MINUTES OF THE REGULAR MEETING OF THE ADMINISTRATIVE RULES REVIEW COMMITTEE

Time of meeting	The regular meeting of the Administrative Rules Review Committee (ARRC) was held on Tuesday and Wednesday, November 9 and 10, 1993, in Senate Room 22, State Capitol, Des Moines, Iowa.
Members present	Representative Janet Metcalf and Berl E. Priebe, Co-chairs; Senators H. Kay Hedge, John P. Kibbie, William Palmer and Sheldon Rittmer; Representatives Horace Daggett, Minnette Doderer, Roger Halvorson and David Schrader.
Also present	Joseph A. Royce, Legal Counsel, Paula Dierenfeld, Administrative Rules Coordinator; Phyllis Barry, Administrative Code Editor; Mary Ann Scott, Administrative Assistant; Caucus Staff and other interested persons.
Convened	Co-chair Metcalf called the meeting to order at 10 a.m. and the following Educational Examiners Board agenda was reviewed by Orrin Nearhoof with no Committee recommendations:
ED. EXAMINERS	EDUCATIONAL EXAMINERS BOARD[282]
	EDUCATION DEPARTMENT[281]"umbrella" Licensure evaluation fee, 14.30(4), Filed ARC 4322A
EDUCATION	In attendance from the Department were Don Helvick, Ed Rammey, Leland Wolf and Don Wederquist for the following:
	EDUCATION DEPARTMENT[281] General accreditation standards, 12.1(5), 12.1(6), 12.2(2), 12.2(4), 12.3(12), 12.4, 12.5, 12.8, Notice ARC 4399A
	Postsecondary enrollment options — prohibition on charges, 22.6, Notice ARC 4396A
	Adult education, 23.1, 23.2, Notice ARC 4397A
•	31.4(4)"b" and "c," 31.5(2), 31.5(3), 31.7(1) to 31.7(3), 31.7(4)"b,".31.9, Notice ARC 4400A 10/27/93 Gifted and talented programs, 59.1(1), Notice ARC 4401A
·	31.4(4)"b" and "c," 31.5(2), 31.5(3), 31.7(1) to 31.7(3), 31.7(4)"b,".31.9, Notice ARC 4400A 10/27/93 Gifted and talented programs, 59.1(1), Notice ARC 4401A
•	31.4(4)"b" and "c," 31.5(2), 31.5(3), 31.7(1) to 31.7(3), 31.7(4)"b,".31.9, Notice ARC 4400A
	31.4(4)"b" and "c," 31.5(2), 31.5(3), 31.7(1) to 31.7(3), 31.7(4)"b,".31.9, Notice ARC 4400A
	31.4(4)"b" and "c," 31.5(2), 31.5(3), 31.7(1) to 31.7(3), 31.7(4)"b,".31.9, Notice ARC 4400A
Ch 12	31.4(4)"b" and "c," 31.5(2), 31.5(3), 31.7(1) to 31.7(3), 31.7(4)"b,".31.9, Notice ARC 4400A

do so until this legislative change (Item 22).

Hedge was advised that most nonpublic schools were already complying with multicultural nonsexist (MCNS) requirements, although they were not required to

EDUCATION (Cont.)

Helvick highlighted the exemption from educational standards found in rule 12.8 (Item 26).

22.6

In new rule 22.6(ARC 4396A), Ranney further explained the pro-rata adjustments to Daggett.

23.1, 23.2

Wederquist reviewed ARC 4397A, amendments to 23.1 and 23.2.

Priebe was informed that the Department could automatically change the state plan to conform with federal standards without following the rule-making process. Wederquist said the State Board would approve the changes. Priebe interpreted 23.2 to require unanimous approval to implement the plan statewide and Wederquist agreed. Priebe expressed concern that the ARRC would not see the changes before they were approved and Wederquist was willing to provide for the legislative oversight.

Ch 31

Proposed amendments to Chapter 31 were reviewed with attention called to use of "must" instead of "shall" in 31.7(2). Daggett and Wolf discussed the testing in nonpublic and nonaccredited schools and whether the amendments were within the statutory limits.

A home-schooler had expressed concern to Schrader that out -of-state schools could not be utilized as the testing agencies. Wolf agreed that it would be difficult for an out-of-state nonpublic school to administer the testing since they would have to come into Iowa. Schrader thought this had been done. Wolf said that an out-of-state institution would find an Iowa licensed teacher qualified to administer the test. He added that there was no list of accepted testing by nonpublic schools, only acceptable instruments. Schrader disagreed with new language in 31.7(2) relative to assessment instruments acceptable for standardized testing. He concluded there was misunderstanding regarding the rules.

In Item 15 (31.7(3)"a"), Hedge asked how many parents were affected by new language regarding cost of the testing under dual enrollment. In the changes of "may" to "shall" or "must," Hedge inquired as to whether abuse or complaints had prompted them. Wolf responded that they were intended for clarification.

Kibbie referred to changes in 31.5(2) and 31.5(3) with respect to extracurricular activities and suspected that further study—possible legislative revisions were in order. Wolf thought determination was made by departmental declaratory ruling but he would investigate and report to the ARRC.

59.1(1)

No questions on amendments to 59.1(1).

Ch 1

In the absence of a Department representative, Royce reviewed the remainder of the Education agenda which had been carried over from October. Priebe expressed concern in Item 6 [1.3(1)], ARC 4299A, regarding the addition of the words "and offices" [of the Department] and its effect in rural areas. Royce would research this.

3.3, 4.5(1)

No questions re 3.3 or 4.5(1).

EPC

The Environmental Protection Commission was represented by Anne Preziosi, Christine Spackman, Darrell McAllister, Michael Murphy and David Wornson for review of the following:

ENVIRONMENTAL PROTECTION COMMISSION[567]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Chs 22, 23

Preziosi clarified that amendments to chapters 22 and 23 were not related to the air quality problem at Muscatine discussed last month.

Daggett inquired about potential impact on grain elevators with drying systems which emit foul smells. Spackman responded that no new emission limitations were being imposed on facilities in Iowa. These proposals merely incorporate construction permit requirements to make them more enforceable by the Department.

Royce clarified that the Muscatine issue was a broad-based regulatory program regarding utilities and sulfur dioxide.

Halvorson noted that ADM planned to testify Thursday (11-11) as to their use of rubber as a fuel in the production of alcohol and ethanol in Illinois. He asked about potential problems. Spackman responded that ADM has been communicating with the Cedar Rapids plant about burning tires and rubber. She added that boilers at the U of I were burning coal and rubber. Spackman emphasized that the rules before the ARRC had no impact on Halvorson's inquiry. Preziosi stated that there would be sanctions against the state if this program were not adopted. She stressed that the rules in ARC 4356A would not change any emission limits. Priebe requested Department officials to provide additional information before the Thursday meeting.

Kibbie asked how notification of public hearings was publicized and Department officials cited Notice in The Des Moines Register and contact of some Associations with affected facilities.

Halvorson expressed'concern for potential delays in obtaining permits for new construction. Preziosi spoke of the time frame for the agency to issue these permits and the application permit shield in these rules. Spackman clarified that construction permitting would be separate from the operating permit program which would allow a comment period.

Preziosi advised Metcalf that only one set of comments were received on these rules which asked that a permit shield be incorporated. In the federal rules, this was optional.

Bill Angrick, State Citizens Aide/Ombudsman, addressed the ARRC stating his office had been designated by the Department issuing permit fees to serve as an outreach to small businesses which may be affected. This would equate some-

EPC (Cont.)

what like an air pollution-clean air ombudsman and somewhat like an advocate. Angrick viewed the function of the rules as controlling the permitting source which would include the list of chemicals that could be used in various operations in Iowa. At a recent meeting in Virginia, Angrick spoke with counterparts of other states who had performed this function for two to four years. They cited examples of metal coating and painting operations and furniture refinishing or dry cleaning operations. He could foresee this situation as similar to the leaky underground storage tank problems. Technical assistance would be provided in record keeping, meeting standards and installing proper equipment to handle site emission pollution. Angrick anticipated the need for a technical assistant in his office when these permit fees are required in 1994.

According to Angrick, his office became involved when he and DED submitted proposals for performing the function of handling complaints about the permit process. Angrick's proposal was lower and the Legislative Council authorized funding through the Legislative Council. Angrick viewed the ombudsman as being a neutral and impartial investigator who may, as the investigation determines, "put on the advocate hat," but not immediately take the side of the small business. Daggett was hopeful that office would continue to function as the "Citizens Aide."

Schrader had reservations about the ombudsman's office assuming this role. Rittmer echoed Schrader's concerns. Angrick hoped to function in the proper perspective.

Dec. Agenda

Metcalf requested that the issue be placed on the December agenda as a special review.

Ch 41

McAllister was in attendance for the Filed amendments to Chapter 41 relating to testing of water supplies.

Metcalf was advised that these rules were not relative to concerns expressed by L. D. McMullin of the Des Moines Water Works with respect to increasing testing requirements of small water systems and understaffing of DNR.

Discussion focused on the broader question as to whether Iowa should continue to retain primacy in implementing the federal Safe Drinking Water Act. McAllister thought McMullin was referring to the fact that if the state operates the drinking water program, the state could allow waivers or variances to water supplies so some monitoring could be eliminated when contaminants were not found in the first sample. No waivers would be issued under EPA and monitoring costs to some small water supplies was quite substantial.

In response to Metcalf, McAllister stated that EPA professional staff in the drinking water program would be recommending to the senior staff in Region VII, Kansas City, that the process begin to withdraw authority for Iowa to implement the drinking water program.

Metcalf took the position that because of the significance of this issue, it should be placed on the December agenda as a special review.

Priebe voiced opposition to Iowa's funding of the program and contended expense should be borne by the federal government. He suspected the \$250,000 would increase considerably in coming years.

EPC (Cont.) MOTION

Priebe then moved a 70-day delay on amendments to Chapter 41 for further study.

McAllister advised that for several years DNR has been using about \$250,000 of general appropriation to match federal funds for the water supply program. There was no specific appropriation for waste water, water supply, or solid waste, it was combined in one appropriation. The Department applies funds to the programs required by law.

In response to Priebe, McAllister conveyed that implementation of the program by the federal government would result in an additional \$10 million cost to water supplies. A state-operated program would cost approximately \$1 million. Under the state program, a water supply could be eligible for a nine-year exemption from testing requirements when the system was determined to be not vulnerable for certain contaminants. McAllister discussed monitoring and testing supplies for fecal coliform. By identifying problems before they occur, monitoring can be reduced.

Priebe maintained that appropriation leaders in the House and Senate should have an opportunity to research this issue for its fiscal impact and he favored the 70-day delay.

Metcalf pointed out that a delay could be lifted at any time.

Schrader spoke against the motion to delay and pointed out the need to protect our public water supplies. He also pointed out that approximately 1330 water systems were notified of this rule making and the preamble stated there were no written or oral comments. McAllister was willing to provide the ARRC additional information.

Kibbie asked how the Department arrived at "3,300 persons" in 41.3(1)"c"(2)"4" and McCallister responded that the Federal Government determined it as a break-off point between small and medium sized systems. Two or three systems in proximity would be allowed to take samples and composite them for one analysis. Although costs could be reduced, McAllister noted that in practicality it wouldn't work very well.

Rittmer was interested in the potential impact on the budget. McAllister pointed out that legislation which was proposed by the Department in 1992 would allow them to retain in a special fund permit fees on water supplies. These funds would be used to operate water supply and waste water programs. Since 1982, \$120,000 to \$140,00 has been collected annually on permit fees which go into the general fund. McAllister suspected there would be legislation to require water suppliers to assist in the funding.

Metcalf called up Priebe's motion to delay amendments to Chapter 41 in ARC 4359A and stated this would be discussed again at the December meeting.

Motion to Delay Carried

Motion to delay for 70 days ARC 4359A carried by a show of hands—eight to two.

100.2, 102.15; Ch 131 Murphy reviewed amendments to 100.2 and 102.15 relating to infectious waste and noticed amendments to Chapter 131 with no Committee recommendations.

135.11

Wornson gave brief overview of filed amendments to 135.11. Daggett was advised that the financial assistance program was administered by the UST Fund Board.

NATURAL RESOURCES	Present were Arnie Sohn, Randy Clark and Daryl Howell for the following:
RESCORCES	NATURAL RESOURCE COMMISSION[571]
	NATURAL RESOURCES DEPARTMENT[561]"umbrella"
	Wildlife habitat promotion with local entities program — eligibility for cost-sharing assistance, 23.5, Notice ARC 4386A
	REAP — open spaces grant applications, 33.50(6), Notice ARC 4388A
	Boating safety equipment — personal flotation device, 37.13(2), Notice ARC 4385A
	Horsepower limitations on artificial lakes of 100 acres or less, 45.4, Filed ARC 4382A
	Boat motor regulations — Deer Creek Lake in Plymouth County, 45.4(1)"b," Notice ARC 4384A 10/27/93
	Endangered and threatened plant and animal species, ch 77, Notice ARC 4387A
	Falconry regulations for hunting pheasant and cottontail rabbits, 102.3(2)"a" and "b," Filed ARC 4383A 10/27/93
23.5	Brief discussion on 23.5 regarding private land purchased with habitat stamp funds which would be open to hunting and trapping.
33.50	Sohn explained new language in 33.50(6). No recommendations.
37.12(2); 45.4	No questions on 37.13(2) or 45.4.
Ch 77	Howell briefed the members on revised Chapter 77. There was discussion on special concern species. Priebe viewed language in 77.4(4) as being quite broad with respect to exemptions.
102.3	No recommendations for amendments to 102.3.
UST BOARD	In attendance were Robb Hubbard, Administrator, Robert Galbraith, Assistant AG, and Dale Tieden, Board member, for the following agenda:
	PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD, IOWA COMPREHENSIVE[591] Eligibility for insurance, 10.1(5), 10.1(6), 10.5, Filed ARC 4365A 10/27/93 Remedial or insurance claims — tank and piping upgrades and replacements, 11.4, 11.4(1), 11.4(5) to 11.4(11), Notice ARC 4373A, also Filed Emergency ARC 4374A 10/27/93 Prioritization of remedial account benefits and expenses, 11.7, Notice ARC 4114A Terminated Notice ARC 4364A 10/27/93 Community remediation, 13.1, 13.2(2), 13.2(3), 13.2(5), 13.2(6), 13.3(1),13.3(2), 13.3(6), 13.4 to 13.9, Filed ARC 4366A 10/27/93 Appeals — contested cases, 17.8, 17.9(2)"a," 17.27, Notice ARC 4340A 10/13/93
Ch 10	No recommendations on ARC 4365A.
Ch 11	In consideration of amendments to Chapter 11, Hubbard agreed to provide Daggett statistics on tank system upgrades and replacements.
	Schrader had heard that the number of high risk sites would exceed available dollars. Hubbard agreed. With respect to remediation on low-risk sites, Hubbard clarified that any eligible owner/operator who submits a bill would continue to be paid. The rules address work that was done prior to their effective date. After these rules become effective, cleanup of low-risk sites would not be funded. Hubbard added that a site receiving low-risk funding today would not be budgeted for monitoring this year.
Ch 13	Hubbard described revisions in Chapter 13 which included clarification of eligibility for benefits.

No questions on 17.8 et al.

Ch 17

Recess

Metcalf recessed the meeting at 12:35 p.m. and reconvened it at 1:30 p.m. at which time the Human Services agenda was reviewed:

HUMAN SERVICES

HUMAN SERVICES DEPARTMENT[441]

Family investment program, amendments to chs 40 to 43, 45, 46, 48, 49, 58, 60, 65, 75, 76, 86, 93,
Notice ARC 4309A, also Filed Emergency ARC 4310A
RCFs — financial assistance for SSA recipients, 51.2, 52.1(3), Notice ARC 4368A
FIP eligibility — strike participation and PROMISE JOBS participation, 75.1(15)"e," 75.13(1)"c,"
Notice ARC 4369A
Health insurance premium payment program, 75.21(1), 75.21(3)"c, "75.21(5)"g" to "i, "75.21(6), 75.21(8),
75.21(11), Filed ARC 4308A
Medicaid waiver services, 77.33(6)"c" and "d," 77.33(7)"a" and "f," 77.33(8)"a" and "f," 77.33(9)"a,"
77.33(11)"a," 83.22(1)"b," Notice ARC 4367A
Prior authorization — drugs, 78.1(2)"a"(3), 78.28(1)"d," 78.28(1)"d"(5) to (11), Filed ARC 4307A 10/13/93
Medicaid services to children, 78.1(2)"a"(3), 78.4(7)"a" to "c," 78.10(1)"d"(2), 78.10(2)"b," 78.10(3)"b,"
78.10(4)"a," 78.28(1)"b," 78.28(2)"e"(1), 78.28(8), Notice ARC 4330A
Hospital reimbursement system, 79.1(5)"d"(1) and (2), <u>Filed</u> ARC 4306A
Purchase of service, social services block grant and funding for local services, 150.2(1)"b" and "c,"
150.3(3)"p,"150.3(4), 150.3(4)"a," 150.3(5)"a"(8), 150.4(1), 150.4(2), 150.5(3)"j," rescind ch 153, division II,
Filed ARC 4305A
Payments for foster care and foster parent training, subsidized adoptions, 156.12(1), 201.5(9),
Filed ARC 4316A
Payments for foster care and foster parent training, 156.18(1) to 156.18(3), Notice ARC 4329A 10/13/93

Those attending from DHS included Mary Ann Walker, Anita Smith, Margaret Ward, Barbara Russell, Gloria Conrad, Lorelle Jones, Sally Nadolsky, Charlie Parish, Amy Brentnall, Mary Cogley, Mike Murphy and Amy Canfield.

Walker called attention to a fiscal note she had distributed regarding rate increases for skilled nursing facilities which was requested at last month's ARRC meeting.

Ch 40 et al.

Filed emergency amendments to Chapter 40 et al. were before the ARRC. Walker explained selection of the control group cases—some in each region but not in each county—40.9.

In regard to the family investment agreement and meeting the goals of that agreement, Schrader thought the social worker would have a huge impact on a particular client in developing the contract. Walker noted that the contract rules would be adopted by the Council on November 10. Appeal rights will be included.

51.2, 52.1; 75.1 et al. No comments on Noticed amendments found in ARC 4368A or 4369A.

Ch 75

Rules addressing the health insurance premium payment program (Chapter 75) were considered. Smith clarified for Doderer that the Iowa Comprehensive Health Plan would pay only after Medicaid has paid. She continued that Medicaid recipients were not eligible for insurance through this Plan unless they became eligible for Medicaid after enrolling in that Plan.

Ch 77, 78

No questions on Chapters 77 or 78 (ARCs 4367A or 4307A).

Ch 78

In discussing Medicaid services to children, Chapter 78, Daggett inquired about the economic impact on expanding services. Walker offered examples: adding diapers would cost \$150,000; vibrotactile aids, \$5,000; medical equipment and supplies, \$20,000; dentures, \$5,000 which totals \$180,000.

DHS (Cont.)

No recommendations or questions on the remainder of the DHS agenda.

INSPECTIONS & APPEALS

Rebecca Walsh, Robert Paxton and Nanch Ruzicka represented the Department for the following agenda:

INSPECTIONS AND APPEALS DEPARTMENT[481]

No recommendations.

UTILITIES SO₂ - Dec agenda

Royce brought up the Utilities rules discussed at the last meeting relating to sulfur dioxide emissions and the ability to offset—an industry which meets certain regulations could sell their surplus to another industry. He recalled that Committee members expressed concern that pollution should be regulated and not The Committee had asked that a letter be sent to Congress "traded off." expressing that sentiment. In gathering background information from the Department, Royce discovered that this regulatory program had been established at the federal level over the past 10 years. He explained in detail the function of this program which seemed reasonable for newer plants. These plants could meet the pollution requirement limits and be allowed to "sell" their excess to older plants exceed the limits. Sulfur dioxide emissions were less of a problem in Iowa than in Canada and the Northeast where our pollution settles. followed on the problem with sulfur dioxide in Muscatine. Royce suggested that an "expert" from the Uilities Division would be willing to appear before the ARRC in December on this matter and Metcalf so ordered.

REVENUE

Carl Castelda and Ed Henderson represented the Department for the following agenda:

REVENUE AND FINANCE DEPARTMENT[701]

7.27 et al.

No recommendations on amendments to 7.27 et al. (ARC 4349A).

Ch 8

New Chapter 8 relating to forms and communications was reviewed. Tax exemptions and the use of computerized forms for income tax purposes was discussed. No recommendations.

REVENUE (Cont.) 10..2(13)

Amendment to 10.2(13) was before the Committee and Halvorson was informed that the Code specifies how the interest rate is determined for future calendar years but not years past. Discussion focused on the interest rate that would be paid resulting from the Haage Case and the number of claims received. Castelda advised that the statute dictates the interest rate paid on these refund claims which would be retroactive to the date the claims were made.

18.56

New rule 18.56, wind energy conversion property, was reviewed. There were no recommendations for the rule which pertained to sales tax exemption on the equipment.

52.5, 58.5; 73.1 et al. No questions or recommendations on ARC 4348A or 4392A.

CAMPAIGN FINANCE

Kay Williams, Director, gave a brief overview of filed rules 1.16, 4.2, 4.6(7), and 4.18, relative to complaint procedure and reporting requirements, published in IAB 10/13/93 as ARC 4331A. No questions.

INSURANCE

The following agenda was reviewed by Jo Page.

INSURANCE DIVISION[191]

COMMERCE DEPARTMENT[181]"umbrella"

No comments or questions by the ARRC.

UTILITIES

Vicki Place and Diane Munns attended the meeting for review of Filed amendment 35.2, definition of "societal test" with respect to energy efficiency planning and cost review, published in IAB 10/27/93 as ARC 4379A. No recommendations.

GENERAL SERVICES Mileage Reimbursement

Present from the Department for the special review on state mileage rates were Dale Schroeder, State Vehicle Dispatcher, and Kathy Williams. This review was requested by Priebe, who stated he had received numerous inquiries and complaints on the inconsistency of mileage rates paid to city, county and state employees.

Schroeder reported that the Department shared similar concern on this issue. He said the statute was amended several years ago (Chapter 71 or 79) to reflect that cities and counties could set their own rates. The state vehicle dispatcher or the state has no authority in that regard to set a uniform rate for cities and counties. In 1991, Iowa Code section 18.117 was amended to delete "21 cents per mile" and insert "an amount to be determined by the state which may be the maximum allowable under the federal IRS regulations per mile, notwithstanding established mileage requirements or depreciation allowances." Schroeder said the rate of reimbursement has remained at 21 cents per mile since the late '70s. There has been concern expressed as to interpretation of "the state" in section 18.117. Schroeder advised that the General Services Department was drafting legislation to substitute "the director of the department of general services" for "the state." This would enable the Director to set mileage rate for state employees, including DOT and the Board of Regents. Cities and counties would not be included since that rate was in the statute.

GEN. SERVICES (Cont.)

Schroeder distributed a proposed two-tier rate structure which had been adopted in several surrounding states. (A copy of this proposal is on file in the Administrative Code Office.) Under this proposal, a base rate of 21 cents per mile would be paid in the event an employee opted to use his own vehicle when a state vehicle was available. As of last fiscal year, Schroeder said their costs of operating all types of passenger vehicles in the state fleet averaged 21 cents per mile. He noted that the Department buys cars on contract, does not pay fuel taxes and has very lucrative contracts for maintenance and tires. Schroeder estimated a fiscal impact of \$150,000 for every 1 cent that the mileage fee was raised. This estimate excluded the DOT and Board of Regents institutions but included the executive and judicial branches of government. Schroeder was hopeful of implementation by July 1, 1994.

Priebe took the Chair and voiced support for uniformity in fees for all factions.

Rittmer reasoned that on the local level mileage payment would be preferable to providing employees with state vehicles.

Priebe indicated that his county supervisors charge mileage to and from the courthouse.

On the other side, Rittmer noted that in his county, the courthouse was located in one end of the county, about 45 miles from corner to corner.

Schroeder took the position that mileage for city and county employees should be addressed by legislation.

Williams commented that the proposed two-tier policy would encourage employees to continue to use the state pool vehicles.

No formal action.

Metcalf in the chair.

ATTORNEY GENERAL

Elizabeth Osenbaugh, Deputy Attorney General, and William Brauch, Assistant Attorney General, Consumer Division, were in attendance for Noticed amendments to 61—31.1(714), price gouging, published in IAB 10/27/93 as ARC 4378A. Osenbaugh noted that changes suggested by the ARRC had been proposed. The word "flood" would be deleted so an emergency would not be limited to flood. Also, "subsequent recovery period" would be defined.

Priebe expressed concern that the Attorney General would extend the declaration of an emergency date. It was his opinion that this should be a prerogative of Governor since he declares the emergency. Osenbaugh responded that the disaster would have to continue to cause the market disruption and, in most situations, that would be limited to six months.

Metcalf interpreted the last phrase as referring to the "subsequent recovery period." Osenbaugh concurred and added that this was not an attempt by the Attorney Gneral to declare the emergency, but to indicate that for a particular product, the emergency was still causing the market disruption.

Daggett and Halvorson agreed with Priebe and Halvorson suggested further consideration by the AG Office.

AG (Cont.)

Brauch pointed out that they were defining when the charge of the excessive price was unfair. The Unfair Practice Standard was a part of the Consumer Fraud Act and the AG Office interprets and enforces it but it would be up to the court to make the determination.

CITY DEVELOP-**MENT**

Steve McCann reviewed proposed Chapter 5, Islands-Identification and Annexation, published as ARC 4391A in IAB 10/27/93. Also present was Christie Scase, Assistant Attorney General for the Board.

There discussion of service access to the "islands." McCann said this had been discussed with the Board several times but a definition had not been developed which would accommodate all the different situations. The Board preferred to receive input from affected property owners and make case-by-case determinations.

Hedge was advised that about 50 cities had been notified of the public hearing scheduled for November 22. Approximately 250 islands have been identified in 40 counties.

Minutes

COMM. BUSINESS Doderer moved that minutes of the October meeting be approved as submitted. Motion carried.

Royce's Salary

There was discussion of Royce's request for a salary increase. Doderer moved that Joe Royce be reclassified from Grade 34, Step 5, [48,068.80] to Grade 38, Step 3, with an annual salary of \$52,832. Motion carried. See also page 5550.

Metcalf moved that there be an annual review of the ARRC staff each November and that the House and Senate evaluation scale be followed. Motion carried.

Telephone Credit Cards

The Committee then discussed their eligibility for use of telephone credit cards. In view of recent publicity over legislative use of telephones, Schrader inquired if it would be appropriate to use the cards to contact the private sector (pharmacists as an example) to obtain information and discuss rules. Metcalf could see no problem.

Arizona Conference

Royce brought up action taken last month to approve his trip to Arizona to attend an Administrative Rules Conference. The motion did not include Senator Priebe who also plans to attend.

Doderer moved that Senator Priebe be authorized to attend the Arizona conference. Motion carried unanimously.

Recess

Metcalf recessed the Committee at 4 p.m.

Reconvened

Co-chair Metcalf noted that all members and staff were present and she reconvened the Committee at 9 a.m., Wednesday, November 10, 1993.

PUBLIC HEALTH Carolyn Adams, Don Flater and Gary Ireland were in attendance to review the following agenda:

PUBLIC HEALTH DEPARTMENT[641]

Radiation — general provisions, 38.1, 38.2, 38.4(4) to 38.4(6), 38.6, 38.7, Filed ARC 4313A 10/13/93
Standards for protection against radiation, ch 40, Filed ARC 4314A
Radiation safety requirements for industrial radiographic operations, 45.1(2), 45.1(10)"b"(2) and (3),
45.1(12)"b"(6), 45.3(1)"a"(2), 45.3(3)"b," 45.3(4)"e," 45.3(8)"b," Filed ARC 4315A
Basic emergency medical care, 131.1, 131.4(3)"c," 131.4(6), 131.4(9)"d," 131.7(1)"n" and "o," 131.7(2) to 131.7(4),
131.9, 131.9(2), 131.9(4), 131.10(1) to 131.10(3), 131.10(8), 131.10(12), Notice ARC 4352A 10/13/93
Advanced emergency medical care, 132.1, 132.2(2)"b"(1), 132.2(5), 132.2(6), 132.4(1) "a," "b," "d," "f" to "h," and "k,"
132.4(2), 132.4(3)"c," "d"(3), and "f," 132.4(4)"b," 132.4(5)"a," 132.4(6), 132.4(8), 132.4(9), 132.4(9)"a," "d," and "f,"
132.4(10), 132.5(1)"a," 132.5(2), 132.5(7), 132.5(11)"a," "d" to "g," and "i," 132.6(2), 132.6(3), 132.8(1)"d" and "k,"
132.8(4)"a" to "j," 132.8(9), 132.8(10), 132.10(15), 132.11 to 132.13, Notice ARC 4353A 10/13/93
Advisory bodies of the department, ch 191, Filed ARC 4312A

Radiation

No recommendations on filed rules to Chapters 38, 40 or 45 (ARCs 4313A, 4314A, or 4315A) relative to radiation.

Flater briefed the members of pending emergency rule making on radiation relative to mammography. He distributed maps showing facilities which perform mammography in Iowa. These maps are on file in the ACO. He explained that facilities accredited by the state Health Department were identified on the maps Squares represented facilities operated by a voluntary private organization, the American College of Radiology (ACR). Flater pointed out that all Iowa facilities were held to exactly the same standard. He discussed federal law passed in 1992 regarding accreditation of facilities that perform mammography. A problem has developed in meeting the criteria within the federal law so an interim state standard is being adopted. The emergency rule gives the Department the peer review portion of the new federal legislation and thus, will prevent discontinuance of mammography services in many rural areas.

Ch 131

Ireland reviewed proposed amendments to Chapter 131, regarding EMT's basic standards for first responders, which were intended to provide consistency between Chapters 131 and 132. No one attended the public hearing and no contrary comments had been received.

Ch 132

Amendments to Chapter 132 were outlined by Ireland and he advised no comments were received on these proposed amendments.

Ch 191

No recommendations by the ARRC on Filed amendments to Chapter 191.

PROFESSIONAL LICENSURE

The following agenda was before the ARRC.

PROFESSIONAL LICENSURE DIVISION[645]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Behavioral science — continuing education and disciplinary process, uniform rules, chs 31, 32, 36 to 39, Cosmetology — applications, licensure, posting of sanitation rules, supervision of applicants working

(Cont.) Chs 31, 32, 36-39

PROF. LICENSURE Carolyn Adams introduced Carol Barnhill, Administrator for the Board of Behavioral Science, who explained that the emergency adoption of ARC 4355A had been requested by the Department of Human Services to provide an opportunity for examination of possible candidates for employment in the Welfare Reform Program that DHS was implementing.

> It was noted that enabling legislation was effective in July 1992 and Metcalf expressed concern as to the time span. Barnhill stated that partial rules were in place (basic licensing and qualifications) but this emergency adoption covered other segments of continuing education.

Priebe declared that this filing was misuse of the emergency powers.

Discussion focused on the last sentence of 31.9(1)"b" which read: intimacy with former clients for two years following the termination of therapy is prohibited." Priebe suspected that enforcement would be impossible. Barnhill said they would rely on a client or responsible party to identify an offender. The penalty for such an offense could be probation to possible suspension of a license. There was consensus that clarification of the rule was needed.

Dierenfeld suggested that the questionable portion could be returned to the Board for reconsideration. She added that this Board (Behavioral Science) was just established in 1992 and they were in the process of developing and implementing rules.

Motion to Object

Priebe moved to object to the emergency adoption of Chapter 31, 32, 36 to 39 on the grounds that it constituted an abuse of the rule-making process.

There was continued discussion of the last sentence in 31.9(1)"b" and Rittmer and Hedge expressed opposition to elimination of the sentence.

Doderer opined that the sentence, "Sexual intimacy with clients is prohibited." was adequate. She suggested further review of the rule and either delete the last sentence or clarify it.

Schrader would support retention of the last sentence in question. inquired if this language appeared in other rules concerning doctor-patient relationship and thought it had some merit and she agreed with Schrader.

Motion carried

Priebe's motion to object to the emergency filing of ARC 4355A carried on a vote of nine to one. Royce prepared the following:

At its November [10, 1993] meeting, the Administrative Rules Review Committee voted to object to the provisions of ARC 4355A* on the grounds that filing this provision on an "emergency" basis constituted an abuse of the emergency rule-making process. This filing appears in IAB Vol. XVI No. 8 (10-13-93). This action is not directed at the substance of the filing; instead it is solely directed at the procedure used to implement that filing. The Committee noted that the legislation creating the Behavioral Examiners Board has been in place since mid-1992 and that the board itself has been functioning since the Fall of that year.

The Committee members felt that adequate time existed to allow the board to fully adopt rules using the "normal" rule-making process. The members did understand that the "emergency" filing was made at the request of the Department of Human Services, but nevertheless felt that the rules should have been in place at an earlier time. The effect of this objection is to terminate the "emergency" rule 180 days after it is filed with the Administrative Code Editor.

*645—Chapters 31, 32, 36, 37, 38 and 39

(Cont.) 60.2 et al.

PROF, LICENSURE Noticed rules on cosmetology, 60.2 et al. were addressed. Department officials would provide Doderer information regarding the requirement for a high school diploma or its equivalent in 60.2(2)"c."

180.5; 260.10

No questions on the remainder of the Professional Licensure agenda.

PHARMACY EXAMINERS

Lloyd Jessen represented the Board for the following agenda:

PHARMACY EXAMINERS BOARD[657]

PUBLIC HEALTH DEPARTMENT[641] "umbrella"

Pharmacist, pharmacy and wholesale drug license renewals, 3.1, 3.4, 3.4(2), 3.5, Notice ARC 4326A 10/13/93
General pharmacy — reference library, records, 6.3, 6.8, Filed ARC 4337A 10/13/93
General pharmacy — Class A balance requirement rescinded, 6.4"1," Notice ARC 4327A
Hospital pharmacy — reference library, 7.3"5," Filed ARC 4338A
Hospital pharmacy — Class A balance requirement rescinded, 7.4"1," Notice ARC 4328A
Reinstatement of delinquent Iowa pharmacist license, 8.7(7)"b"(4), Filed ARC 4339A 10/13/93
Prescription labels — use of generic and brand name, 8.14(1)*g,* 8.20(3), Notice ARC 4318A 10/13/93
Discipline — circumvention of patient counseling requirement, 9.1(4)"w," Filed ARC 4341A 10/13/93
Registration of physician assistants under the uniform controlled substances Act, 10.2, Notice
ARC 4319A 10/13/93
Controlled substances, 10.10(7), 10.20(1), 10.20(2), 10.23, Filed ARC 4342A
Drugs in emergency medical service programs, ch 11, Filed ARC 4344A
Nuclear pharmacy — equipment requirements, 16.6, Notice ARC 4320A
Wholesale drug distribution — intracompany sales of prescription drugs, 17.1, Filed ARC 4343A 10/13/93
Renewal of wholesale drug license, 17.2(3), <u>Notice</u> ARC 4321A

Chs 3, 6, 7, 8

No Committee action on amendments to Chapter 3, 6, 7 and 8 published in ARCs 4326A, 4337A, 4327A, 4338A, 4328A or 4339A.

Ch 8

In review of amendments to 8.14 and 8.20, regarding prescription labels and pharmacist/patient counseling, Royce referred to his Rules of Interest Memo which provided background information on counseling.

Jessen clarified for Daggett that new language in 8.20(3) was to allow written communication by the pharmacist if verbal communication were not possible or feasible.

Steve Konson, Registered Pharmacist and Vice President and Chief Operations Officer of America's Pharmacy, addressed the Committee and distributed a summary of information on proposed 8.20(3) and their reasons for opposing it. He said America's Pharmacy was an Iowa-based, managed-care prescription drug provider with about 350 employees and 45 registered pharmacists. They provide prescription drug benefits through a national network of retail pharmacies. Their largest provider of mail service prescriptions is the Veterans Administration, who recognized the cost savings provided by this service. The industry has grown in eight years from \$200 million to \$6 billion because employers in the country have recognized how managing prescription drug costs can help their employees.

Halvorson mentioned that from a competitive standpoint, it was also burdensome for a small pharmacy to counsel customers over the counter. He expressed concern over losing pharmacists in rural communities because of mail order pharmacies. Daggett shared Halvorson's concern and did not feel this requirement would be overly burdensome to mail order pharmacies.

Konson described the function and process of a mail order pharmacy for Schrader.

PHARMACY EXAM. (Cont.)

Regarding accuracy, Rittmer was told by Konsin that, in his experience, the most frequent pharmacy error was the wrong strength of a drug.

Konson was unable to give Metcalf an accurate response as to the number of Iowa-based prescriptions that were first-time prescriptions. Also, he had no figures for Kibbie as to the number of Iowa clients.

Royce concurred with Priebe that state regulations could not extend beyond borders. Royce thought the OBRA law, which has a consultation requirement, allowed each state to set its own specific requirements. Priebe was of the opinion that this proposed rule would only affect Iowa residents. Dierenfeld was of the opinion that an Iowa-based mail order pharmaceutical company would be subject to these rules but did not know if they would be required to counsel patients ordering from another state.

Royce referenced the constitution and suggested request of an Attorney General's Opinion on the issue.

Doderer wondered how prescriptions filled by American Association of Retired Persons (based outside Iowa) might be affected by this rule. Jessen offered that the Board does license out-of-state pharmacies that serve Iowa citizens so anyone mailing in a prescription must meet Iowa rules.

Stephen Mullenix, Vice President of Managed Care Pharmacy Services for Medicap, represented about 125 pharmacies in approximately 25 states. They supported improvement of communication between the pharmacist and patient. He was of the opinion that verbal communication was preferable to written.

Thomas Temple, director of Iowa Pharmacist Association, spoke of the broad base of support for the proposed rule which is in the public's best interests. It was supported unanimously by his association, the American Pharmaceutical Association, National Association of Retail Druggists and National Association of Boards of Pharmacy as well as the deans of the Colleges of Pharmacy. Temple knew of no documentation to support the previous statement that error rates were fewer in mail order pharmacies. He also disagreed with the perception that mail order pharmacies were less expensive.

Doderer was of the opinion that all prescriptions should be monitored more closely as to duration of use and effectiveness.

Brief discussion on the cost factor and the waste involved when prescriptions were filled in large quantities and then discontinued by the physician.

Metcalf pointed out use of "must" in last sentence of 8.14(1)"g" and recommended that "shall" be substituted. Copies of handouts regarding Pharmacy rules are on file in the ACO.

No comments or recommendations by the ARRC on the remainder of the Pharmacy agenda.

MEDICAL EXAMINERS

Ann Martino, Executive Director, and Dennis Carr were present for the following agenda:

MEDICAL EXAMINERS BOARD[653]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Medical examiners, licensure requirements, discipline, 10.2, 10.3, 10.3(5)"a" and "b," 10.3(6)"b," 10.6, 11.1(7) to 11.1(9), 12.50(31), 12.50(33), 12.50(36)"d," Notice ARC 3391A Terminated

Chs 10-12

There were no recommendations.

ENG. & LAND SURVEYING Pat Peters, Executive Secretary, and Marie Thayer, Administrator, reviewed the following:

ENGINEERING AND LAND SURVEYING EXAMINING BOARD[193C]

Professional Licensing and Regulation Division[193]
COMMERCE DEPARTMENT[181]"umbrella"

Ch 6

Thayer advised Priebe these rules were applicable only to board members.

Royce informed Rittmer that every board or commission must adopt this language.

REAL ESTATE

Susan Griffel, Education Director; Marlys Nielsen, Commissioner; and Roger Hansen were in attendance for the following:

REAL ESTATE COMMISSION[193E]

Professional Licensing and Regulation Division[193]
COMMERCE DEPARTMENT[181]"umbrella"

Ch 3

Griffel advised there was no change from the Noticed version and these rules would be implemented June 1, 1994.

No Committee action.

On another issue, Hansen informed Metcalf they were making progress in gathering data on the tying issue.

ACCOUNTANCY EXAM. BOARD

William Schroeder, Executive Secretary, and Glenda Loving explained the following proposed rule:

ACCOUNTANCY EXAMINING BOARD[193A]

Professional Licensing and Regulation Division[193]
COMMERCE DEPARTMENT[181]"umbrella"

Definitions, certificate of certified public accountant, license of accounting practitioner,

registration of offices, registration of firms, permits to practice, rules of professional conduct, fees, 1.1, 3.1, 3.2(4), 3.3(1), 3.4(1), 3.7(2), 3.7(3), 3.7(8), 3.8, 3.9(2) to 3.9(4), 4.4(2), 4.5, 4.10(1) to 4.10(3), 4.11(1) to 4.11(3), 4.16, 4.17(1), 7.1, 8.2, 8.4, 8.5(1) to 8.5(6), 8.6, 8.7, 9.2, 9.5(1), 9.5(2), 11.3(2) to 11.3(6),

1.1 et al.

Daggett was informed these changes in the COA examinations were being made nationwide and this rule making will bring Iowa into compliance.

ECONOMIC DEVELOPMENT

Roselyn Wazny, Division of Community and Rural Development, and Luann Reinders, Division of Tourism, gave brief overview of the following agenda:

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF [261]

Ch 24

At Metcalf's request, Wazny expanded on application review process in 24.7, Noticed in ARC 4361A.

Ch 60

Reinders explained proposed new Chapter 60 covering licensing agreements granted to private vendors for use of Department logos.

Schrader recalled an earlier problem regarding use of an Agriculture Department logo where some attorneys construed it as making a statement about the product. Wazny stressed that, with this particular program, there would be a strict review of all merchandise before allowing use of a logo. Schrader expressed concern if a logo would imply a degree of quality. He also thought that fees and royalties should be waived if it were a group funded by IDED. Wazny advised that guidelines would be developed for noncommercial use of a logo without royalties.

Wazny and Halvorson discussed vendors licensing and royalties received by the Division of Tourism on a product sold to gift shops in the Iowa Welcome Centers. No action taken.

Doderer excused.

LABOR SERVICES Walter Johnson reviewed the following agenda: DIVISION

LABOR SERVICES DIVISION/3471

EMPLOYMENT SERVICES DEPARTMENT[341]"umbrella"

General industry safety and health rules, 10.20, Filed Emergency After Notice ARC 4335A
General industry — air contaminants, 10.20, Filed Emergency After Notice ARC 4371A
Construction safety and health rules, 26.1, Filed Emergency After Notice ARC 4336A
Construction safety and health rules, 26.1, Filed Emergency After Notice ARC 4372A
Fees. 75.1(1), 75.1(2), 75.2 to 75.5. Notice ARC 4370A

10.20; 26.1

Johnson explained the reason for emergency adoption to conform with federal requirements.

Ch 75

In review of elevator inspection fees, 75.1 to 75.5, Johnson recalled that fees were last adjusted in 1992. He indicated that some elevator inspections were being done by private services who have picked up "the cream of the crop." No Committee action.

LAW ENFORCE-MENT ACADEMY

Gene Shepard, Director, was present to answer questions on the following agenda:

LAW ENFORCEMENT ACADEMY[501]

Ch 3

Metcalf noted she had heard nothing from Hawkeye Tech regarding concerns on these rules so she presumed the rules were acceptable to them.

No Committee action.

NURSING BOARD Lorinda Inman and Eileen Gloor represented the Board for the Following agenda:

NURSING BOARDI655

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Licensure to practice — RN/LPN, 3.1, 3.4(2) to 3.4(4), 3.4(5)"a"(5), 3.4(5)"b," 3.4(6), 3.4(7), 3.4(8)"a" to "e,"

3.5(1), 3.5(2)"a"(1) and (3), 3.5(2)"c" and "e," 3.5(3), 3.6(1)"a" to "d," 3.6(2)"a" and "b," 3.7(1),

Ch 3 In review of proposed amendments to Chapter 3, Daggett was assured that LPNs

and RNs were in agreement. A public hearing would be held on December 1.

Education for midwives during childbirth was discussed briefly.

AGRICULTURE Charles Eckerman, Pesticide Bureau Chief and Daryl Fry, Laboratory Division

Director, presented the following:

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

45.22 et al. There was brief discussion of private applicator recertification. No

recommendations.

MANAGEMENT Linda Hurst and Ron Amosson represented the State Appeal Board within the

Department for the following:

MANAGEMENT DEPARTMENT[541]

State appeal board fees, 1.5(1), Notice ARC 4375A, also Filed Emergency ARC 4376A 10/27/93

1.5 Priebe was on the opinion that the \$5 fee for filing a general claim was much too low. Amosson was in agreement but added they were in the process of doing a study to streamline this process to a more manageable number. It was noted that the state agency which incurred the liability of the claim would be billed on a

quarterly basis.

PUBLIC SAFETY Mike Coveyou; Tim McDonald, Assistant Director, DCI; Mike Lasky, Director,

Governor's Traffic Safety Bureau; and Bob Thompson, Program Evaluator

represented the Department for the following agenda:

PUBLIC SAFETY DEPARTMENT[661]

 Identification section of the division of criminal investigation, 11.3 to 11.5, 11.8, 11.10, 11.11, 11.15, 11.18,

 Notice
 ARC 4377A

 10/27/93

Ch 11 No questions by the Committee on proposed amendments to Chapter 11.

Ch 20 Metcalf questioned rescission of the criteria used to rank Iowa's counties

according to the severity of highway safety problems—20.3(5). Lasky explained that these were methods used to determine the problem and they could change as traffic safety problems change or as Congress changes priority areas. He added that this criteria was still being used and Metcalf recommended that the language

be retained.

COMMITTEE BUSINESS

A copy of the menu for the Christmas party at Noah's was distributed and members were to choose their selection and make payment to Barry. It was noted that

a \$5 gift exchange was also planned.

Comm. Business

Metcalf brought up the 70-day delay placed on the "water rules" [ARC 4359A] yesterday. She advised that her concerns were not with the rules in ARC 4359A and she spoke of costs involved in implement his delay. Further clarification was offered by Royce but Priebe was not willing to lift the motion.

Barry asked that the Committee determine an effective date for Royce's salary increase which was voted on Tuesday. Priebe moved that the increase be effective November 19, 1993. Motion carried.

Adjournment

Priebe moved adjournment at 12:15 p.m. Carried.

Next meeting scheduled for December 14 and 15.

Respectfully submitted,

Phyllis Barry, Secretary

Assisted by Mary Ann Scott

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