216C**
Amends existing rules related to the registration of an abandoned mine site. Requires the site operators to register every two years instead of annually.

Agency Stated Authority: Iowa Code section 208.26.

Fiscal Impact **Agency Response:** No fiscal impact. Although the licensing fee increases from \$35 to \$70, the fee is only paid every two years. The rule change is revenue neutral.

LSA Response: The LSA concurs.

Rule Summary **ARC 3243C**
Updates the name of the State Soil Conservation Committee to the State Soil Conservation and Water Quality Committee. Adopts other various changes. This implements HF 617 (FY 2018 Department of Agriculture Administration Act).

Agency Stated Authority: Iowa Code section 163.1.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3244C**
Allows the Division to recall unused cost share funds dedicated to water protection practices and reallocate the funds to Soil and Water Conservation Districts that can expend the money immediately.

Updates the practices that can be paid for with soil and water cost share funds. This includes:

- Fencing costs to keep livestock out of intermittent streams.
- Adding practices known as “STRIPS” that allows a landowner to use 10% of a crop field to plant native perennials or other diverse plants. Research indicates that adding a prairie strip will reduce nitrogen runoff and will hold the soil in place.

Agency Stated Authority: Iowa Code section 161A.4.

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

LSA Response: The LSA concurs.

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Accountancy Examining Board

Rule Summary **ARC 3224C**
Authorizes out-of-state certified public accounting firms exercising a practice privilege to perform all forms of attest services, whereas only review and compilation services were previously allowed. Also updates the Board’s rules to all CPA firms to designate nonlicensee owners as individuals responsible for CPA firm licensure pursuant to SF 237 (FY 2018 Certified Public Accountant Firm Mobility Act).

Agency Stated Authority: Iowa Code section 542.4.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary **ARC 3230C**
Updates existing rules to conform with the Code of Professional Conduct of the American Institute of Certified Public Accountants (AICPA), effective August 31, 2016. Eliminates redundant, inconsistent, or incompatible rules. Retains supplemental rules, including those referencing continuing education.

Agency Stated Authority: Iowa Code section 542.4.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs.

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Architectural Examining Board

Rule Summary **ARC 3169C**
Amends existing rules in 193B IAC Chapter 1 to update terminology from registered/registration to licensed/licensure pursuant to SF 408 (FY 2018 Architect Licensure Act).

Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact Agency Response: Minimal fiscal impact. The Professional Licensing Bureau will need to print new seals to reflect the change in licensing terminology. According to the Bureau, the fiscal impact of this is expected to be minimal and will be covered by existing funds.

LSA Response: The LSA concurs.

Rule Summary **ARC 3170C**
Amends existing rules in 193B IAC Chapter 2 to update terminology from registered/registration to licensed/licensure pursuant to SF 408 (FY 2018 Architect Licensure Act).

Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact Agency Response: Minimal fiscal impact. The Professional Licensing Bureau will need to print new seals to reflect the change in licensing terminology. According to the Bureau, the fiscal impact of this is expected to be minimal and will be covered by existing funds.

LSA Response: The LSA concurs.

Rule Summary **ARC 3171C**
Amends existing rules in 193B IAC Chapter 3 to update terminology from registered/registration to licensed/licensure pursuant to SF 408 (FY 2018 Architect Licensure Act).

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Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Professional Licensing Bureau will need to print new seals to reflect the change in licensing terminology. According to the Bureau, the fiscal impact of this is expected to be minimal and will be covered by existing funds.

LSA Response: The LSA concurs.

ARC 3172C

Rule Summary Amends existing rules in 193B IAC Chapter 5 to update terminology from registered/registration to licensed/licensure pursuant to SF 408 (FY 2018 Architect Licensure Act).

Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Professional Licensing Bureau will need to print new seals to reflect the change in licensing terminology. According to the Bureau, the fiscal impact of this is expected to be minimal and will be covered by existing funds.

LSA Response: The LSA concurs.

ARC 3173C

Rule Summary Amends existing rules in 193B IAC Chapter 6 to update terminology from registered/registration to licensed/licensure pursuant to SF 408 (FY 2018 Architect Licensure Act).

Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Professional Licensing Bureau will need to print new seals to reflect the change in licensing terminology. According to the Bureau, the fiscal impact of this is expected to be minimal and will be covered by existing funds.

LSA Response: The LSA concurs.

ARC 3174C

Rule Summary Amends existing rules in 193B Chapter 4 to update terminology from registered/registration to licensed/licensure pursuant to SF 408 (FY 2018 Architect Licensure Act). The rulemaking also provides information on necessary changes to the architect licensure seal.

Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Professional Licensing Bureau will need to print new seals to reflect the change in licensing terminology. According to the Bureau, the fiscal impact of this is expected to be minimal and will be covered by existing funds.

LSA Response: The LSA concurs.

ARC 3175C

Rule Summary Amends existing rules in 193B IAC Chapter 7 to update terminology from registered/registration to licensed/licensure pursuant to SF 408 (FY 2018 Architect Licensure Act).

Agency Stated Authority: Iowa Code section 544A.29.

Fiscal Impact **Agency Response:** Minimal fiscal impact. The Professional Licensing Bureau will need to print new seals to reflect the change in licensing terminology. According to the Bureau, the fiscal impact of this is expected to be minimal and will be covered by existing funds.

LSA Response: The LSA concurs.

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Real Estate Commission

ARC 3154C

Rule Summary Amends existing rules to allow for real estate brokers to be the designated broker of more than one branch office within the state, and establishes a passing score standard and other prelicense education requirements for real estate brokers pursuant to HF 541 (FY 2018 Real Estate Sales Act). The proposed amendments are also a result of the five-year rolling review of administrative rules outlined in Iowa Code section 17A.7(2).

Agency Stated Authority: Iowa Code section 543B.9.

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

LSA Response: The LSA concurs.

ARC 3242C

Rule Summary Eliminates outdated education requirements, old Iowa Code citations, and clarifies requirements related to the necessary experience for obtaining a real estate broker's license in Iowa. The Commission's website address is updated as well.

Agency Stated Authority: Iowa Code section 543B.9.

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

LSA Response: The LSA concurs.

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Utilities Division

ARC 3246C

Rule Summary Amends current rules by clarifying reporting requirements, transitioning away from the use of additional forms to update accessibility for those interacting with the Board.

Agency Stated Authority: Iowa Code chapter 476.

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

LSA Response: The LSA concurs.

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Insurance Division

ARC 3200C

Rule Summary Conforms existing rules to recent changes in the Statements of Policy Index adopted by the North American Securities Administrators Association, Inc. Establishes notice filing requirements for federal crowdfunding offerings.

Agency Stated Authority: Iowa Code chapter 502.

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

LSA Response: The LSA concurs.

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Labor Services Division

ARC 3220C

Rule Summary Adopts, by reference Iowa Code section 92.11, the list of acceptable documents for proof of age when obtaining a child labor permit.

Agency Stated Authority: Iowa Code section 92.21.

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

LSA Response: The LSA concurs.

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Economic Development Authority

ARC 3155C

Rule Summary Reduces the maximum award amount an employer may receive under the Science, Technology, Engineering, and Math (STEM) Internship Program from \$100,000 to \$50,000.

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact **Agency Response:** No fiscal impact. The total amount of Program funding will remain the same. The change in the award amount is intended to allow more employers to take part in the Program.

LSA Response: The LSA concurs.

ARC 3195C

Rule Summary Amends existing rules related to the Small Business Innovation Research and Small Business Technology Transfer programs (SBIR/STTR), including the following changes:

- Raises the maximum award amount from \$25,000 to \$100,000 and allows the same applicant to receive more than one award.
- Defines the term “award” as an SBIR/STTR grant and contract funds awarded by federal agencies.
- Removes the requirement that the Innovation Corporation develop an online platform.
- Removes the requirement that the Corporation work with the Program administrator at the Office of Intellectual Property and Technology Transfer at Iowa State University in providing technical assistance.

Agency Stated Authority: Iowa Code section 15.106A.

Fiscal Impact **Agency Response:** No fiscal impact. The total amount of Program funding remains the same.

LSA Response: The LSA concurs.

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Iowa Finance Authority

ARC 3225C

Rule Summary Amends existing rules regarding federal Low Income Housing Tax Credit (LIHTC) Programs by conforming to the language and procedures in the 2018 Qualified Allocation Plans (QAPs). Updates QAPs through the following:

- Identifying the purposes of the plans.
- Providing administrative information required for participation.
- Establishing threshold and selection criteria.
- Instituting post reservation requirements.
- Detailing the appeal process.
- Establishing a compliance monitoring component.

Also establishes the fees for filing an application for low-income housing tax credits and compliance monitoring.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), 16.35, and 16.5(1)(r).

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

LSA Response: The LSA concurs in part. The \$500 Pre-Closing Review Fee will result in an estimated \$6,000 being retained by the Iowa Finance Authority (IFA) for administration of the Program. Increasing the Compliance Monitoring Fee by \$3 (12.0%) per unit from \$25 up to \$28 per unit will increase the fees retained by the IFA by an estimated \$1,700 annually for administration of the Program.

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Department of Education

ARC 3148C

Rule Summary Eliminates the requirement that school districts offer an intensive summer literacy program while maintaining certain program criteria and guidelines for voluntary summer literacy programs individual school may choose to offer. Amendments reflect statutory changes made by HF 642 (FY 2018 Education Appropriations Act).

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

Fiscal Impact **Agency Response:** As individual schools will no longer be required to provide intensive summer literacy programs, district costs are expected to be reduced. The exact amount of this reduction cannot be determined at this time.

LSA Response: The LSA concurs.

ARC 3149C

Rule Summary Establishes a requirement for school districts to continue to provide intensive reading instruction to students not proficient in reading after completion of the third grade,

and rescinds retention requirements for students that are non-proficient in reading. Amendments reflect statutory changes made by HF 642 (FY 2018 Education Appropriations Act).

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

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined. School districts are expected to experience a reduction in future costs because they will no longer be required to offer an intensive summer literacy program, but the exact savings cannot be determined at this time. The State and school districts are also expected to avoid the additional costs of students being required to repeat third grade due to insufficient reading skills. However, cost savings cannot be determined as it is unknown how many students would have been retained in third grade.

LSA Response: The LSA concurs.

Rule Summary Rescinds rules regarding the “Administrative Advancement and Improvement Program.” **ARC 3180C**

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

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

LSA Response: The LSA concurs.

Rule Summary Amends existing rules to conform with HF 2336 (FY 2017 Education Department Policies, Technical Clarifications Act). Internal cross-references and outdated terminology for students requiring special education are corrected. **ARC 3181C**

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

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

LSA Response: The LSA concurs.

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Educational Examiners Board

Rule Summary Amends rulemaking language regarding the appointment of the Board of Educational Examiner’s executive director, prohibits withdrawing ethics complaints that are mandatory under Iowa Code, and removes unnecessary fee language, and other minor corrections. **ARC 3196C**

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

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

LSA Response: The LSA concurs.

Rule Summary Updates rules regarding teacher endorsements to implement recommendations from the endorsement review committee. Changes include: **ARC 3197C**

- Rescinding rules for the prekindergarten through grade 3 endorsement that has been updated and replaced.
- Revising the elementary education endorsement to include requirements for teacher preparation.
- Revising the multi-occupations endorsement to make it more attainable for current teachers.
- Creating a new endorsement for Career and Technical Education (CTE) teaching and an autism spectrum paraeducator certificate.

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

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

LSA Response: The LSA concurs.

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Department of Inspections and Appeals

ARC 3217C

Rule Summary Amends the existing procedure for contested cases involving permits to carry weapons and acquire firearms pursuant to HF 517 (FY 2018 Weapons Omnibus Act). Provides for the award of attorney fees and court costs to certain prevailing parties in appeals involving permits to carry weapons and acquire firearms.

After holding a public hearing, the Department of Inspections and Appeals (DIA) amended the noticed rulemaking by removing the obligation of sheriffs to pay contested court case costs. The updated rulemaking provides that the DIA will charge costs only for cases arising out of decisions of the Commissioner of Public Safety, as it does for all other state agencies.

Agency Stated Authority: Iowa Code sections 10A.801 and 724.21A.

Fiscal Impact **Agency Response:** Fiscal impact cannot be determined.

LSA Response: The LSA concurs. At this time, it is not possible to estimate the number individuals who may be assessed attorney fees or court costs as a result of hearings involving permits to carry weapons and acquire firearms. The updates to the noticed rulemaking do not change the DIA's current billing process, and do not have an additional fiscal impact.

ARC 3187C

Rule Summary Updates the term "home food establishments" with the classification "home bakeries." The amendments also reflect updates to the federal Food and Drug Administration's Food Code, clarifying provisions to reduce confusion for establishments under the jurisdiction of other food licensing agencies, such as the Iowa Department of Agriculture and Land Stewardship. Amendments are pursuant to SF 2273 (FY 2017 Home Food Establishment Act).

Agency Stated Authority: Iowa Code sections 10A.104, 137C.6, 137D.2, and 137F.2.

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

LSA Response: The LSA concurs.

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ARC 3188C

Rule Summary Adopts amendments to conform the State Food Code to the Federal Food Code with Supplement. Changes include streamlining the inspection process for unattended food establishments, eliminating certain waiver provisions. The intended effective date for the FDA’s 2013 Food Code with Supplement is January 1, 2018.

Agency Stated Authority: Iowa Code sections 10A.104 and 137F.2.

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

LSA Response: The LSA concurs.

ARC 3189C

Rule Summary Replaces the term “home food establishments” with “home bakeries.” Also makes technical amendments. Amendments are pursuant to SF 2273 (FY 2017 Home Food Establishment Act).

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

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

LSA Response: The LSA concurs.

ARC 3190C

Rule Summary Implements changes to social and charitable gambling practices pursuant to SF 482 (FY 2016 Social and Charitable Gambling Act). The Act provided substantial revisions to Iowa Code chapter 99B, and added detailed requirements for game nights, now found in Iowa Code sections 99B.26 and 99B.62.

Agency Stated Authority: Iowa Code section 99B.2.

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

LSA Response: The LSA concurs.

ARC 3191C

Rule Summary Amends existing rules pursuant to SF 482 (FY 2016 Social and Charitable Gambling Act). The legislation modernized Iowa Code chapter 99B, “Social and Charitable Gambling,” streamlining the licensing processes and making technical changes.

Agency Stated Authority: Iowa Code sections 99B.2 and 99B.52(7).

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

ARC 3192C

Rule Summary Adopts amendments to social and charitable gambling practices pursuant to SF 482 (FY 2016 Social and Charitable Gambling Act). The Act provided substantial revisions to Iowa Code chapter 99B, and added detailed requirements for game nights, now found in Iowa Code sections 99B.26 and 99B.62. Rescinds Iowa Administrative Code chapter 107.

Agency Stated Authority: Iowa Code section 99B.2.

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

LSA Response: The LSA concurs.

ARC 3222C

Rule Summary Updates existing language regarding calculating the state fine for a class I violation imposed against health care facilities for violations of state rules relating specifically to long-term care. Clarifies the process by which fines are imposed, and provides related calculative explanations resulting from a Department-sponsored Kaizen event.

Agency Stated Authority: Iowa Code sections 10A.104(5) and 135C.14.

Fiscal Impact **Agency Response:** No fiscal impact. The proposed rulemaking merely provides transparency to the existing fee structure.

LSA Response: The LSA concurs.

ARC 3235C

Rule Summary Defines “personal degradation” as a form of dependent adult abuse by caretakers in Department-regulated facilities and programs. A caretaker may be found to have committed dependent adult abuse if the individual knowingly and willfully takes, transmits, or displays a photographic image that degrades the personal dignity of a dependent adult.

Various comments were received during a public hearing, and the Department subsequently amended the definition of “personal degradation” to include clarifying language regarding the taking and transmission of electronic images used to document elder abuse or when used in the course of medical diagnostics.

Agency Stated Authority: Iowa Code sections 10A.104(5) and 135C.14.

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

LSA Response: The LSA concurs.

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

Environmental Protection Commission

ARC 3202C

Rule Summary Updates the title of the rule referenced document “Supporting Document for Iowa Water Quality Management Plans” to “Iowa Wasteload Allocation (WLA) Procedure.” The document was last revised in 2009 and establishes the technical methods the Department of Natural Resources (DNR) uses to develop wastewater permit limits based on water quality standards. Amendments also clarify and update the methods in the document based on the most recent science.

There are currently two forms of E. coli criteria in Iowa’s water quality standards: one is based on a geometric mean and the other is based on a single sample maximum. The rulemaking also updates the water quality criteria for E. coli by eliminating the existing single sample maximum value and retaining only the geometric mean.

Agency Stated Authority: Iowa Code section 455B.105.

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

LSA Response: The LSA concurs.

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Professional Licensure Division

ARC 3221C

Rule Summary Updates the Board of Physical and Occupational Therapy contact information, eliminates the retention option of incomplete application, and revises requirements for foreign-trained applicants and endorsement applicants. Also removes the requirement for a notarized copy of a diploma for occupational therapy licensure, and eliminates the option to practice as an occupational therapy applicant prior to licensure.

Agency Stated Authority: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

ARC 3223C

Rule Summary Updates Board of Optometry rules to revise outdated language, outline requirements for an incomplete application, and adds the requirement that the best corrected visual acuity determined by refraction be included as a part of a contact lens or spectacle lens prescription.

Agency Stated Authority: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

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

Dental Board

ARC 3156C

Rule Summary Reduces the renewal fee amount required for reinstatement of a dental assistant, amends language to match additional references, and updates the types of items available for purchase and costs that may be recovered in relation to a disciplinary hearing.

Agency Stated Authority: Iowa Code sections 147.80 and 272C.6.

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

LSA Response: The LSA concurs.

ARC 3157C

Rule Summary Updates and consolidates continuing education references such as license renewal, reinstatement, and reactivation requirements. Also updates and clarifies requirements for dental assistants in terms of applications and related matters.

Agency Stated Authority: Iowa Code sections 147.10, 147.11, 153.15A, 153.33(8), 153.39, and 272C.2.

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

LSA Response: The LSA concurs.

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Pharmacy Board

Rule Summary **ARC 3228C**
Aligns definitions and training requirements for authorized nuclear pharmacists with standards set by the Iowa Department of Public Health and the federal Nuclear Regulatory Commission. Clarifies the type of license issued to nuclear pharmacies and incorporates federal minimum standards for sterile compounding, consistent with other rulemakings by the Board.

Agency Stated Authority: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3236C**
Adds “telepharmacy practice” to the licensing type options for Limited Use Pharmacy Licenses and establishes standards of telepharmacy services for patients.

Agency Stated Authority: Iowa Code section 147.76.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3237C**
Identifies and establishes new application requirements, including minimum standards for inspections of nonresident pharmacies seeking licensure in Iowa, and application and registration requirements for the pharmacist in charge of a nonresident pharmacy. Also provides Board notification directives for nonresident pharmacies subject to disciplinary action or criminal convictions.

Agency Stated Authority: Iowa Code sections 147.76 and 155A.13A.

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3238C**
Establishes minimum standards of practice and licensing of outsourcing facilities, and amends current compounding practices to make conforming changes.

Agency Stated Authority: Iowa Code sections 147.76 and 155A.13C.

Fiscal Impact **Agency Response:** No fiscal impact. Outsourcing facilities currently providing compounded products to Iowa are licensed as nonresident pharmacies. The differences in license and penalty fees are not substantial and will not have a substantial impact on the State's revenues or expenditures.

LSA Response: The LSA concurs.

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Department of Public Safety

ARC 3153C

Rule Summary Amends existing rules to conform to the 2017 edition of the National Electrical Code (NEC). Reflects changes in communication and energy demands in industrial, business and consumer contexts, as well as industry modifications related to energy efficiency, energy production, residential use, and special needs for health care facilities.

Agency Stated Authority: Iowa Code section 103.6.

Fiscal Impact **Agency Response:** The fiscal impact is expected to be minimal, and should have a positive impact on jobs. The adoption of the most recent NEC addition will lessen the burden for electricians to enter Iowa's job market, simplify the examination process and enable Iowa electricians to compete for business in other states.

LSA Response: The LSA concurs.

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

Department of Revenue

ARC 3203C

Rule Summary Updates the existing rule to conform to the law change enacted in SF 408 (FY 2018 Licensure of Architects Act).

Agency Stated Authority: Iowa Code section 441.31.

Fiscal Impact **Agency Response:** No fiscal impact. This rule merely amends the requirement for an architect who serves on the board of review to be licensed rather than registered.

LSA Response: The LSA concurs.

ARC 3206C

Rule Summary Rescinds a subrule that allows a review of the assessor or deputy assessor examination, after it has been graded, by the person who took the examination. Existing Department rules allow persons who take the assessor or deputy assessor exam to review their examination results. The Department has determined that the privilege of reviewing an examination after it has been graded is a detriment to the effectiveness of the examination.

Agency Stated Authority: Iowa Code section 441.5.

Fiscal Impact **Agency Response:** No fiscal impact. This rule amendment rescinds the process by which people taking the assessor or deputy assessor examinations can review their graded examination.

LSA Response: Rescinding the test review procedure does not have a fiscal impact. Iowa Code section 441.5 does not specify that a person taking the assessor examination has the right to review the graded test. Therefore, the current ability of persons to review test results is available only through Department rules.

ARC 3207C

Rule Summary Amends the reporting requirement for county auditors when filing a claim for the commercial and industrial property tax replacement. Clarifies that reporting

requirements must be fulfilled each year, regardless of whether the legislature appropriates funds to pay the replacement claims.

Agency Stated Authority: Iowa Code section 441.21A.

Fiscal Impact **Agency Response:** No fiscal impact, as this rule making clarifies existing law.

LSA Response: Iowa Code section 441.21A creates a standing limited appropriation from the State General Fund. The standing appropriation is used to reimburse local government commercial and industrial property tax replacement claims. The standing appropriation does not sunset under existing law. The total appropriation each year is limited to an amount that is no larger than the amount appropriated for this purpose for FY 2017. Iowa Code section 441.21A does not make the county auditor reporting requirement contingent on the appropriation of reimbursement money. Therefore, the proposed rule change is a clarification that has no fiscal impact.

ARC 3208C

Rule Summary Adopts date parameters for central assessment of wind energy conversion property qualified under Iowa Code chapter 476B where there is no local ordinance enacted for special valuation.

Agency Stated Authority: Iowa Code chapter 476B and section 427B.26.

Fiscal Impact **Agency Response:** No fiscal impact, as this rule clarifies existing law.

LSA Response: The LSA concurs. This clarification should not have a fiscal impact on State or local property tax revenue. Iowa Code chapter 476B applies to qualified wind energy facilities originally placed in service on or after July 1, 2005, but before July 1, 2012. This rule change clarifies that the assessment procedures established in existing rules for qualified wind energy facilities applies only to facilities placed in service during that timeframe.

ARC 3218C

Rule Summary Provides an extension for filing Iowa income tax returns for certain people serving in combat zones or hazardous duty areas and certain other members of the military. This extension is available, both for Iowa purposes and at the federal level, to certain civilians serving in support of the military in combat zones or hazardous duty areas. However, the existing rules did not mention civilians who may qualify, leading to confusion among affected Iowa taxpayers. These amendments provide updated guidance on which civilians qualify, and how a qualifying person may apply for an extension with the Department, and reorganize the rules to make them more user-friendly and remove some outdated references.

Agency Stated Authority: Iowa Code section 422.21(2).

Fiscal Impact **Agency Response:** No fiscal impact. This rule affects filing deadlines for a very small number of taxpayers. The Department is not aware of any significant potential fiscal impact.

LSA Response: The LSA concurs. The rule change clarifies and reorganizes an existing rule that implements existing law.

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Department of Transportation

ARC 3193C

Rule Summary Updates definitions, brings the rules up to date with current statutory language and Department practices, updates permit fees, and makes changes to escort qualifications and responsibilities.

Agency Stated Authority: Iowa Code sections 307.12, 307A.2, 321.457(2)“n”, and Iowa Code chapter 321E.

Fiscal Impact **Agency Response:** Although the rules themselves do not have a fiscal impact, the legislation they implement, SF 257 (FY 2016 Motor Vehicle Fuel Tax Act), does. The increase in certain commercial permit fees pursuant to SF 257 will cause a projected impact on the Primary Road Fund of \$2.9 million per year.

LSA Response: The LSA concurs. This is an update to the estimate provided in the Fiscal Note for SF 257 in February 2015.

ARC 3194C

Rule Summary Amends current rules to update several definitions and align special project purposes with current goals for passenger transportation outreach and coordination. Also updates contact information and adds new subrules regarding Iowa’s public transit systems.

Agency Stated Authority: Iowa Code sections 307.12 and 307A.2.

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

LSA Response: The LSA concurs.

ARC 3201C

Rule Summary Rescinds 761 IAC 110, “Highway Project Planning.”

Agency Stated Authority: Iowa Code sections 307.12 and 307A.2.

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

LSA Response: The LSA concurs.

ARC 3219C

Rule Summary Rescinds 761 IAC 125 which includes information on the Department’s “Standard Specifications for Highway and Bridge Construction” and supplemental specifications.

Agency Stated Authority: Iowa Code sections 307.12 and 307A.2.

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

LSA Response: The LSA concurs.

ARC 3245C

Rule Summary Amends current rules to conform to the federal Uniform Relocation Assistance and Real Property Acquisition Policies (Uniform Act). Other proposed rule amendments correct an Iowa Code citation and add the Department’s website address.

Agency Stated Authority: Iowa Code sections 307.12, 307A.2, and 316.9.

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

LSA Response: The LSA concurs.

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Department of Workforce Development

Rule Summary Provides the Iowa Department of Workforce Development (IWD) with a framework from which to operate in regard to technology, modern efficiencies, and other changes related to unemployment insurance, including changes to overpayment recoveries. **ARC 3178C**

Agency Stated Authority: Iowa Code section 96.11.

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

LSA Response: The LSA concurs.

Rule Summary Amends existing rules regarding unemployment insurance to include changes to reporting requirements and employer contributions and charges. **ARC 3226C**

Agency Stated Authority: Iowa Code section 96.11.

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

LSA Response: The LSA concurs.

Rule Summary Amends existing rules regarding unemployment insurance to include changes to contested case proceedings. **ARC 3227C**

Agency Stated Authority: Iowa Code section 96.11.

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

LSA Response: The LSA concurs.

Rule Summary Specifies the organizational structure of the IWD in order to accommodate recent changes to the Department's unemployment insurance framework. Also permits the payment of benefits through the use of a debit card, and requires the IWD to recover overpayments that have been made to individuals who acted in good faith. **ARC 3247C**

The rulemaking also references changes to unemployment insurance resulting from the following legislation:

- HF 2110 (FY 2011 Unemployment for Military Relocation Act), related to the payment of benefits to individuals who leave employment because of the relocation of a spouse by the military.
- HF 542 (FY 2018 Unemployment Compensation Disqualifications Act), which increases the amount of wages a person who has drawn unemployment benefits must earn in order to be eligible for benefits in the next benefit year from \$250 to eight times the person's weekly benefit amount.

Agency Stated Authority: Iowa Code section 96.11.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs in part. Information is not available to estimate the fiscal impact of permitting the use of debit cards for the payment of benefits and requiring the IWD to recover overpayments that have been made to individuals who acted in good faith. The Fiscal Note for HF 2110 is unchanged, with an estimated \$202,000 annually being paid from the Unemployment Insurance Trust Fund beginning in FY 2011. The Fiscal Note for HF 542 is unchanged, reducing payments from the Unemployment Insurance Trust Fund by approximately \$2.1 million annually beginning FY 2018.

ARC 3248C

Rule Summary Permits the IWD to utilize electronic transmission of contribution payments, filings, reports, eligibility claims, and submittals relating to unemployment insurance. Addresses the information to be submitted by a claimant, and specifies that interest for overpayment by reason of the claimant's fault or fraud will accrue interest at a rate of 1/30 of 1.0% per day until the overpayment is paid in full. Requires that an employer who fails to respond to a request for wage information pertaining to the benefit payments of a specific claimant be charged a fee of \$25 per claimant.

Agency Stated Authority: Iowa Code section 96.11.

Fiscal Impact Agency Response: No fiscal impact.

LSA Response: The LSA concurs. Information is not available to estimate the fiscal impact of requiring electronic transmittals, the interest on overpayments, or the failure of an employer to provide required information.

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Department of Public Health

ARC 3150C and ARC 3151C

Rule Summary Amends existing rules regarding medical cannabidiol to implement the new Iowa Code chapter 124E pursuant to HF 524 (FY 2018 Medical Cannabidiol Act), updating the application and card issuance process for patients and primary care givers.

- Application fees are established at \$100 for a patient, \$25 for a patient on select government assistance programs, and \$25 for caregivers.
- Renewal fees are the same as application fees.
- Updates are made to health care practitioner certification and medical cannabidiol forms and quantity limits are established.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b) and 136.3(9).

Fiscal Impact Agency Response: The Department has estimated initial costs at \$250,000 to be offset by the collection of application and renewal fees. LSA estimated that 6,022 patients and 359 caregivers may apply for medical cannabidiol registration cards. The Department of Transportation incurs an expense of \$10 per card issued.

LSA Response: The LSA partially concurs. Total startup costs to the Department will be partially offset by fees. These rules only address the patient and care giver card issuance components of the program and not the selection and regulation of manufacturers or dispensaries or the Medical Cannabidiol Advisory Board.

A [Fiscal Update](#) article after the 2017 Legislative Session outlined the estimated total cost of implementing the program for the Department at \$1.2 million. That estimate also included a State criminal background check performed by the Department of Public Safety to ensure applicants had not committed a disqualifying felony. That process added an expense of \$15 per application. Performing that check is not included in these rules and the current application has an attestation box about meeting that requirement.

Recently, as part of the budget reduction and reallocation process required by HF 653 (FY 2018 Health and Human Services Appropriations Act), the Department allocated an additional \$300,000 from the General Fund to cover costs of program implementation before it is able to generate fee revenue. See [Transfer Notice: Department of Public Health FY 2018 and Budget Reductions](#) for additional details.

Rule Summary **ARC 3204C**
Eliminates the Automated External Defibrillator (AED) Grant Program pursuant to [HF 393](#) (FY 2018 Public Health Omnibus Act). Eliminates the rules on fire department response with an AED.

Agency Stated Authority: Iowa Code chapters [135](#), [147A](#), and [613](#).

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3205C**
Rescinds the chapter on Biological Agent Risk Assessment, pursuant to [HF 393](#) (FY 2018 Public Health Omnibus Act).

Agency Stated Authority: Iowa Code chapter [135](#).

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3209C**
Adds hair testing as an acceptable body sample for testing of prospective employees to detect controlled substances and adopts conforming rule changes.

Agency Stated Authority: Iowa Code section [730.5](#).

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

LSA Response: The LSA concurs.

Rule Summary **ARC 3210C**
Requires mammography reports and letters to include information and educational references regarding the patient's breast density, resulting risk of cancer incidence, and impacts on mammography interpretation related to tissue density.

Agency Stated Authority: Iowa Code chapter [136C](#).

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

LSA Response: The LSA concurs.

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Rule Summary	Adds definitions and amends the Statistical Report of Termination of Pregnancy Report and adds penalties. Agency Stated Authority: Iowa Code chapter <u>144</u> and section <u>146B.2</u> .	<u>ARC 3211C</u>
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.	
Rule Summary	Increases the autopsy fee the Office of the State Medical Examiner (OSME) charges by \$500. The current fee is \$1,400. The base autopsy fee is retained by the OSME and is applied toward providing forensic pathology and death investigation services. Agency Stated Authority: Iowa Code section <u>691.6</u> .	<u>ARC 3212C</u>
Fiscal Impact	Agency Response: Over the last three years, the OSME performed an average of 750 autopsies per year. Using this average, the net increase to the budget will be \$375,000. LSA Response: The LSA concurs. The OSME performed 751 autopsies in 2015 and 820 autopsies in 2016.	
Rule Summary	Updates definition of “local board of health” to align with Iowa Code. Agency Stated Authority: Iowa Code chapter <u>135</u> .	<u>ARC 3213C</u>
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.	
Rule Summary	Rescinds chapter on Organized Health Delivery Systems. Agency Stated Authority: Iowa Code chapter <u>135</u> .	<u>ARC 3214C</u>
Fiscal Impact	Agency Response: No fiscal impact. LSA Response: The LSA concurs.	
Rule Summary	Creates a Nuclear Medicine Diagnostic Computed Tomography (CT) Endorsement to allow nuclear medicine technologists to operate CT units for examinations outside of nuclear medicine studies. Agency Stated Authority: Iowa Code chapter <u>136C</u> .	<u>ARC 3239C</u>
Fiscal Impact	Agency Response: Minimal fiscal impact. The addition of this endorsement to the permit will require enhancement of the existing licensing system to allow users to apply and renew this endorsement using the online system. The cost of this update is expected to be minimal and will be absorbed by current fees assessed to obtain the nuclear medicine permit.	

LSA Response: The LSA concurs.

ARC 3240C

Rule Summary Adopts the national trauma standards established in the American College of Surgeons' "Resources for Optimal Care of the Injured Patient" (2014). Requires Iowa trauma care facilities to transition to the criteria outlined in the national guidelines. Level I and Level II trauma care facilities will be verified by the American College of Surgeons (ACS), and Level III and Level IV trauma care facilities will be verified by the Department of Public Health.

Agency Stated Authority: Iowa Code chapter 147A.2.

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

LSA Response: The LSA concurs.

ARC 3241C

Rule Summary Updates existing rules related to trauma education and training. Changes include:

- Updating and striking definitions that are no longer referenced.
- Clarifying initial education required for provider types.
- Striking a general section on continuing education.
- Adding specific continuing education requirements for each provider category.
- Clarifying offenses and subsequent penalties resulting from not abiding by the existing rules.
- Making technical corrections.

Agency Stated Authority: Iowa Code chapter 147A.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

Early Childhood Iowa Board

ARC 3249C

Rule Summary Amends definitions of "designation" and "family support programs" pursuant to SF 2299 (FY 2017 Early Childhood Iowa Act). Also clarifies the process in which designated early childhood Iowa area boards will be developed, implemented, and reviewed.

Agency Stated Authority: Iowa Code section 256I.4(9).

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

LSA Response: The LSA concurs.

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Homeland Security and Emergency Department of Management

ARC 3233C

Rule Summary Changes the terms "Enhanced 911" and "E911" to "911" to reflect the merging of E911 with Next Generation 911 services. Updates several definitions to reflect the current and future operating environment for 911 telephone systems and the public and private partners that are involved in their operation.

Also amends the existing flow of the Emergency Communication Service Surcharge. Changes include the following:

- Establishment of Geographic Information System (GIS) grants.
- Removal of the use of surcharge funds to pay for costs associated with the financing of the Statewide Interoperable Communications System.
- Carryover funds may be used for grants to Public Service Answering Points (PSAPs) to physically consolidate.
- The amount of funding available for use from the carryover has been increased from \$4.4 million in FY 2017 to \$7.0 million in FY 2018.
- Any carryover funds not used for consolidation grants will pass equally to the PSAPs.

Agency Stated Authority: Iowa Code section 34.22.

Fiscal Impact **Agency Response:** Although the rulemaking itself does not have a fiscal impact, the legislation it implements, SF 500 (FY 2017 E911 Consolidation Act), does. The increase in the amount of funding available from the annual carryover may increase the amount of funding individual service boards receive for the PSAPs they operate. In FY 2017, the amount of grant money available to local PSAPs totaled \$4.4 million. In FY 2018, the total amount is estimated to increase to \$7.0 million. This estimate is contingent on the amount used for consolidation grants and geographic information system functionality.

LSA Response: The LSA concurs. There is no impact to the General Fund, as all revenues are from the 911 wireless surcharge. Funding increases or decreases to individual PSAPs will vary.