



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

September 11, 2018

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>.

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (**NOIA**), Amended Notice of Intended Action (**ANOIA**), Notice of Termination (**NOT**), Adopted and Filed Emergency (**AFE**), Filed Emergency After Notice (**FEAN**), and Adopted and Filed (**AF**).

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### Department of Human Services

#### ARC 3942C (NOIA)

**Rule Summary** Requires the Mental Health and Disability Services (MHDS) regions to initiate new core services, expand the core services the regions currently provide, meet new access standards for these services, and include the service changes in their service, budget planning, and reporting by a specified date. The regions must also collaborate to ensure that core services are available in minimum numbers strategically located throughout the State. Establishes new and revised service standards for providers of comprehensive crisis services, subacute mental health services, and intensive mental health services. Provides a broader and more accessible statewide array of crisis and intensive mental health services to individuals with serious mental illness and other individuals experiencing a mental health or substance use crisis.

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**State or Federal Law Implemented:** Iowa Code section 225C.6 and 2018 Iowa Acts, House File 2456 (Mental Health, Complex Service Needs Workgroup Report Act).

**Fiscal Impact** **Agency Response:** The increased utilization of services due to the changes made in HF 2456 is estimated to increase General Fund Medicaid expenditures by \$821,000 in FY 2019 and \$6.0 million in FY 2020. In addition, the changes are also estimated to increase regional MHDS expenditures by \$4.3 million in FY 2019 and \$10.0 million in FY 2020. Senate File 2418 (FY 2019 Health and Human Services Appropriations Act) provided \$876,000 to fund the FY 2019 increase in Medicaid expenditures and the Department of Inspections and Appeals survey and certification of subacute facilities. The increase in regional MHDS expenditures will primarily be covered by current county mental health property tax fund balances.

**LSA Response:** The LSA concurs.

## **ARC 3969C (NOIA)**

**Rule Summary** Increases the Child Care Assistance (CCA) half-day rate ceilings utilizing the directive and funding from 2018 Iowa Acts, chapter 1165 (FY 2019 Health and Human Services Appropriations Act). Also makes a technical correction. Some rates remain the same, and others range between the 50th and 75th percentile of the 2017 Market Rate Survey, depending on the providers' participation and score on the voluntary Quality Rating System (QRS).

**State or Federal Law Implemented:** Iowa Code section 234.6 and 2018 Iowa Acts, ch. 1165.

**Fiscal Impact** **Agency Response:** The total annual cost increase is estimated to be \$7,682,588, which is for state fiscal year (SFY) 2020. The half year cost estimate for SFY 2019 is \$3,841,294.

Broken out by funding stream, the annual cost increase for the infants and toddlers served by providers participating in QRS is \$1,741,368 and is funded by the increase in federal Child Care Development Block Grant (CCDBG) funds. The half-year cost increase for SFY 2019 funded by the increase in federal CCDBG funds is then \$870,684.

The remaining cost increase is funded by the State general funds appropriated for SFY 2019. The annual cost is estimated to total \$5,941,220 and the half-year cost for SFY 2019 equals \$2,970,610.

The rate increases will result in child care providers being paid more for the services they provide to CCA-eligible families.

**LSA Response:** The LSA concurs.

## **ARC 3970C (NOIA)**

**Rule Summary** Prohibits persons convicted of specific misdemeanors and felonies from involvement with child care. A person will also be prohibited if the person refuses to participate in a record check evaluation or makes what the person knows to be a false statement of material fact in connection with a conviction.

**State or Federal Law Implemented:** Iowa Code chapter 237A, 2018 Iowa Acts, ch. 1113, and 45 CFR 98.

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

**LSA Response:** The LSA concurs.

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## ARC 3971C (NOIA)

**Rule Summary** Adds a requirement that employees, operators, owners, or other persons who perform duties for a children's residential facility shall make a report whenever they reasonably believe a child for whom the facility is providing care has suffered abuse.

**State or Federal Law Implemented:** Iowa Code section 217.6 and 2018 Iowa Acts, ch. 1113.

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

**LSA Response:** The LSA concurs.

## ARC 3972C (NOIA)

**Rule Summary** Updates rules to require consideration of public and private health care coverage when determining medical support, amends language to match the recently changed language in Iowa Code chapter 252E, and updates the criteria and procedures for amending the amount to be withheld from the obligor's income to pay a child support delinquency when such amount is based on the hardship criterion. Expands the time frame when an obligor may request an amendment of the amount to be withheld from the obligor's income due to hardship, allows the Child Support Recovery Unit (CSRU) to periodically review the amount withheld as payment toward a delinquency when such amount was granted on the grounds of hardship, increases the minimum amended amount to be withheld from \$5 to \$15, and clarifies that the hardship criterion may only be applied to cases where only a delinquency is due.

**State or Federal Law Implemented:** Iowa Code chapters 252D and 252E, and 45 CFR §303.31.

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

**LSA Response:** The LSA concurs.

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## Department of Administrative Services

### ARC 3937C (NOIA)

**Rule Summary** Amends existing rules to correct outdated references to Iowa Code and session law and update procedural references. The amendments address changes in 25 Iowa Administrative Code chapters and are part of the Department of Administrative Services' five-year rule review.

**State or Federal Law Implemented:** Iowa Code sections 7E.4 and 8A.104.

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

**LSA Response:** The LSA concurs.

### ARC 3966C (NOIA)

**Rule Summary** Updates the Department's internal references to note the transfer of responsibility for the certification of targeted small businesses from the Department of Inspections and Appeals (DIA) to the Iowa Economic Development Authority (IEDA) pursuant to 2017 Iowa Acts, House File 621 (Economic Development and Projects Act). The IEDA's administrative rules related to the certification of targeted small businesses became effective February 21, 2018, and the DIA's rulemaking related to certification of targeted small businesses became effective May 30, 2018.

**State or Federal Law Implemented:** Iowa Code section 8A.111 and 2017 Iowa Acts, House File 621.

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

**LSA Response:** The LSA concurs.

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## Soil Conservation and Water Quality Division

**Rule Summary**     Updates rules for the Water Quality Initiative to include changes made in **ARC 3957C (AF)** Senate File 512 (Water Quality Act). This includes:

- Adding new eligible practices.
- Identifying applicable standards for urban infrastructure projects.
- Specifying that the 50.0% cost share funding limit does not apply to edge-of-field practices and land use changes.
- Making other technical corrections.

**State or Federal Law Implemented:** Senate File 512.

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

**LSA Response:** The LSA concurs.

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## Board of Veterinary Medicine

**Rule Summary**     Clarifies that when a State veterinary technician examination is given by a professional examination service, there may be an additional fee charged. Currently, the rules state that a fee may be charged by a professional examination service for the national veterinary technician examination. **ARC 3960C (AF)**

**State or Federal Law Implemented:** Iowa Code section 169.9.

**Fiscal Impact**     **Agency Response:** No fiscal impact. Any additional fee charged by a professional examination service would be retained by the service.

**LSA Response:** The LSA concurs.

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## Department of Commerce/Banking Division

**Rule Summary**     Clarifies the primary responsibilities of the three separate bureaus within the Division of Banking and the organizational structure of the Division. **ARC 3947C (NOIA)**

**State or Federal Law Implemented:** Iowa Code sections 17A.3 and 524.208.

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

**LSA Response:** The LSA concurs.

**Rule Summary**     Removes outdated references regarding agency procedures and the agency's employees' manual to reflect current practices. **ARC 3948C (NOIA)**

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	<b>State or Federal Law Implemented:</b> Iowa Code chapters <u>17A</u> , <u>22</u> , and <u>524</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs.
<b>Rule Summary</b>	<b><u>ARC 3949C (NOIA)</u></b> Eliminates existing requirements stating that the Superintendent must determine that a reasonable share price is being paid in a cash-out merger or reverse stock split. Rescinds current rules regarding the licensing of debt management companies and promulgates a new rules chapter to address debt management companies. Eliminates a rule that imposes a notice and publication requirement in association with applications for which no statutory notice and publication requirement exist. Adds rule language clarifying that an applicant may not declare the entire contents of an application confidential. Additionally, updates references to statutes and certain federal guidance documents.
	<b>State or Federal Law Implemented:</b> Iowa Code chapters <u>17A</u> and <u>524</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs.
<b>Rule Summary</b>	<b><u>ARC 3950C (NOIA)</u></b> Updates statutory references to reflect the correct authority.
	<b>State or Federal Law Implemented:</b> Iowa Code section <u>17A.9A</u> and Iowa Code chapter <u>524</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs.
<b>Rule Summary</b>	<b><u>ARC 3951C (NOIA)</u></b> Clarifies the discovery process and applicability of the Rules of Civil Procedure in contested cases, in addition to clarifying permissible means of communications for submissions pertaining to a contested case.
	<b>State or Federal Law Implemented:</b> Iowa Code chapter <u>17A</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs.
<b>Rule Summary</b>	<b><u>ARC 3952C (NOIA)</u></b> Removes the addresses of rating services approved by the superintendent and removes State savings associations from entities accepted as fitting the general definition of a bank.
	<b>State or Federal Law Implemented:</b> Iowa Code chapters <u>17A</u> and <u>524</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact. <b>LSA Response:</b> The LSA concurs.
<b>Rule Summary</b>	<b><u>ARC 3953C (NOIA)</u></b> Clarifies acceptable forms of documents to satisfy the requirement of showing evidence of title. Updates requirements for the use of lease receivables for the purpose of preparing consolidated reports of condition and income.

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**State or Federal Law Implemented:** Iowa Code chapters 17A and 524.

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

**LSA Response:** The LSA concurs.

**Rule Summary**

Establishes the details of the procedures for the following: application for a debt management license; renewal of an existing debt management license; submission of required notices regarding changes in name, location, or control of a licensee; and recordkeeping requirements for licensees; in addition to procedures for complaints, investigations, and disciplinary actions. Specifically instructs licensees and applicants using the nationwide multistate licensing system on how to apply for and maintain debt management licenses.

**ARC 3954C (NOIA)**

**State or Federal Law Implemented:** Iowa Code chapter 533A.

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

**LSA Response:** The LSA concurs.

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### Engineering and Land Surveying Examining Board

**Rule Summary**

Clarifies the location of Board meetings, defines “retired” in relation to retired professional engineers or land surveyors, and adds references to comity applications to procedures regarding the criteria for timely applications.

**ARC 3946C (NOIA)**

**State or Federal Law Implemented:** Iowa Code chapter 542B.

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

**LSA Response:** The LSA concurs.

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### Iowa Finance Authority

**Rule Summary**

Allows the Iowa Finance Authority (IFA) to allocate funds to financial institutions or other lenders to finance the purchase by individuals of manufactured homes sited on leased land in Iowa.

**ARC 3973C (NOIA)**

**State or Federal Law Implemented:** 2018 Iowa Acts, HF 2480 (Manufactured Housing Revolving Loan Fund Act).

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

**LSA Response:** The LSA concurs.

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## Department of Education

### ARC 3980C (AF)

**Rule Summary** Amends existing rules:

- Requires schools and school districts to adopt policies prohibiting the aiding and abetting of sexual abuse to comply with requirements set out in the federal Every Student Succeeds Act.
- Sets the statewide summative assessment as the assessment developed by the Iowa Testing Program within the University of Iowa College of Education and administered by the Iowa Testing Program's designee.

**State or Federal Law Implemented:** Every Student Succeeds Act (ESSA), House File 2235 (Statewide Assessment Act).

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

**LSA Response:** The LSA concurs in part. The LSA does not expect that the provision requiring the adoption of policies regarding the prohibition of aiding and abetting sexual abuse will have a fiscal impact.

In FY 2019, the cost of the statewide assessment will be paid by school districts out of the districts' general fund budget, less the portion paid for by the appropriation of \$2.7 million made in Senate File 2415 (FY 2019 Education Appropriations Act). The Department of Education is tasked with distributing the funding made available in SF 2415 to the Iowa Testing Program to offset the cost of the statewide assessment. According to information from the Iowa Testing Program, the projected per-student cost to schools for the assessment is outlined in the table below, assuming the State appropriation is spread across both public and nonpublic schools:

	Online Assessment	Paper and Pencil Assessment
<b>English Language Arts</b>	\$2.55	\$3.55
<b>Mathematics</b>	\$1.55	\$2.55
<b>Science</b>	\$3.05	\$4.05

In FY 2019, there are an estimated 335,768 students in grades 3 through 11 in Iowa public schools and 22,875 in nonpublic schools who would be expected to take both the English Language Arts and Mathematics assessments. There are an estimated 111,865 students in grades 5, 8, and 11 in public schools and 7,170 in nonpublic schools who would be expected to take the Science assessment. Assuming that half of the students take online assessments and half of the students take paper and pencil assessments, below is the total estimated cost of the statewide assessment to schools after the application of the statewide appropriation:

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	Online Assessment	Paper and Pencil Assessment
<b>English Language Arts Cost</b>	\$457,270	\$636,591
<b>Mathematics Cost</b>	277,948	457,270
<b>Science Cost</b>	181,528	241,046
<b>Total Paid by Schools</b>	<u>\$916,747</u>	<u>\$1,334,907</u>

Any changes in the above assumptions will significantly impact the total paid by schools for the assessment.

## **ARC 3981C (AF)**

**Rule Summary** Allows distance education to be provided to students receiving independent private instruction, competent private instruction, or private instruction under Iowa Code chapter 299A. Amends the fee structure for school districts participating in the distance education program.

**State or Federal Law Implemented:** SF 2131 (Iowa Learning Online Expansion Act).

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

**LSA Response:** The LSA concurs in part. The rulemaking will not impact State level expenditures. The rulemaking provides that fees collected will be intended to cover the costs of administering the Iowa Learning Online (ILO) program and makes inapplicable Iowa Code section 8.33 so that any remaining funding from collected fees will not revert; this is similar to allowances made for ILO funding when the program received a State appropriation.

## **ARC 3982C (AF)**

**Rule Summary** Authorizes community colleges to establish transfer of major programs in specific disciplines to improve transferability of credits to four-year institutions. Increases the minimum number of general education credit hours required for an Associate of Applied Science (AAS) degree from 12 to 15 to align with the policies of the Higher Learning Commission, the accreditor for Iowa's community colleges and Regents institutions. Establishes policies recommended by the Department of Education's Developmental Education Working Group to enhance the ability of underprepared students to complete their postsecondary education.

**State or Federal Law Implemented:** Iowa Code chapter 260C.

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

**LSA Response:** The LSA concurs. The accreditor's requirement of 15 credit hours for the AAS degree has already been implemented to maintain accreditation. For that reason, the rule change will not result in increased revenue for the community colleges.

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## **Board of Educational Examiners**

## **ARC 3979C (AF)**

**Rule Summary** Implements changes pursuant to House File 2283 (Educational Practitioners License Expiration Date Adjustment Act), which amended Iowa Code section 272.7 by eliminating the requirement that licenses remain valid until the last day of the



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practitioner's birth month. The change will allow the Board of Educational Examiners (BOEE) to adjust the expiration date for the initial license to align with the academic year.

**State or Federal Law Implemented:** Iowa Code section 272.7.

**Fiscal Impact**     **Agency Response:** Minimal fiscal impact. The BOEE estimates that the agency has typically processed approximately 300 extensions per year that will be unnecessary in the future under these amendments. The extension fee is \$25. The amendments are expected to result in a decrease of \$7,500 in fees collected by the Board annually, and a decrease of \$1,875 in the Board's annual deposit to the General Fund.

**LSA Response:** The LSA concurs.

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## College Student Aid Commission

**Rule Summary**     **ARC 3938C (NOIA)**  
Implements changes made to the All Iowa Opportunity Scholarship in 2018 Iowa Acts, House File 2502 (Standing Appropriations Act). Defines "eligible surviving-child student" to include children of peace officers, police officers, fire fighters, sheriffs, or deputy sheriffs who have been killed in the line of duty. Provides such students with second priority for scholarships.

**State or Federal Law Implemented:** Iowa Code chapter 261.

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

**LSA Response:** The LSA concurs.

**Rule Summary**     **ARC 3939C (NOIA)**  
Implements the Health Care Loan Repayment Program enacted in 2018 Iowa Acts, Senate File 2415 (FY 2019 Education Appropriations Act). The Program combines two existing programs: the Registered Nurse and Nurse Educator Loan Forgiveness Program and the Rural Nurse Practitioner and Physician Assistant Loan Repayment Program.

**State or Federal Law Implemented:** Iowa Code chapter 261.

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

**LSA Response:** The LSA concurs in part. Although the rulemaking itself has no fiscal impact, the legislation it implements, SF 2415, does require a \$200,000 appropriation for the Program in FY 2019.

**Rule Summary**     **ARC 3940C (NOIA)**  
Implements changes to the National Guard Educational Assistance Program enacted in 2018 Iowa Acts, Senate File 2415 (FY 2019 Education Appropriations Act). Requires applicants for the Program to complete the Free Application for Federal Student Aid (FAFSA) to apply for State and federal nonrepayable aid.

**State or Federal Law Implemented:** Iowa Code chapter 261.

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

**LSA Response:** The LSA concurs.

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## ARC 3941C (NOIA)

**Rule Summary** Implements changes to the Rural Iowa Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment Program enacted in 2018 Iowa Acts, Senate File 2415 (FY 2019 Education Appropriations Act). Repeals provisions related to a full-time practice waiver and to postponement of the service obligation.

**State or Federal Law Implemented:** Iowa Code chapter 261.

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

**LSA Response:** The LSA concurs. Under SF 2415, the Program is scheduled for repeal July 1, 2023. No new awards are permitted; only renewals are funded by an annual General Fund appropriation. Final payments were issued to 26 teachers in FY 2018. The Commission anticipates that 25 teachers will exit the Program in FY 2019, and that the remaining 46 teachers will exit in FY 2020.

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## Natural Resource Commission

### ARC 3983C (AF)

**Rule Summary** Rescinds rules relating to snowmobile registration fees as a result of Iowa Code amendments that increase the percentage of snowmobile registration fees that may be used to develop, maintain, or improve snowmobile areas and trails from 50.0% of the fees to 70.0% of the fees. This revised distribution increases the workload for the Department of Natural Resources (DNR) associated with implementing such grants. The Iowa State Snowmobile Association (ISSA) agreed that the ISSA will be more involved with the management of the funds gathered from snowmobile registration fees.

**State or Federal Law Implemented:** Iowa Code sections 321G.2(1)"e", 321G.7, and 455A.5(6).

**Fiscal Impact** **Agency Response:** No fiscal impact. The proposed rulemaking rescinds existing rules and transfers fee collection duties from the DNR to the ISSA.

**LSA Response:** The LSA concurs.

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## Professional Licensure Division

### ARC 3943C (NOIA)

**Rule Summary** Establishes that if an applicant has held an active license during three of the past five years, the applicant can forgo the requirement of taking the Special Purposes Examination for Chiropractic to reactivate the license.

**State or Federal Law Implemented:** Iowa Code chapter 151.

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

**LSA Response:** The LSA concurs.

### ARC 3944C (NOIA)

**Rule Summary** Incorporates the requirements for participation in the interstate Physical Therapy (PT) Licensure Compact by reference, adds background check requirements for initial licensure and licensure by endorsement for all physical therapist (PT) and physical therapist assistant (PTA) license applicants, adds a fee for the issuance of a compact privilege to practice in Iowa, and waives the compact privilege fee for an active duty military member or spouse.

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**State or Federal Law Implemented:** Iowa Code chapter 272C.

**Fiscal Impact**     **Agency Response:** No fiscal impact. There are no costs involved for the Department. All new PT and PTA licensure applicants will be required to pay the fee for a criminal background check regardless of whether or not they choose to participate in the PT Licensure Compact.

**LSA Response:** The LSA concurs.

**Rule Summary**     Revises grounds for imposing discipline under the Board of Chiropractic regarding sexual misconduct and patient record maintenance. Modifies the definition of an electronic record and the process for transfer of records, and makes technical changes. **ARC 3956C (AF)**

**State or Federal Law Implemented:** Iowa Code chapter 151.

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

**LSA Response:** The LSA concurs.

**Rule Summary**     Reduces the number of continuing education hours required by the Board of Chiropractic per biennium from 60 hours to 40 hours. Makes changes to permissive language regarding what should terminate a preceptorship. Revises definitions and makes technical corrections. **ARC 3962C (AF)**

**State or Federal Law Implemented:** Iowa Code chapter 151.

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

**LSA Response:** The LSA concurs.

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## Dental Board

**Rule Summary**     Revises the requirements for foreign-trained dentists to obtain licensure. **ARC 3961C (AF)**

**State or Federal Law Implemented:** Iowa Code sections 147.2, 147.33, and 153.21.

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

**LSA Response:** The LSA concurs.

**Rule Summary**     Updates the definition of "overpayment" to conform to the practice of overpayment and the definition of "fee" in existing rules. **ARC 3963C (AF)**

**State or Federal Law Implemented:** Iowa Code section 147.80.

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

**LSA Response:** The LSA concurs.

**Rule Summary**     Amends existing rules through the following: **ARC 3987C (AF)**

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- Eliminates the prohibition against ownership of a dental practice by a dental hygienist.
- Reduces the number of years of clinical experience required for a licensed dental hygienist to work in a public health setting.
- Allows licensed dental hygienists to use silver diamine fluoride in a public health setting and establishes parameters for use.
- Revises the change of address notification procedure.

**State or Federal Law Implemented:** Iowa Code sections [147.9](#), [153.15](#), [153.16](#), [153.17](#), [153.33](#), [153.33A](#), and [153.34](#).

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

**LSA Response:** The LSA concurs.

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### Board of Pharmacy

#### **ARC 3974C (NOIA)**

**Rule Summary**     Establishes the minimum standards for wholesale distributor licenses and addresses the following topics: licensure and renewal processes; grounds for denial of licensure; required policies and procedures; requirements for facilities, security, and storage; reporting of discipline and convictions; and grounds for discipline.

**State or Federal Law Implemented:** Iowa Code sections [124.301](#), [124.302](#), [124.303](#), [124.304](#), [124.305](#), [124.306](#), [124.307](#), [124.308](#), [126.3](#), [126.9](#), [126.10](#), [126.11](#), [126.12](#), [155A.3](#), [155A.4](#), [155A.17](#), [155A.19](#), [155A.21](#), [155A.23](#), and [155A.40](#); and the federal [Drug Supply Chain Security Act](#).

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

**LSA Response:** Minimal fiscal impact. There will be some adjustments as entities that previously licensed as wholesale distributors now license as other business entities. Iowa Code section [147.80](#) requires licensing boards to establish fees to sustain the cost of operations and services, and to annually adjust the fee schedule to cover projected expenses.

#### **ARC 3975C (NOIA)**

**Rule Summary**     Establishes the minimum standards for entities that are engaged in the distribution of prescription drugs and devices and that do not meet the definition of a wholesale distributor. The proposed rules address licensure and renewal processes; grounds for licensure denial; required policies and procedures; facility and operation requirements; records requirements; reporting of discipline or convictions; and grounds for discipline.

**State or Federal Law Implemented:** Iowa Code sections [124.301](#), [124.302](#), [124.303](#), [124.304](#), [124.305](#), [124.306](#), [124.307](#), [124.308](#), [126.3](#), [126.9](#), [126.10](#), [126.11](#), [126.12](#), [126.22](#), [155A.3](#), [155A.4](#), [155A.13](#), [155A.17](#), [155A.21](#), [155A.23](#), and [155A.42](#).

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

**LSA Response:** Minimal fiscal impact. There will be some adjustments as entities previously licensed as wholesale distributors now license as other business entities. Iowa Code section [147.80](#) requires licensing boards to establish fees to sustain the cost of operations and services, and to annually adjust the fee schedule to cover projected expenses.

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	<b><u>ARC 3976C (NOIA)</u></b>
<b>Rule Summary</b>	Establish as the minimum standards for entities engaged in third-party logistics of prescription drugs and devices. The proposed rules address licensure and renewal processes, required policies and procedures, required reporting of discipline and convictions, and grounds for disciplinary action.  <b>State or Federal Law Implemented:</b> Iowa Code chapter 124B; Iowa Code sections <u>124.301</u> , <u>124.302</u> , <u>124.303</u> , <u>124.304</u> , <u>124.305</u> , <u>124.306</u> , <u>124.307</u> , <u>124.308</u> , <u>126.3</u> , <u>126.9</u> , <u>126.10</u> , <u>126.11</u> , <u>126.12</u> , <u>155A.3</u> , <u>155A.4</u> , and <u>155A.40</u> ; 2018 Iowa Acts, <u>SF 2298</u> (Regulation of Pharmacy and Wholesale Distribution of Drugs and Devices Act); and the <u>Drug Supply Chain Security Act</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.  <b>LSA Response:</b> Minimal fiscal impact. There will be some adjustments as entities that previously licensed as wholesale distributors now license as other business entities. Iowa Code section <u>147.80</u> requires licensing boards to establish fees to sustain the cost of operations and services, and to annually adjust the fee schedule to cover projected expenses.
	<b><u>ARC 3977C (NOIA)</u></b>
<b>Rule Summary</b>	Allows the Board to designate a pool of up to seven alternate members, subject to approval by the Governor, to hear contested case hearings when needed; adds a certified pharmacy technician to the composition of the Board; and makes technical corrections.  <b>State or Federal Law Implemented:</b> Iowa Code sections <u>147.14</u> , <u>147.19</u> , <u>155A.2A</u> , <u>155A.3</u> , and <u>155A.13C</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.  <b>LSA Response:</b> The LSA concurs.
	<b><u>ARC 3978C (NOIA)</u></b>
<b>Rule Summary</b>	Requires all pharmacies to ensure adequate protection of pharmacy personnel and patients from hazardous drugs and encourages pharmacies to implement the standards identified in United States Pharmacopeial Convention (USP) <u>Chapter 800</u> .  The USP establishes national minimum standards for a number of health care-related topics. USP General <u>Chapter 800</u> , which is enforced by the federal Food and Drug Administration, provides the national minimum standard for the proper handling of hazardous drugs to protect health care workers, patients, and the environment. Chapter 800 will become effective (enforceable) December 1, 2019, and this encourages pharmacies to comply with USP <u>Chapter 800</u> in advance of the effective date.  <b>State or Federal Law Implemented:</b> Iowa Code sections <u>155A.2</u> and <u>155A.13</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.  <b>LSA Response:</b> The LSA concurs.
	<b><u>ARC 3984C (AF)</u></b>
<b>Rule Summary</b>	Temporarily schedules fentanyl-related products that are not already listed in another schedule as Schedule I controlled substances.  <b>State or Federal Law Implemented:</b> Iowa Code sections <u>124.201</u> and <u>124.301</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> No fiscal impact.

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**LSA Response:** The LSA concurs.

## ARC 3985C (AF)

**Rule Summary** Establishes procedures and labeling requirements for the substitution of interchangeable biological products.

**State or Federal Law Implemented:** 2017 Iowa Acts, ch. 5.

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

**LSA Response:** The LSA concurs.

LSA Staff Contact: Kent Ohms (515.971.7053) [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov)

## Board of Regents

## ARC 3986C (AF)

**Rule Summary** Reduces the University of Iowa PharmD application fee from \$100 to \$50 to encourage application for admission to the College of Pharmacy.

**State or Federal Law Implemented:** Iowa Code section 262.9(3).

**Fiscal Impact** **Agency Response:** Minimal fiscal impact. The Board estimates a fiscal impact significantly less than \$100,000. Depending on how many applications are received, the rulemaking may be revenue neutral.

**LSA Response:** The LSA concurs.

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## Iowa Telecommunications and Technology Commission

## ARC 3958C (AF)

**Rule Summary** Increases oversight and accountability related to potential sole-source agreements considered by the Iowa Communications Network (ICN) by eliminating a general justification for a sole-source agreement, and requiring any sole-source justification to be both approved and signed by the Network's Executive Director and Chief Financial Officer.

**State or Federal Law Implemented:** Iowa Code sections 8D.11 and 8D.13.

**Fiscal Impact** **Agency Response:** Fiscal impact cannot be determined. The Iowa Telecommunications and Technology Commission, which oversees the management, development, and operations of the ICN, is unable to determine the number of agreements potentially affected by this rulemaking, and is therefore unable to estimate any potential fiscal impact.

**LSA Response:** The LSA concurs.

## ARC 3959C (AF)

**Rule Summary** Implements statutory changes pursuant to 2017 Iowa Acts, HF 467 (Iowa Communications Network — Law Enforcement Systems Included Act). Authorizes the Iowa Communications Network to provide law enforcement with communications systems should an appropriate authorized user of the Network request such services.

**State or Federal Law Implemented:** Iowa Code section 8D.3 and 2017 Iowa Acts, HF 467.

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

**LSA Response:** The LSA concurs.

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**Department of Transportation**

**ARC 3967C (NOIA)**

**Rule Summary** Amends the chapter regarding driver license sanctions, including:

- Removing redundant definitions.
- Clarifying periods of suspension or revocation to align with Iowa Code.
- Updating list of violations for license suspension of habitual violators.
- Specifying sanctions for violations of corresponding municipal ordinances.
- Adding convictions for violations of Iowa Code section 321.323A.
- Clarifying the period of license suspension for moving violations during driving probation.
- Removing provisions that implement or reference drug revocations previously required by Iowa Code.
- Striking outdated reinstatement or reissuance language related to appearing before an examiner.

**State or Federal Law Implemented:** Iowa Code sections 321.177, 321.210, 321.210A, 321.210C, 321.210D, 321.212, 321.215, 321.218, 321.276, 321.323A, 321.372, 321A.2, and 321J.21; House File 2502 (FY 2018 Standing Appropriations Act), and House File 2304 ( Motor Vehicle Operation and Stationary Motor Vehicles Act).

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

**LSA Response:** The LSA concurs in part. While the rulemaking itself does not create a fiscal impact, the legislation it implements may have a minor fiscal impact on the Statutory Allocations Fund (SAF). House File 2502 repealed Iowa Code section 901.5 (10), which revoked a defendant's driver's license for 180 days if the defendant was convicted of a controlled substance offense under several Iowa Code sections. The Department charges a \$20 fee that must be paid at the time of license reinstatement, and the fee is deposited into the SAF.

In FY 2017 and FY 2018, approximately 1,600 individuals had their licenses reinstated following a drug conviction revocation. Under the enacted legislation, there may be a decrease in revenue to the SAF of approximately \$32,000 in FY 2019 and FY 2020.

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**Department of Veterans Affairs**

**ARC 3936C (NOIA)**

**Rule Summary** Amends the Iowa Veterans Trust Fund to update requirements around assistance categories. Changes include:

- Requires unemployment and underemployment assistance recipients to be physically and mentally able to return to work and provide documentation of receiving assistance from Iowa Workforce Development and Vocational Rehabilitation if eligible.
- Adds lodging for immediate family members related to ambulance and emergency room services assistance.
- Places a lifetime maximum benefit of \$10,000 on medical care assistance and housing/vehicle repair assistance.
- Increases the liquid assets restrictions from \$5,000 to \$15,000 for health care assistance and counseling assistance.

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**State or Federal Law Implemented:** Iowa Code section 35A.13.

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

**LSA Response:** The LSA concurs. The amount of awards that can be made from the Veterans Trust Fund are restricted to the \$300,000 made available from the transfer from the Iowa Lottery revenue and interest earned on the Fund.

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## Department of Workforce Development

### ARC 3945C (NOIA)

**Rule Summary** Rescinds an eligibility assessment procedure requirement that specifies that there must be evidence that an unemployed individual was required to report for an interview at an Iowa Workforce Development Center before an administrative law judge can rule on disqualifying the individual from unemployment for failure to report. Also, specifies that when an individual acting in good faith receives an overpayment of unemployment benefits, no additional benefits will be payable to offset the overpayment once the individual has exhausted the benefits the individual is currently eligible to receive.

**State or Federal Law Implemented:** Iowa Code chapter 96.

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

**LSA Response:** The LSA concurs.

### ARC 3965C (NOIA)

**Rule Summary** Provides that an individual who voluntarily quits supplemental part-time employment is not disqualified from other unemployment benefits the individual may be entitled to due to quitting the supplemental part-time employment. Provides that a reduction in unemployment benefits due to pension payments received will only occur if the claimant's base period employer has made 100.0% of the contributions to the pension plan and further provides that vacation pay paid out to an employee will only be considered wages for purposes of unemployment benefits for a maximum of five workdays. Modifies the procedure for the implementation and administration of employer voluntary shared work programs. Specifies the procedure for handling fraudulent overpayments and offsets. Specifies the procedure for appealing a denial of benefits for failure to report.

**State or Federal Law Implemented:** Iowa Code chapter 96 and HF 2321 (Unemployment Compensation Act).

**Fiscal Impact Agency Response:** The changes related to pension and vacation pay deductibility will permit the IWD to reallocate an estimated 2.9 Workforce Advisor FTE positions and \$150,000 in salary expenses paid from the Unemployment Insurance Federal Base Grant in the Benefits Bureau, as specified in the Fiscal Note.

**LSA Response:** The LSA concurs.

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## Labor Division

### ARC 3955C (NOIA)

**Rule Summary** Adopts by reference federal occupational safety and health regulations related to trace amounts of beryllium.



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**State or Federal Law Implemented:** Iowa Code chapter 88 and 83 Fed. Reg. 19948 (May 7, 2018).

**Fiscal Impact**     **Agency Response:** Compliance costs will be reduced by an unknown amount for aluminum production facilities and coal-fired utilities as a result of these changes.

**LSA Response:** The LSA concurs.

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### Workers' Compensation Division

**Rule Summary**     **ARC 3968C (NOIA)**  
Specifies the requirements for filing electronic workers' compensation claims and data with the Iowa Department of Workforce Development.

**State or Federal Law Implemented:** Iowa Code sections 85.26, 85.27, 86.8, 86.13, 86.18, 86.24, 86.40, and 87.22.

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

**LSA Response:** The LSA concurs.

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