



[SF 2383](#) – Workforce Omnibus (LSB5183SZ.2)
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Fiscal Note Version – Final Action

Description

[Senate File 2383](#) relates to various matters under the purview of the State, including city and county inspections, work-based learning, recruitment of health care professionals, regulations affecting veterans and military spouses, insurance producer temporary licenses, and including applicability provisions.

Division I — County and City Inspections

Description and Background

Division I prohibits a county or city from requiring an inspection of a manufactured home that has been inspected according to requirements of the U.S. Department of Housing and Urban Development (HUD) and constructed in conformance with specified federal manufactured home construction and safety standards.

Fiscal Impact

Division I is estimated to have no fiscal impact to the State of Iowa. The fiscal impact to counties and cities cannot be estimated due to a lack of data.

Division II — Work-Based Learning

Description and Background

Division II makes changes to Iowa Code section [256.9](#) by adding a subsection to require annual reporting by the boards of directors of school districts on student work-based learning participation. The programs required to be reported include registered apprenticeships, quality pre-apprenticeships, internships, on-the-job training, and projects through the [Iowa Clearinghouse for Work-Based Learning](#).

Additionally, Division II makes changes to Iowa Code section [272.1](#) by adding the definition of “work-based learning program supervisor.” According to the Bill, a work-based learning program supervisor is defined as a person who is certified to supervise students’ opportunities and experiences related to workplace tours, job shadowing, rotations, mentoring, entrepreneurship, service learning, internships, and apprenticeships.

Division II also adds new Iowa Code section 272.16 related to the certification of work-based learning supervisors. The Bill requires the Board of Educational Examiners (BOEE) to adopt rules for the certification of work-based learning program supervisors. Certification must include instruction related to fundamentals in career education, curriculum, assessment, and the evaluation of student participation. Additional information about work-based learning in Iowa can be found [here](#).

Fiscal Impact

Division II is estimated to have no fiscal impact to the State.

Division III — Health Care Workforce Recruitment

Description

Division III makes changes to Iowa Code section [261.113](#) regarding the Rural Primary Care Loan Repayment Program. The Bill eliminates the Iowa-based residency program requirement for applications and adds neurology as an eligible specialty for applicants. The Bill also adds part-time rural practitioners as eligible applicants for the Program. Part-time practice is defined by the Bill as at least 70.0% of a 40-hour workweek.

Additionally, Division III makes changes to Iowa Code section [261.115](#) regarding the Health Care Professional Recruitment Program. The Bill allows for advanced registered nurse practitioners and registered nurses to be eligible for the Program. Also, the Bill adds Iowa community colleges established under Iowa Code chapter [260C](#) as eligible institutions.

Division III also makes changes to Iowa Code section [261.116](#) regarding the Health Care Loan Repayment Program. The Bill renames the Health Care Loan Repayment Program to the Health Care Award Program. The Bill also strikes the requirement that an applicant have a qualified student loan and changes the structure of the Program to provide that a direct financial award is paid directly to the recipient. Additionally, the Bill allows part-time nurse educators to qualify for the Program as long as the individual is also practicing as a registered nurse or advanced registered nurse practitioner.

Background

The Rural Primary Care Loan Repayment Program was established in 2012 under the direction of the College Student Aid Commission. The Program provides loan repayments for medical students who agree to practice as physicians in service commitment areas for five years. Currently, participants are eligible for loan repayment up to \$40,000 annually for five consecutive years, with the maximum repayment limited to \$200,000. The Commission is authorized to enter into no more than 20 Program agreements annually. Annual Program agreements are to be awarded evenly between students attending the University of Iowa and students attending Des Moines University. This requirement is waived in the event there are fewer than half the necessary applicants from one of the institutions.

During the 2018 Legislative Session, [SF 2415](#) (FY 2019 Education Appropriations Act) established the Health Care Loan Repayment Program to provide repayment of qualified loans for registered nurses, advanced registered nurse practitioners, physician assistants, and nurse educators who practice full-time in a service commitment area or teach in Iowa.

Currently, applicants for the Health Care Professional Recruitment Program must be graduates of an institution of higher learning governed by the Board of Regents or an accredited private institution. Applicants must also be practicing in a high-need community to be eligible for the Program. Current applicants must also be working as an athletic trainer, occupational therapist, physician, physician assistant, podiatrist, or physical therapist who is licensed, accredited, registered, or certified to perform specified health care services consistent with State law. Applicants are eligible for a \$12,500 award on an annual basis for up to four consecutive years, totaling \$50,000.

Assumptions

- Software modifications to update the online application and award system for the Health Care Loan Repayment Program will take 106 hours.
- Vendor costs to update the Program will be \$95 per hour.

Fiscal Impact

Division III, Section 16, would require the College Student Aid Commission to update the online application and award system for the Health Care Loan Repayment Program to allow applicants to complete Internal Revenue Service [Form W-9](#) and to process payments. This is estimated to create a one-time cost to the Commission of approximately \$10,000 in FY 2023. The Commission is funded through General Fund appropriations.

Division IV — Professional Licensing — Military Spouses

Description

Division IV relates to the professional licensing of active duty military and their spouses who hold similar licensing in another state and does the following:

- Strikes a provision providing credits toward qualifications for licensure to practice an occupation or profession.
- Expedites the licensing process and removes the examination requirement for licensure, provided a set of conditions are met.
- Provides temporary licensing while the required education is obtained.
- Advises the license applicant of any additional education necessary to meet the licensing requirements of the State.
- Requires a licensing agency to adopt rules to provide credit toward qualifications for licensure to practice.
- Strikes a requirement for the licensee to have been licensed for at least one year in another jurisdiction to receive a license in Iowa without an examination.
- Requires the BOEE to waive any fees charged to an applicant for a license if the applicant's household income is 200.0% or less of the federal poverty level and the applicant is applying for the license for the first time in this State. Requires that administrative rules to implement this provision be adopted by January 11, 2023.
- Adds a provision that waives the initial application fee and one renewal fee charged to a license applicant, if the applicant is a veteran who has been honorably or generally discharged, that would otherwise be charged within five years of the discharge. Requires that administrative rules to implement this provision be adopted by January 11, 2023.

Background

In Iowa Code section [272C.4\(12\)](#), the Professional Licensing and Regulation Bureau expedites the licensing of an individual who is licensed in a similar profession in another state and who is a veteran.

Currently, licensing boards, agencies, and departments are to waive fees charged to an applicant for a license if the applicant's household income is 200.0% or less of the federal poverty level and the applicant is applying for the license for the first time in this State.

In FY 2021, the BOEE processed a total of 9,273 first-time license applicants and collected approximately \$1.5 million in fees, of which \$772,000 was for license fees. The BOEE retains 75.0% of license fees to finance the activities of the BOEE and deposits the remaining 25.0% into the General Fund.

The initial application fee and one renewal fee charged to a license applicant who is a veteran who has been honorably or generally discharged are currently postponed for five years after the discharge. This fee is currently collected by a licensing board, agency, department, or the BOEE. The initial license fee is currently waived by the BOEE.

Assumptions

- The Professional Licensing and Regulation Bureau will perform the provisions of the Division with current funding and full-time equivalent (FTE) position levels.
- The Bill requires the licensing board, agency, department, or BOEE to waive the initial application fee and one renewal fee for a veteran who has been honorably discharged from federal duty within the last five years.
- The number of first-time applicants will be approximately the same as in FY 2021.
- Thirty percent of first-time applicants will have a household income at or below 200.0% of the federal poverty level.
- Background checks will be required for each applicant.
- The license type, convenience, and background check fees will remain unchanged compared to FY 2021 rates.
- The BOEE will need to update its system software to account for changes to applicant fees. This update will have a one-time cost of approximately \$10,000.
- Administrative rules implementing Division IV will take effect on January 11, 2023.

Fiscal Impact

Division IV is estimated to decrease revenue to the BOEE by \$205,000 in FY 2023 and by \$390,000 in FY 2024 and subsequent years. This would decrease the total annual revenue collected by the BOEE by 14.2%. Also, Division IV is estimated to decrease revenue to the General Fund by \$29,000 in FY 2023 and by \$58,000 in FY 2024 and subsequent years. A summary of these changes is shown in **Table 1** below.

Table 1 — Decrease in Revenue, Division IV

Revenue Type	FY 2023		FY 2024 and Subsequent Years	
	BOEE	General Fund	BOEE	General Fund
License Fee	\$ 87,000	\$ 29,000	\$ 173,000	\$ 58,000
Convenience Fee	\$ 4,000	\$ 0	\$ 8,000	\$ 0
Background Check Fee	\$ 104,000	\$ 0	\$ 209,000	\$ 0
System Update	\$ 10,000	\$ 0	\$ 0	\$ 0
Total	\$ 205,000	\$ 29,000	\$ 390,000	\$ 58,000

Division V — Fishing and Hunting Licenses — Military Veterans

Description

Division V creates an annual armed forces fishing license and fishing and hunting combination license for any resident of Iowa who has served in the armed forces of the United States on federal active duty. The Department of Natural Resources (DNR) is required to establish rules and fees for the licenses, but the fees are not to exceed \$5.

Background

Hunting and fishing license sales revenue is deposited in the Fish and Wildlife Trust Fund, which is used for fish- and wildlife-related research, education, management, and expansion of opportunities in Iowa. The State also receives federal funds from the [Pittman-Robertson Act](#) and [Dingell-Johnson Act](#), which rely on a formula to distribute funds to states. These formulas use the land area of the state as well as the number of paid hunting or fishing license holders in the State. Current license fees range from \$10.50 to \$101.00.

Assumptions

- There will be a decrease in license revenue of various types sold annually, with license sales being replaced by the new \$5 armed forces licenses.

- Calculation is based on approximately 462,000 licenses sold annually and assuming 7.6% of those licenses are to veterans.

Fiscal Impact

There will be an estimated loss of revenue to the Fish and Wildlife Trust Fund of approximately \$890,000 in annual license revenue.

Division VI, Section 25 — Driver's License Fees — Veterans

Description

Division VI, Section 25, amends Iowa Code section [321.191](#) by waiving certain fees for a driver's license for veterans and active duty military members with the following statuses:

- A veteran certified by the United States Department of Veterans Affairs with a permanent service-connected disability rating of 100.0% is waived from the driver's license fees that are set forth in Iowa Code sections 321.191(2), noncommercial driver's licenses; and 321.191(5), licenses valid for motorcycles.
- An applicant who is on federal active duty or State active duty, as defined in Iowa Code section [29A.1](#), is waived from the driver's license fees set forth under Iowa Code sections 321.191(3), licenses for chauffeurs; and 321.191(5), licenses valid for motorcycles.
- An applicant who was issued an honorable discharge or general discharge under honorable conditions from service is waived from the driver's license fees set forth under Iowa Code sections 321.191(3), licenses for chauffeurs; and 321.191(5), licenses valid for motorcycles.

Background

Under current law, an applicant for a driver's license is charged a fee that is assessed collectively with the cost of the base license and the cost of a fee for any applicable endorsement to the driver's license. The fees that are waived in [SF 2383](#) for certain veterans and active duty military members include:

- Noncommercial driver's license: \$4 per year of license validity
- Motorcycle license or endorsement: Additional \$2 per year of license validity (endorsement) or \$6 per year of license validity (motorcycle-only license)
- Commercial driver's license: \$8 per year of license validity
- Chauffeur's license: \$8 per year of license validity

Assumptions

- The number of honorably discharged veterans who will qualify for the waived driver's license fees under the Bill is equal to the number of veteran-designated driver's licenses. The average number of driver's licenses with a veteran designation for the last five calendar years was 24,343 licenses per year.
- As of December 2021, there are 5,712 veterans in Iowa with a service-related disability rating of 100.0% or more. The Department of Transportation estimates that 714 of the veterans with a disability rating of 100.0% will request a waived fee for the driver's license.
- There are an estimated 100 State active duty members and 33 federal active duty members who will request a fee waiver.
- All eligible active duty or veteran service members who are eligible under the Bill will obtain credentials at rates approximately equal to rates obtained by those with a veteran's designation.
- Each credential is issued for the full eight-year duration.
- The average rates of each of the driving credentials that are issued with a veteran designation are:
 - 62.0% (19,220) of noncommercial licenses.
 - 3.6% (1,323) of chauffeur's licenses.
 - 11.0% (3,800) of commercial driver's licenses.

- 21.4% (6,639) of motorcycle endorsements.

Fiscal Impact

Division VI, Section 25, is estimated to reduce driver’s license fee revenue to the Statutory Allocations Fund (SAF) by \$245,000 per year.

Division VI, Section 26 — Parking Fees — Veterans

Description and Background

Division VI, Section 26, amends Iowa Code section [364.3](#) to exempt a person whose vehicle is lawfully displaying certain veteran-status registration plates from ordinances related to fees at a city-operated and city-maintained parking meter and from fees at any nonmetered parking lot. A city shall not charge a fee at a parking meter or nonmetered lot to a person whose vehicle lawfully displays the following plates:

- Medal of honor special registration plates issued pursuant to Iowa Code section [321.34](#).
- Ex-prisoner of war (POW) special registration plates issued pursuant to Iowa Code section 321.34.
- Purple heart special registration plates issued pursuant to Iowa Code section 321.34.
- Registration plates displaying the alphabetical characters “DV” preceding the registration plate number pursuant to Iowa Code section [321.166](#).

Fiscal Impact

Division VI, Section 26, is expected to impact the parking meter and nonmetered parking lot revenue of cities. The fiscal impact cannot be estimated due to a lack of data.

Division VII — Temporary Licenses — Insurance Producers

Description

Division VII relates to temporary insurance producer licensing and permits the Commissioner of the Iowa Insurance Division (IID) of the Department of Commerce to issue a temporary insurance producer license without an examination under select circumstances.

Background

In CY 2021, there were 37,552 applications processed by the IID for a temporary insurance producer license. Of these, 2,192 were resident applications and 35,360 were nonresident applications. **Table 2** below shows the estimated number of temporary applications under Division VII.

Table 2 — Estimated Temporary License Applications by Application Type in CY 2021

Application Type	Number of Applications
Resident	2,192
Nonresident	35,370
Total	37,552

Assumption

The quantity of temporary licenses will be the same as previous fiscal years.

Fiscal Impact

Division VII is not anticipated to have a fiscal impact to the State of Iowa.

Fiscal Impact Summary

The Bill is estimated to increase costs to, and decrease revenue of, the State by approximately \$1.4 million in FY 2023 and by \$1.6 million in FY 2024 and subsequent years. Divisions I and VI may decrease revenue to local governments; however, the impact cannot be estimated due to a lack of data.

Table 3 below shows a summary of the estimated fiscal impact of [SF 2383](#) by division.

Table 3 — Fiscal Impact Summary

Division	FY 2023 Fiscal Impact	FY 2024 Fiscal Impact
Division I, County and City Inspections	Unknown.	Unknown.
Division II, Work-Based Learning	No fiscal impact.	No fiscal impact.
Division III, Health Care Workforce Recruitment	One-time cost of \$10,000 to the College Student Aid Commission.	No fiscal impact.
Division IV, Professional Licensing — Military Spouses	<ul style="list-style-type: none">• Decrease of \$205,000 in fee revenue to the Board of Educational Examiners.• Decrease of \$29,000 in license fee revenue to the General Fund.	<ul style="list-style-type: none">• Decrease of \$390,000 in fee revenue to the Board of Educational Examiners.• Decrease of \$58,000 in license fee revenue to the General Fund.
Division V, Fishing and Hunting Licenses — Military Veterans	Decrease of \$890,000 in annual license revenue to the Fish and Wildlife Trust Fund.	Decrease of \$890,000 in annual license revenue to the Fish and Wildlife Trust Fund.
Division VI, Driver's License and Parking Fees — Veterans	Decrease of \$245,000 in driver's license revenue to the Statutory Allocations Fund. May reduce the parking meter and lot meter revenue of cities.	Decrease of \$245,000 in driver's license revenue to the Statutory Allocations Fund. May reduce the parking meter and lot meter revenue of cities.
Division VII, Temporary Licenses — Insurance Producers	No fiscal impact.	No fiscal impact.

Sources

Board of Educational Examiners
College Student Aid Commission
Department of Natural Resources
Department of Transportation, Motor Vehicle Division, fiscal and information technology staff
Department of Commerce, Iowa Insurance Division
Legislative Services Agency analysis
Department of Commerce, Professional Licensing and Regulation Bureau

/s/ Holly M. Lyons

June 24, 2022

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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