MINUTES OF THE REGULAR MEETING
of the
ADMINISTRATIVE RULES REVIEW COMMITTEE

Time of Meeting: Tuesday and Wednesday, September 8 and 9, 1981.

Place of Meeting: Senate Committee Room 24, Statehouse, Des Moines, Iowa.

Members Present: Representative Laverne W. Schroeder, Chairman; Senator Berl E. Priebe, Vice Chairman; Senators Edgar Holden and Dale E. Tieden; Representatives Betty J. Clark and Ned Chiodo. Also present: Joseph Royce, Committee Staff, and Brice Oakley, Rules Coordinator.

Convened

Chairman Schroeder convened the meeting at 10:00 a.m. The following rules of the Department of Public Instruction were before the Committee:

PUBLIC INSTRUCTION DEPARTMENT[670]
Teacher certification—human relations requirement, 13.18(1), 13.18(3) ARC 2264 ..... N 8/19/81
Endorsement—teaching handicapped, 15.44, 15.45 ARC 2265 ..... F 8/19/81

Orrin Nearhoof, Director, Teacher Education and Certification, and DeeAnn Wilson, Consultant, represented the Department.

13.18

In discussing 13.18, Nearhoof said the purpose was to continue the modification which, in 1980, was approved by the State Board for one year. It will provide ease and access for people coming from out of state. In response to Chiodo, Nearhoof stated that a human relations requirement was a multicultural, nonsexist curriculum. It can be obtained by completing an in-service credit at an AEA, or through a college or university course and it is a 45-clock hour requirement--not a semester hour.

Nearhoof advised the ARRC that the public hearing would be September 9 and problems were not anticipated. Responding to Schroeder, Nearhoof said the specialists in the areas of human relations favored 90 hours rather than 45.

15.44, 15.45

Nearhoof stated that rules 15.44 and 15.45 had been modified in response to ARRC recommendations. When the special education law was enacted to provide programs for preschool and severely/profoundly handicapped children, DPI did not have specific endorsements for teacher certification. According to Nearhoof, a detailed study of the matter was conducted and teachers had been involved in developing the rules. He did not envision problems.

Priebe wanted assurance that present teachers of the severely handicapped would be "grandfathered." Nearhoof said those with current authorization have been identified, and after the rule is effective, they can submit application and necessary fee for certification--the endorsement will be granted.

PUBLIC INSTRUCTION Continued

Nearhoof informed Schroeder that teachers wanted some type of authorization on their certificates. Priebe questioned the authority and Nearhoof cited §257.10(11). Priebe could foresee problems for teachers who do not have the 4-year approval or 12 semester hours. Nearhoof responded that those already authorized to serve fully will continue to function without any problem. Anyone who is already authorized to teach severely and profoundly handicapped can continue to function in that level as long as the certificate is valid. Those who are currently authorized to serve the preschool severely and handicapped population can continue as long as their certificate is in force. If the certificate lapses, it can be renewed without meeting the severely and handicapped requirements. Nearhoof emphasized this protection was "built in" with letters of authorization because "it would not be fair to them to give them something and then take it away." Nearhoof was willing to send a written statement to ARRC members on the matter.

Clark declared it would not only be unfair to teachers, but to the educational system as well to lose experienced personnel.

15.45

Holden viewed the situation as "a typical licensing argument." Nearhoof explained "approval 81" had been deleted from 15.45.

REVENUE DEPARTMENT

Carl Castelda, Deputy Director, and Ben Brown, Esate Planning, represented Revenue for review of the following:

REVENUE DEPARTMENT[730]

Filing tax returns, payments—penalty and interest—individual, corporation and franchise—administering motor fuel tax—tax for freight-line and equipment car companies, 12.10(3), 44.3, 44.7(6), 52.5(2) to 52.5(4), 52.5(7)"h"/58.5(2) to 58.5(4), 58.5(6)"h", 63.8, 75.1, 75.2 ARC 2234 ..... N 8/5/81

Taxing optional service and warrant contracts, tax on services, 18.25(3) to 18.25(5), 26.2(6) to 26.2(8) ARC 2235 ..... N 8/5/81

Fudiciary income tax, ch 89 ARC 2236 ..... N 8/5/81

Special Review - 65.8 LPG GAS METERS IAC

Amendments to chs 12, 44,52,58, 63 and 75

Castelda mentioned that ARC 2234 was an outgrowth of 68GA, SF2327 and recommendation of the Governor's Economy Committee. The impact of the rules will affect income tax filing in 1982. No one attended the public hearing, but the Department was contacted by the Iowa Taxpayers' Association. They were concerned over a sales tax reference to the examples in the individual income tax section which did not reflect the 90% criteria adopted for sales and use tax. The Department will address that before the rules are adopted.

Holden reviewed the legislative process and explained the absence of penalty if an individual pays 90% of his return was because of the basic disagreement as to what is taxable at the time of a sale.

Tieden was advised that striking the language "A waiver of penalty..." was statutory. Castelda said Revenue has a rule as to what is "reasonable cause." Also, the date for filing an annual return pertaining to freight-line and equipment car tax is statutory.

75.1(435)

Committee members thought the date in 75.1 should read "first of July" and Castelda agreed to check the matter. Castelda said the change in 18.25(3) stemmed from a change created by HF468, 1981 Session. It supersedes the Iowa Supreme Court

REVENUE DEPARTMENT Continued

decision in the Iowa Automobile Dealers Association vs. Iowa Department of Revenue. The amendment will provide that when there is a warranty contract, the sales tax is collected at the time the parties enter into the contract rather than when services are performed.

26.2(6)c

Holden suggested removal of "he or she". He preferred further clarification of 26.2(8)d by substituting "However, in this instance, XYZ sells the used TV and delivers it into interstate commerce" for the third sentence. Castelda was amenable. He said fiduciary income tax rules were revised in chapter 89.

89.2(1)

In re 89.2(1), confidential information, Tieden was informed that, with the exception of gambling and cigarette tobacco, all income tax returns are confidential.

In reply to Chiodo, Castelda said the statute speaks in terms of all employees--not necessarily Revenue employees. He stressed two things to be remembered -- one, information supplied by the Department has to be for tax administration purposes. He cited §422.72 or .26. There are confidential state records for tax purposes but not confidential for other purposes.

89.8(8)d

Brown distributed copies of a correction in 89.8(8)d.

LP Gas Meter

Holden inquired about the special review concerning LPG Gas Meters. It was decided that Agriculture and Revenue Department representatives would be requested to discuss the issue at the October meeting.

Recess COMMERCE COMMISSION

Schroeder recessed the Committee at 10:45 a.m. awaiting the arrival of Commerce Commission representatives scheduled for 11:00 a.m.

Reconvened

The meeting reconvened at 10:50 a.m. Christine Hansen, Commissioner, Daniel Fay and David Conn, Commerce Counsel, appeared on behalf of the Commission for review of the following:

COMMERCE COMMISSION[250]
Practice and procedure, 7.4(6)"e", filed emergency—carried over from August meeting ARC 2199 ..... N ..... N 7/22/81
Practice and procedure, 7.2(10), 7.4(6), 7.4(6)"e", 7.4(11), 7.4(12), 7.7(1), 7.7(6), 7.7(9) to 7.7(16), 7.10 ARC 2227 ..... N 8/5/81
Practice and procedure, 7.2(10), 7.4(6), 7.4(6)"e", 7.4(6)"e" "10." and "23.", 7.4(11), 7.4(12), 7.7(1), 7.7(6), 7.7(9) to 7.7(16), 7.10, filed emergency ARC 2226 ..... N 8/5/81
Practice and procedure—public hearings, 7.7(17) ARC 2269 ..... N 8/19/81

COMMERCE COMMISSION[250]
Bonded warehouses and licensed grain dealers, 12.4, 12.6, 12.7, 12.10(9), 12.12(6), 12.15, 12.19(3), 12.19(4), 12.28, 13.7 to 13.9, 13.11(3), 13.11(5), 13.13, 13.19 ARC 2289 ..... 9/2/81

Also present: Brent Gale, Attorney, representing Iowa-Illinois Gas and Electric Company; Julie Anderson, Pamela Prairie and Cecil Goettsch, Attorneys for Iowa Power and Light Company.

ch 12

Amendments to chapter 12, bonded warehouses and licensed grain dealers, were discussed. Holden pointed out an extra word, "is" in 12.28. Fay assured Schroeder the rules changes were intended to implement 69GA, HF841. The only addition by the Commission was 13.19 re shrinkage adjustments--disclosure--penalties, and Fay advised Tieden the penalty fee was statutory.

12.4

In re 12.4, Clark pointed out a grammatical error in line 11--"is" should be "was."

Priebe questioned 13.11(3)--settlement sheets.

COMMERCE COMMISSION Continued

Fay said the language was merely a restatement of the previous rule--the law does not specify that the settlement sheet be prenumbered. Schroeder questioned the numbering requirement for credit sale contracts in 12.19(4) as to whether this would increase expense. Fay saw no problem.

7.7

Hansen said that 7.7 does what the Commission has practiced for quite sometime -- puts the practice into writing. Public hearings are held in the evening for every rate case. She admitted there had been a number of hearings with no one in attendance, except the press.

7.7(17)c,d

Discussion of 7.7(17). Priebe challenged paragraph "c" as to how the utility and the Commission "correct misinformation within testimony." Hansen contended that without that opportunity, the permanent record would be unclear. Committee members preferred that a notation be made when misinformation is given. Priebe opposed allowing Commerce to correct at a later date. Hansen pointed out correction must be made at the hearing. Priebe thought Commerce had that power and said it should not be in a rule. It had been Hansen's experience that, at the public hearing, no one cares about misinformation going into the record. The Utility doesn't challenge anyone at the hearing. Priebe preferred "rebut" for "correct" in 7.7(17)c. Hansen insisted that nothing is ever stricken from the record. However, she had no problem with omitting the language in question.

Royce, speaking for Representative O'Kane, referred to 7.7(17)d and inquired as to how many hearings are held outside Des Moines. Officials cited Sioux City, Ft. Dodge and Newton as cities where hearings were held.

7.4(6)e

According to Conn, the filing requirements rules were adopted July 1, 1981. Major change which took place was the Commission filed a petition in Polk County District Court for declaratory judgment concerning the confidentiality of tax returns that are filed with the Commission pursuant to 7.4(6). They are asking the Court to determine whether or not those filed returns are public records under Chapter 68A, The Code. It was Schroeder's understanding that the Power Companies had also filed suit.

Oakley viewed the question as obviously being an issue of balancing some interests. He contended an appropriate compromise "has eluded us thus far." In the first place, the policy places a burden on both of the interested parties--the Commission and the Utilities--that is to ensure an expeditious process of rate determination. This rule should promote that by removing an impediment and addressing legislative intent. Oakley added that, in the matter of income tax returns, the burden of exposing them and the necessity for doing so, lies with the Commission. Tax returns are confidential and should only be exposed to the public as necessity would clearly dictate. Another policy tends to balance that--the Commerce Commission obviously feels strongly that it is necessary to have that kind of information up front (public). because there is considerable question about their ability to keep it confidential.

COMMERCE COMMISSION Continued

Oakley continued, "Certainly, if it is part of a rate filing, it is public." He spoke of the Governor's attitude toward vetoing rules and his influence in the rules process--his position being that those quasi-judicial and somewhat autonomous regulatory agencies should have a freer hand in determining necessary rules. Oakley emphasized the Governor would be reluctant to veto a Commerce Commission rule. He expressed appreciation to the power companies for their communications. He did not believe the question, "What does the Commerce Commission not get that they have to look at the tax return in order to obtain?" had been satisfactorily answered yet.

Oakley spoke of the secret process followed in requesting data from utilities. He noted the utilities misunderstood his comment at the last ARRC meeting. When he said, "Who is going to watch the watchers?", he wasn't pointing at the utilities but at the Commerce Commission. Oakley concluded, "Both sides are working in good faith and the legislature and the Governor want the process of rate-making expedited, not delayed, and certainly this shouldn't be used as a method of delay." He interjected the fact that the veto time passed without a veto doesn't mean that, down the road, that might not take place.

Tieden mentioned that Revenue had addressed confidentiality of information and that a similar rule could be adopted by Commerce.

Schroeder suggested the emergency filed rules should be terminated in six months and the rules be issued under the ordinary notice procedure. That would allow time for further study and a possible court ruling. Tieden concurred. Holden said he would be satisfied if the Commission followed the practice indicated by Oakley of going directly to the Power Company office to obtain information and not put it in the record until the matter is settled. He was willing to "stand by."

Oakley, responding to Holden, understood the previous practice of allowing the staff to go to the utility office to look at returns may not continue and there may be some resistance on the part of at least one unnamed utility. He wondered if that were true.

Goettsch addressed the issue re 3 rules about which Iowa Power was concerned. He referred to a point made in the letters to ARRC and Oakley where they state that the Commission has failed to demonstrate what information reported under the specialized reporting requirements of the IRS would be clearly necessary in order to decide issues raised in a general rate increase. Iowa Power maintains its books and accounts in accordance with the Commission's Uniform System of Accounts and annual reports are filed.

Chiodo reasoned the Commission's need for the record was obvious--a tax return is a sworn statement and provides a verification of information in the gigantic reports and provides a cross-check.

COMMERCE COMMISSION Continued

Goettsch had tried to cross-reference and found it to be difficult. He suspected Chiodo must be "privy to information unavailable to Iowa Power." Goettsch continued that figures are audited and not manipulated and utilities have not been informed by the Commission what is required from the tax returns.

Hansen doubted the Commission had ever intended to make the tax returns public, but they interpret the law that material filed with them is public record. The information will not be duplicated and "spread on the street." She assured Oakley that if a utility refuses to present evidence of income taxes, Commerce would have a difficult time approving an expense.

Goettsch mentioned canceled checks as a way of providing information. Chiodo opined that would not solve the problem and commented that the IRS does not accept canceled checks as evidence. Conn contended some information is only available on the tax return.

Schroeder interjected that the parent company aspect had not been introduced in the discussion. Conn explained that under the rules, Commerce does not intend to go to affiliate companies as long as they get a consolidating financial statement.

Oakley asked Goettsch if the petition for declaratory ruling was a good way to resolve the issue. Goettsch said the particular litigation goes to the confidentiality question. Can the information gained from income tax return be gleaned from other sources? The ARRC has the opportunity to say to the agency, "You may have the authority, but sometimes the way you go about it is unreasonable and an objection could be placed on that ground." There was further discussion of the issues the Court would determine. Goettsch indicated Iowa Power had filed another suit, a copy of which Commerce counsel apparently did not have.

Holden recalled the only question at the last meeting pertained to confidentiality--the concern that by allowing Commerce to see the tax records, that made them public information. He viewed the question of whether Commerce can even ask for the tax records as being a separate issue.

Goettsch stressed that Iowa Power was willing to cooperate and has for years. He described utilities as somewhat monopolistic and lacking "rights and privileges of other citizens of the state."

In a humorous vein, Goettsch remarked, "Representatives and senators are also somewhat of a monopoly with respect to reapportionment"--he did not get a chance to vote either! He added that the Governor had declined to make his income tax return public.

Chiodo failed to see the analogy and quipped, "The Governor runs every 4 years but Iowa Power is here forever."

COMMERCE COMMISSION Continued

Motion to Object - 7.4(6)"e"

After further discussion, Tieden moved to object to 7.4(6)"e". It was pointed out if an objection were placed, the burden of proof would shift to the Commission which could cast a shadow on the law suit. Discussion of alternatives re the rules. There was general agreement among the Committee that they should not intervene in any litigation.

Royce, responding to Tieden, said the options are: Do nothing, file a substantive objection to the rule, or object to the merits of the rule to change the burden of proof. Since it has appeared under Notice, an objection cannot be placed for the purpose of having 7.4(6)"e" expire in 180 days.

Oakley indicated he would ask the Commission to file the rule under the normal procedure removing the emergency implementation in order to give the Committee and the Governor their options. He thought both parties were willing to resolve the matter.

In response to Holden, Hansen said Commerce was waiving the requirement for the filing of the income tax returns until the issue is settled by the Courts. Tieden reiterated concern about confidentiality on income tax returns. Priebe concurred they should be confidential.

Responding to Goettsch, Royce said there was nothing to require the Commission to formally adopt the docket appearing in 8/5/81 IAB. Since they adopted the rules emergency after notice that was published 7/22/81, the Commission could continue that series of rules.

Schroeder stated it had been an ARRC policy not to interfere with litigation. General agreement.

Goettsch urged objection on the basis the rules were unreasonable.

Committee Directive to Commerce

Motion

Mention was made of taking a directive to Commerce of the feelings of the ARRC. The Committee was hopeful the Commission would withdraw the emergency filed rules and proceed with rules under Notice for an equitable compromise. Tieden moved, as a substitute to his objection, that Committee sentiments be directed to the Commission.

Vote

Priebe thought reflection of Committee sentiments in the minutes would be sufficient. Schroeder restated the motion about sending a directive to the Commission. Motion carried viva voce.

ch 7

Brent Gale provided a copy of the letter sent to Oakley from Iowa-Illinios Gas and Electric wherein they commented on Docket 81-12[ARC 2199&2227]--proposed rules and emergency amendments to chapter 7 intended to implement HF 771[69GA, ch156]. Gale stated that the rules drastically change procedures for utilities for rate increase requests. A most significant concern of Ia-Ill was Commerce could delay a filing indefinitely--simply by not ruling on a motion alleging a defect.

COMMERCE COMMISSION Continued

It was their opinion filing should be effective the day it is filed. Brent noted HF 771 contains the appropriate remedy if the Commission has a problem with the content of the filing. Chiodo questioned the language in the bill. He recalled that the Commission was limited as to when they could delay the time frame.

7.2(10)

Pamela Prairie, Iowa Power, commented briefly on 7.2(10)ARC 2226. She expressed opposition to no time limit for the Commission to rule on defective filing. Gale concurred with comments by Prairie. In Ia-Illinois' opinion, the Commission lacks authority for 7.2(10).

Deferred Recess

After further discussion, it was decided to defer the matter until after lunch. Chairman Schroeder recessed the Committee for lunch at 12:35 p.m. to be reconvened at 1:30 p.m.

Reconvened

The Committee was reconvened by Chairman Schroeder at 1:40 p.m. Discussion resumed on ARC 2226. It was noted that portions of that ARC had not been under Notice. Prairie asked the Committee to object to ARC 2226, rules 7.2(10), 7.4(6), 7.4(6)"e", 7.4(6)"e"(10) and (23), 7.4(11), 7.4(12), 7.7(1), 7.7(6), 7.7(9) to 7.7(16), 7.10.

Motion to Object -- ARC 2226

Tieden moved to object to ARC 2226 so that the rules would terminate in 180 days. Motion carried viva voce. The following formal language was prepared by Royce:

Adopted

1) On 1 July 1981 the Iowa state commerce commission, acting under the provisions of §17A.4(2), adopted ARC 2226 without notice or public participation; it was filed and placed in effect on 10 July 1981. It was published in III IAB 3 (8-5-81).

2) On 8 September the administrative rules review committee, pursuant to the provisions of §17A.4(2) & (4) objected to this "emergency" adoption as being unreasonable. Because ARC 2226 had received a significant amount of criticism, it was the opinion of the committee those provisions should not be permanently effective until notice and public participation has been provided pursuant to §17A.4.

3) The effect of this objection is to terminate the"emergency" adoption of ARC 2226 180 days after the date this objection is filed.

No further comments on Commerce Commission rules.

PHARMACY BOARD

The following rules were before the Committee:

PHARMACY EXAMINERS, BOARD OF[620]
Medical assistance Act participation, disciplinary sanctions, 6.10, 10.1(2), 10.1(4)"a" ARC 2252, also filed emergency ARC 2251 ..... N. + FF 8/19/81

PHARMACY EXAMINERS, BOARD OF[620]
Controlled substances—records form, 8.15 ARC 2245 ..... F 8/19/81

PHARMACY BOARD Continued

Max W. Eggleston and Norman Johnson appeared on behalf of the Board of Pharmacy. Also present: Senator Richard L. Comito, pharmacist; Robert Throckmorton, Attorney, representing four physician-owned pharmacies; Ronald J. Mahrenholz, Social Services; and Thomas Temple, Executive Director, Iowa Pharmacy Association. Eggleston read a statement from the Board of Pharmacy regarding the concern and confusion over language found in SF566,§3(2)e[69GA,ch7], in particular the third party prescription programs. In the Board's opinion, most Iowa pharmacies will be in violation of the law in that area. Problems are created because of the drug cost component due to lack of a definitive way of determining exact drug cost figure to be paid on a given prescription. Faced with uncertainty, many pharmacies will opt to decline service to patients covered under either the private third party prescription programs or the medical assistance program. The law refers to "pharmacists who reduce charges..." when in fact, "pharmacists" do not participate in private third party prescription benefit programs nor in the medical assistance program--the "pharmacy" participates. Eggleston urged acceptance of the rules. If not, the Board will rescind the rules and await guidance from the legislature.

Comito admitted pharmacy was in a quandry because they were not the masters of their own destiny--insurance companies and industry dictate to pharmacists. People who live in smaller communities, but work in cities, are being refused prescription service because of the law--a definite discrimination. The pharmacist must accept the third party pricing, which is a lower fee in the state of Iowa, and that places a hardship on the pharmacist.

6.10(1-3)

Comito recommended that 6.10(1-3) be deleted from ARC 2251 and the following language be inserted at the end of 6.10: "Pharmacists who receive less than the prescribed deductible under private third party programs shall reduce by the same amount their charges to the medical assistance program." The possibility of withdrawing the proposed rule was mentioned. Item 1 would be replaced, item 2 would remain. Throckmorton supported the legislation, but expressed concern over record-keeping and an attempt to discipline pharmacies in a rule. He referred to his letter of September 4 addressed to Norman Johnson, and distributed copies. He highlighted the letter--which recommended amending the rule to apply to "pharmacists" and not to pharmacy. Throckmorton called attention to the rules on unethical practice, with which they were unhappy. He pointed out the rules were related to the pharmacist and the pharmacist's license. Undue influence and rents rules were opposed by his clients. It was their belief the rules were aimed at physician-owned pharmacies. Throckmorton re-

10.1(2)(4)

quested deletion of items 2 and 3[10.1(2), 10.1(4)a] from the emergency rules.

Schroeder questioned Board officials as to their intent and Eggleston said their primary concern was to have workable rules which were acceptable to the ARRC. They were willing to use Throckmorton's suggestions as a basis from which to work. Johnson, at this point, was unsure the suggestion on discipline was reasonable, but he agreed to submit a pro-

BOARD OF PHARMACY Continued

10.1

posal under the regular rule-making procedure. Holden questioned whether items 2 and 3[10.1(2),10.1(4)a] were of an emergency nature. He thought the Board was taking advantage of filing emergency rules by their inclusion. He was unsure if he agreed with Comito's proposal.

Throckmorton, in re page 3 of his letter, pointed to 6.10(2) records--which gives Pharmacy Board blank authorization to demand any records it wants from a pharmacy or pharmacist. He argued that the records should be germane to the medicaid problem. In his opinion, the Code of Ethics of the American Pharmaceutical Association could apply.

Oakley was interested in knowing the reaction of DSS to the rules. He discussed the history of the matter which was transferred to Pharmacy for medical assistance cost control. He was unsure the language proposed by Comito would fit the legislation for uniform and fair administration.

There was discussion of possible resolution to the problem. Mention was made of a 45-day delay into the next general assembly. Royce reminded the Committee that the emergency rule could not be delayed. The rule would have to be rescinded by Pharmacy Board and resubmitted under Notice.

Mahrenholz said the DSS supported the intent of the law; it is advantageous for the government to realize the benefit of lower charges. He admitted there had been confusion on the part of some pharmacists about whether they were in violation of the law. Mahrenholz added DSS was willing to support the Board of Pharmacy and the Legislature in any attempt to resolve the issue. Johnson inquired if the Board could rescind the filed emergency rules.

Royce advised that rescinding the emergency rules would not solve the problem since the Noticed rules would appear probably middle to late October. If they are delayed by the Committee--the law still exists which provides, "...thou shalt reduce cost" and there would be no rules to implement it. He pondered, "Is it acceptable to delay for whatever meretorious reasons, the effect of the law, simply by killing the rules designed to implement it?" Possibly, it would not be of major consequence for the short period of time but it is puzzling. The law stands.

Oakley indicated that if ARRC were to recommend a Governor's veto, Oakley would probably concur. Tieden asked if that would have the effect of vetoing the law and Oakley answered in the affirmative.

Holden was puzzled by the fact that both agencies, the industry and profession involved seemed to understand what the legislature was trying to do, but they are unable to implement it.

Comito explained the "take it or leave it" contract between industry and pharmacy. Temple concurred that the problem was created by private insurance companies and private pre-

BOARD OF PHARMACY Continued

paid programs and he also concurred with Comito's understanding of the situation. Temple concluded that what constitutes reduction of cost should be addressed. Holden suggested the state could set the rate for medication. Comito indicated he had gleaned his proposed language from medicare-medicaid rules.

The Chair entertained a motion for recommendation to the Governor's office supporting a veto of the rules. Clark and Priebe took the position this was not necessary. Clark recognized that a veto, in effect, would put "a stop on the law", which, in her opinion, the Governor would be hesitant to do unless the Legislature was willing to admit a problem exists.

Priebe was unwilling to support a resolution but might support a letter to the Governor. He favored rescission of the emergency rules by the Board and that the Committee delay into the General Assembly rules adopted under the normal procedure. Oakley pointed out the Department would be placed in an awkward position with this approach. There was further discussion.

Motion - Communication to Governor - Lost

Holden moved that the staff communicate the discussion which took place in this meeting by summarizing comments which have been made on this issue, without recommendation to the Governor. The motion lost with three "aye" votes by Schroeder, Tieden and Holden and three "no" votes by Priebe, Clark and Chiodo.

Johnson commented that the Board of Pharmacy would be willing to rescind the filed emergency rules -- ARC 2251.

8.15

No questions or recommendations were offered for 8.15, ARC 2245, controlled substances--records form.

PUBLIC INSTRUCTION

Larry Bartlett, Administrative Consultant, and Carol Bradley, Chief, Special Educational Instructional Services, represented DPI for review of the following rules:

PUBLIC INSTRUCTION DEPARTMENT[670]

Extra curricular interscholastic competition, 9.1, 9.2, 9.3(4), 9.4, 9.6, 9.7, 9.15, 9.15(1), 9.15(3), 9.15(6), 9.15(11), 9.15(14), 9.16, 9.18, 9.18(2), 9.18(7), 9.18(10), 9.19	ARC 2249	F	8/19/81
Special education—learning disability defined, 12.5(4)"e"	ARC 2254	F	8/19/81
High school equivalency certificates, 8.1, 8.2, 8.5(1), 8.5(2), 8.6	ARC 2248	N	8/19/81

Also present: Jim Carney, Iowa Association for Children and Adults with Learning Disabilities; Marilyn Weeks, Iowa Association of Children with Learning Disabilities; Jim Tucker, Supervisor of Learning Disabilities, Heartland AEA; Mark Oelefer, Learning Disability Principal, Waukee; and Larry Blake, High School Principal, Woodward-Granger.

ch 9

Amendments to chapter 9 were primarily housekeeping--public hearing had been held and no oral or written comments were submitted. Tieden requested explanation of difference between school district and school system. Bartlett explained that the rules covered broader spectrum than a school district--a school system could refer to a nonpublic school. He added that the Department has difficulty trying to describe both school district and nonpublic educational institution.

PUBLIC INSTRUCTION Continued 9.15(6)

Responding to Chiodo, Bartlett said the average time would be the same in 9.15(6), eligibility requirement for students who transfer. Tieden cited instance of a student who was an outstanding athlete but moves from one district to another resulting in the loss of a semester of eligibility. Bartlett said extenuating circumstances, such as health, would be basis for appeal. Discussion of recruiting athletes. Responding to Schroeder, Barlett guessed there would be less than a dozen transfers a year where the student was immediately eligible. Bartlett explained, for school purposes, students do not have to live with parents to be considered a resident of a county.

Tieden discussed a case in his district where four high school athletes were living in a rented home in a particular school district. Clark expressed interest in investigating some of those situations but Bartlett indicated that is a superintendent's responsibility and most of them did not have the time or inclination.

Clark opined that since funding was based on the number of students, that placed too much pressure on school superintendents. Bartlett had received at least 40 communications in the past 3 weeks regarding residency.

12.3(4)e

In re 12.3(4)e, Bradley said several changes had been made based upon 3 public hearings and much written comment. She distributed copies of changes since the Notice. Bradley explained the significant changes, prefaced by the statement that it was important to understand that the rule is to identify children with learning disabilities who are handicapped in obtaining an education and require special education instructional programs. They will be entitled to receive an additional weighted per pupil factor. Bradley noted the single most frequently objected to component in the entire proposed rule was in paragraph 4 pertaining to 8th grade equivalency level in achievement. That provision has been deleted in paragraphs 4 and 7. Another major concern was for youngsters who might catch up quickly and be removed from the special education learning disabilities program too soon. Suggestions were incorporated. Provision for limited placement of no more than 45 days has been added.

Oakley requested Bradley to share figures on the fiscal impact concerning trial placement. Bradley said there was a fiscal impact. All youngsters would be subject to the dismissal criteria in paragraph (7). New referrals would be subject to the whole composition. Around 20-22% of the youngsters identify as "slow learners" with intellectual functioning around 85-100 IQ. They have special needs, are not handicapped but would be eliminated from the special education.

Carney discussed the history of the rule and called on Marilyn Weeks to address concerns of the Association which centered around paragraph (4). She displayed the Handbook of the proposed rules which had been made available to Area Education Agencies. In reply to Holden, Weeks said the rule did not reference that Handbook. She discussed criteria applied in identifying pupils with learning disabilities and spoke of regression

PUBLIC INSTRUCTION Continued

standards scores, which, in her opinion, will be difficult. The Handbook allows 18 discrepancy score points which is considered significant. The regression standard score seems to contradict what is stated in the Handbook. It appeared to her that the average and low-average IQ pupil would not be eligible for special education LD program unless the discrepancy of 18 points or more existed between verbal and performance IQ scores. Moreover, the score standard would favor the high or above average pupil for eligibility in special education. Weeks declared it was an experimentation with children's lives. She called attention to the Bell curve and discussed the assumption that intelligence is distributed normally throughout the population.

Responding to Holden, Weeks did not believe everyone should qualify, but should have the opportunity. Bradley contended that it would work just the opposite. There was lengthy discussion concerning children with learning disabilities. The DPI procedure, according to Bradley, requires that the achievement scores be converted to standard scores to the same scale as the intellectual functioning. Oakley commented the Association was making the point that this cuts too deeply in eliminating children in the program--the Department has estimated 20-22% of the 24,000. The weighted formula is 1.7--about $2 million--and he asked Weeks the impact of their proposal. As to the impact, Bradley said that school districts have cut back on the number of students in special education. She could not provide statistics for Oakley. In order for the ARRC or the Governor to take some action, Oakley interjected there should be fiscal information and the degree of uniformity throughout the state.

Weeks was hopeful the issue could be viewed from an educational point rather than on a fiscal basis. Oakley appreciated that, but was trying to get a "handle" on the different philosophies since a good case would have to be made to prove DPI wrong.

Blake recalled changes during the past 21 years in education for children with learning disabilities. He considered the LD program to be one of the most productive in education and hated to see it downgraded. His own philosophy had changed over the years and he has observed that real strength in the program is the teacher-student ratio. He said the identification was being restricted, making it tougher to get into the LD program. In his district, only 1 out of 11 would qualify.

Bradley interjected the program is intended to help those other 10 children. Tieden recalled the legislative directive to the Department had been to seek uniformity in application and the rule is an effort to see that similar students with similar ability are given like treatment. Weeks agreed an effort had been made, but she took exception to the fact that the low average child had been eliminated. Holden declared the costs must be considered--that is all we have to work with. Weeks felt the rules should be looked at in an educational manner. She contended there would be deviations under the rules.

PUBLIC INSTRUCTION Continued

Bradley took a firm position that the Learning Disability program had increased beyond the intended scope--the legislation is very specific. She was sympathetic toward students who are going to be eliminated from special education, but unless the legislture acts, DPI can do nothing else.

Weeks was concerned that the regular classroom teacher would discontinue making referrals and the schools would regress. Tieden doubted that would occur. Holden suspected a better decision could be made with guidelines.

Priebe thought most "LD kids" had been identified under AEA's and he was concerned there would be a whole new group. Further discussion of the Handbook. Clark contended all departments have manuals.

Oelefer was hopeful that DPI and public schools were on parallel guidelines. He was concerned that children were being defined by virtue of numbers. He urged that the rules be relaxed from strictly regression numerical values. Oelefer preferred guidelines within the district on percentage of children that should be in LD program. From that, administrators could be guided to avoid gross misinterpretation. Bradley reminded that the rule is intended to identify children who are eligible to generate additional funds. Nothing precludes a local district from identifying as many kids and serving them out of the general funds.

Weeks urged the Committee to consider the devastation that the charts and rules will bring to approximately 5500 LD students and their families. She requested further modification of paragraph (4) by deletion of "In establishing the difference of one standard deviation the effects of regression toward the mean and errors of measurement must be applied." If the technical data.....for the difference." Priebe was concerned about kids who would qualify before the rules are adopted. Bradley said DPI now has guidelines, no rules, a conceptual definition and absolute flexibility for the local district and the staffing team to say the youngster is eligible.

Tucker commented the rule was offered in as fair a way as possible. He took the position that to disregard errors of measurement in testing would be professionally remiss. He added the effects of regression have been the standard way of measurement since 1928. It is very complex and was reviewed by statisticians at Iowa State, University of Iowa, Iowa Basic Skills, in addition to those in his own office and DPI. They all agreed, "This is the standard way to make the comparison." Responding to Chiodo, Bradley said the children, who would be removed from the program, are those who are achieving in line with their current grade level.

The Chair brought the discussion to a close. No motions were offered. Bradley announced the rules would be in effect September 23, 1981. New referrals are required to meet requirements of paragraphs (1) through (6). In 12.3(4)e, Holden requested removal of "in keeping with one's potential.."

12.3(4)e

PUBLIC INSTRUCTION Concluded

In re amendments to chapter 8, Schroeder was advised the rules were updated to comply with the statutory changes. No questions were raised.

Recess

Chair declared a five-minute recess.

Reconvened

Chairman Schroeder reconvened the Committee at 3:55 p.m.

FAMILY FARM AUTHORITY

The Iowa Family Farm Authority was represented by William Greiner, Director, and Earl Willits, Counsel, who reviewed the beginning farmer program, 2.9 to 2.17, ARC 2229, Notice in IAB 8/5/81. Greiner explained that all pertinent material had been sent to lenders in the state. A hearing was held August 28--no one attended but one letter had been received.

2.11

Tieden, in re 2.11, questioned the criteria "....charged to similar customers for similar loans..". Willits admitted that the Act could create confusion. The $20,000 limit was to ensure investors that it is a tax exempt investment. Schroeder asked officials to consider a variance for unusual circumstances re the minimum. Responding to Chiodo, the rate-keeping difference would be determined on each individual loan between the borrower and the lender. They believed institutions would be able to make money. Greiner said the lender meetings were to begin September 9. Schroeder requested a report of the meetings for ARRC members. Willits and Greiner were amenable. In re 2.16, Holden inquired as to how a bad loan would be liquidated. Willits indicated a technical change would be made to the effect that no nonqualified person could take advantage of tax-free lending rate. Clark requested removal of "such" and "as" in 2.11, last sentence.

Request

Wilbur Johnson, Fire Marshal, was present for review of oil burning equipment, 5.350, Notice, ARC 2217, IAB 8/5/81. Johnson said requests had been received to permit the burning of crankcase drainings. Public Safety supported the concept. However, at the public hearing, the Insurance industry complained as to the safety factor.

5.350

At the public hearing, Johnson had asked for a 180-day delay for further study. Priebe stated this would preclude individuals from utilizing their heaters through the major heating season. Johnson pointed out that, in most service stations, gasoline becomes mixed with oil, creating problems. Holden suggested requiring a flash test before it could be used. Johnson indicated he would request a National Laboratory approval. He advised Priebe that Minnesota and Wisconsin had not approved the heaters. According to Johnson, units are not vented and some are manufactured with wheels. Priebe requested Johnson to call Ernst Ternes Garage at Ledyard about the matter and Johnson was amenable.

CIVIL RIGHTS

Artis Reis, Director, reviewed the following Civil Rights Rules:

CIVIL RIGHTS COMMISSION[240]
Criteria for determination of disability, 6.8. ARC 1928 terminated. ARC 2246 ..... N 8/19/81
Rules of practice, 1.17(1) ARC 2267 ..... F 8/19/81

Reis explained the reason for termination of amendment to 6.8 concerning reopening of cases. No action taken.

FAIR BOARD 4.8

Jim Taylor, Executive Secretary, Fair Board, distributed proposed revision of 4.8 in response to Committee request regarding liens:

> "The Board may retain possession of property used or situated on the Fairgrounds for rent or privilege money as per contractural agreement or may exercise such rights as are accorded landlords with respect to tenants' property as provided by law."

The Attorney General has agreed to the proposal. Priebe favored allowing the Committee to review the contract.

BEER AND LIQUOR CONTROL 4.31

William Armstrong, Counsel for Beer and Liquor, appeared to review 4.31--storage of beer, Notice, ARC 2280, IAB 9/2/81. The Department was relying on a 1957 Attorney General's opinion which held that beer can only be shipped from a class "A" wholesaler to the retail account and cannot go to the grocery store warehouse first.

Also present: Russell Laird, Attorney; Lloyd Porter and Ben Doran, Attorneys, Fareway Stores.

Schroeder asked what had prompted the rule. Armstrong responded that Fareway Stores filed a petition for declaratory ruling in December 1980 asking permission to have beer on their warehouse dock for two hours. Beer and Liquor responded in the negative and Fareway took the matter to court. The Department is attempting to solidify the law on the issue.

Responding to Holden's question, Oakley explained the reason for the law was to distribute the profits to avoid a monopoly --a safeguard to small deliveries.

Chiodo commented that each distributor is required, by law, to provide equal opportunity for sales to every customer. Cash is paid on delivery. General discussion.

Armstrong pointed out that the same people who have a retail permit cannot have a class "A" permit.

Laird gave the history of the law dating back to prohibition days. It promotes competition and brewers or distillers are prohibited from owning retail outlets for a particular brand of beer or liquor.

4:55 p.m. Clark excused to attend another meeting. Laird's group supports the rule which sets out the law in simple terms. He displayed a map of the state and discussed contracts to cover certain geographic areas. He explained that the brewery obtains certificate of compliance from the state (a license) and files with the state the territories where beer is being sold and by which wholesaler. The wholesaler keeps tickets of beer that is sold so the chain of identification is established. Laird conveyed a major concern to the wholesaler is the value of the empty containers under the deposit law. Holden could see no harm in the retailer storing beer in the warehouse across the street.

BEER AND LIQUOR Continued

Laird informed Holden the law does not allow storage of beer off the premises. However, they did not object to a change. That generated conversation about definition of "premise."

Responding to Priebe, Armstrong cited 123.3 regarding contiguous buildings. Buildings on the same property would be contiguous. Holden reiterated that, quite often, a retailer doesn't have adequate space for storage in a contiguous location.

Porter and Doran spoke on behalf of the Fareway Stores in Boone. They had no objection to the process they are now following. Fareway Stores are not interested in getting into the storage of beer--distributors deliver to each store. They detailed their delivery process with respect to a private label beer from a distributor in Council Bluffs and their warehouse in Boone. Fareway preferred to send one truck to the warehouse to pick up merchandise for 17 stores, and load 17 different trucks at the central warehouse--simply a matter of economical distribution and transportation of private label beer. It was Fareway representatives' opinion that the AG addressed a different situation. The Fareway lawsuit is pending for the latter part of September. Porter understood Laird's concern about the deposit law, but the situation at Fareway was different. He contended Beer and Liquor Control Department, by amendment requested by beer distributors through petition for rulemaking, added language which, in effect, negates the lawsuit.

Priebe thought it advisable for the Department to defer adoption of the amendment until the court case is resolved. General Committee agreement. Discussion of possible "windfall at the wholesale level on the deposit law."

Recess

Chairman Schroeder recessed the Committee at 5:35 p.m. to be reconvened Wednesday, September 9, 1981 at 8:00 a.m.

Reconvened

Chairman Schroeder reconvened the Administrative Rules Review Committee, Wednesday, September 9, 1981, 8:00 a.m. with all members present. Also present: Joseph Royce and Brice Oakley.

Minutes Approved

Holden moved that minutes of the August meeting be approved as submitted. Motion carried.

SOCIAL SERVICES

The following rules of the Social Services Department were before the Committee:

SOCIAL SERVICES DEPARTMENT[770]

Economic impact statement, juvenile justice county-base program, 141.5(2), (3)	ARC 2242	N	8/19/81
Iowa state industries, 23.1(4)	ARC 2241	N	8/19/81
Policies for all institutions, 28.3(1) to 28.3(6), 28.11(6)	ARC 2257	N	8/19/81
ADC—eligibility factors, 41.1(5)"b"	ARC 2242	N	8/19/81
ADC—self-employment income, 41.7(9)"l"	ARC 2258	N	8/19/81
Pilot program on retrospective budgeting, ch 47	ARC 2259	N	8/19/81
State supplementary assistance, 50.2(1)"a" and "b"	ARC 2243	N	8/19/81
Food stamp program—monthly reporting/retrospective accounting, ch 65	ARC 2261	N	8/19/81
Food stamps—issuance and complaint system, 65.4(1), 65.14	ARC 2260	N	8/19/81
Adoption services, 139.4(2)	ARC 2244	N	8/19/81

SOCIAL SERVICES DEPARTMENT[770]

Prison overcrowding state of emergency, 16.10, also ARC 2143 terminated	ARC 2302	T	9/2/81
State supplementary assistance, resources, 51.4(2)	ARC 2303	N	9/2/81
Medical assistance, pilot project on retrospective budgeting, 76.9	ARC 2304	N	9/2/81
Medical assistance, abortions, 78.1(17)"a"(1), "b" and "c"	ARC 2305	N	9/2/81
Child support recovery, collections, 96.6(6) and 96.6(7)	ARC 2306	N	9/2/81
Child care centers, rescinds ch 147	ARC 2307	N	9/2/81
Domestic abuse, 160.3	ARC 2308	N	9/2/81
Displaced homemaker, 161.3	ARC 2309	N	9/2/81

SOCIAL SERVICES DEPARTMENT

Department representatives present were: Judith Welp, Rules and Manual Specialist, Cris Perkins, Children's Services, Tim McCue, Bureau Chief, Iowa State Industries, Miriam Turnbull, and Barbara Olk, Adult Corrections. Also present: Ben Webb, House Republican Research; Merlie Howell, Coalition, Family and Children's Services; Craig Kelinson, Linn County Attorney's office; William McCarty, Linn County Shelter and Detention; and Gilbert J. Cerveny, Iowa Shelter and Detention Association.

141.5(2)(3) Welp led the discussion on the economic impact statement re juvenile justice county-based program. The DSS relied on 4 major areas of comment received at the public hearing. They spelled out current payment provisions and the effect the rules would have on them, which in this case, was none, because they are paid from a different appropriation. The Committee found it difficult to believe there would be no change.

McCarty and Kelinson were present on behalf of the Linn County Board of Supervisors. McCarty presented a letter to the ARRC and expressed his belief there was misleading information in the impact statement which led to the erroneous conclusion that these rules have no financial impact on counties. They maintained there was no statutory basis for the statement that counties are responsible for detention. McCarty cited §232.142(1) "...counties may provide and maintain juvenile detention and shelter care homes." In the past, the department has reimbursed counties and agencies for detention cost on a regular basis by purchase of service contract through title XX, voucher 1 claim forms, and through the county-based program. He felt there was no statutory basis upon which to separate detention from shelter care and indicated the latter is included in foster care.

Perkins said that when the law went into effect, the DSS felt it unnecessary to specify, by administrative rule, the reimbursable services and memos were sent to county auditors outlining the reimbursable expenses. Foster care, including shelter, was not reimbursable. At that time, claims were paid by the administrative services division. In December 1980, Perkins became responsible for the program and began checking claims. She discovered several counties were submitting non-reimbursable claims--that was the beginning of the controversy.

It is not a change in policy, but simply better administration--detention is paid up to 50% of the cost. [§232.142] Appropriations provided financial aid at ½ of 1 percent of the cost of care--that money is available and to date, one county has submitted a claim for the reimbursement. Since Perkins was not personally aware of how purchase of service was reimbursed or voucher 1, she could not discuss that.

Under the county-based program, some counties were reimbursed previously for detention care. At the time counties developed their base, some were advised by a DSS auditor, who received direction from the person in charge, that they probably would be reimbursed for detention care. Linn County was advised to include in their base 40% of the cost of care detention. Perkins admitted DSS had done a "sloppy" job of administering the program initially, but through the rules process, is attempting to administer the program based upon the law.

SOCIAL SERVICES Continued

Perkins contended there was a statutory basis for the distinction between shelter care and detention--the Code is specific in prohibiting the placement of an adjudicated child in need of assistance in a detention facility. DSS was requested to provide the impact of the rules on the payment of foster care for children in DSS custody as opposed to those children not in DSS custody. She said that factor had no bearing whatsoever since DSS pays for all foster care that is pursuant to a Court order. The Department has been working diligently to educate county officials, probation officers, etc. as to method for submitting bills for children not in DSS custody. Perkins contended that foster care will not be reimbursed under the county-based program since it is paid from foster care appropriations. Clark recalled that the legislature had never guaranteed that every facility's costs would be paid.

Perkins responded to Priebe that counties would not receive payment for shelter care--it would be made to the facility. The state will pay per diem cost for group homes where additional operating costs are incurred. She reiterated the statement there would be no impact by the rules, but meetings would be held to address the problems.

Oakley observed that this was not a new issue and the Attorney General supports the Department's interpretation. He had not seen a fiscal impact statement from Linn County. Welp said the rules would be on the agenda for the September Council meeting.

Kelinson discussed the hisotry of the matter in Linn County and declared the problem was created when costs of Juvenile Code were "dumped on the county."

Howell informed the ARRC that a 1980 survey revealed that 47% of the cost for shelter care service was paid by the state but the remainder fell heavily on the counties.

In response to Clark, Perkins said further rules dealing with funding for these programs will be forthcoming. A nebulous area in the law is court-ordered care or treatment. Shelter care provided to a child prior to the time of adjudication cannot be reimbursed out of foster care funds. It will be reimbursed under the county-based program and the county would pay for some voluntary placements--"walk ins."

Cerveny distributed his statement and commented briefly on detention issue--detention care is analogous to jail and jail is traditionally the county's responsibility. However, both by standards imposed and problematic design, detention is much more similar to shelter care than to jail facilities--the only difference being the physical restrictions that are inherent. There is a "catch-22" involved here because of the other funding provision; detention is excluded because of the provision in chapter 142 of DSS rules for the state to fund up to 50%. However, there has never been more than the .5% appropriated. It is excluded by reason of a funding mechanism which, pragmatically doesn't exist. Cerveny told Priebe that a decrease in detention services was probably forthcoming.

SOCIAL SERVICES Continued

He added that the average per diem cost was between $70-$80 with the ceiling being $60. Royce advised Priebe that the Attorney General had supported the Department in a recent opinion but he had not read it carefully.

Request to Royce

Holden opined that Linn County should present their case to the legislature that there is disagreement on the interpretation of the section. Tieden and Priebe requested Royce to discuss 232.141(4)d with the AG.

Temporarily Deferred

Priebe wanted dollar figures showing the cost difference between July 1980 and July 1981. Perkins said that in 1979, counties were reimbursed approximately $590,000; FY 1980, $665,000. Howell pointed out DSS submitted intent language to the Social Services Committee on appropriations which precluded county based funding for shelter care. The legislature did not accept the DSS intent language. Discussion was deferred until Clark could return.

Iowa State Industries

Rule 23.1(4) allows the Iowa State Industries to sell to the public to generate income to justify the operation. Welp indicated distributors, manufacturers, etc. may also be added. It affects the tire shop at this time. Priebe wondered about adjustments. General discussion. Priebe could foresee problems. DSS wanted to avoid placing the state in competition with general industry. Committee members thought it should be stated that there would be no warranties implied.

23.1(4)

Economic Impact Continued

Discussion returned to the economic impact statement. Priebe moved that DSS submit another impact statement to find out what the change of policy would cost based on the current law. Perkins could provide an itemized statement of funds paid to each county in the category of care and treatment since July 1979. She was unsure whether it could be broken down by shelter and detention. Priebe wanted to know what reduction there would be for each county under the present policy. He moved that DSS provide the Committee with a previous one-year period cost factor and a projected cost after implementation. Motion carried.

Motion 141.5(2)(3)

Vote

amendments to ch 28

Amendments to chapter 28 clarify who can make application to a hospital-school -- county of legal settlement or of legal residence -- for the adolescent program. Holden took umbrage with "catchment" and recommended change to "service area or treatment area." Welp said the term was from The Code.

41.1(5)b

Under 41.1(5)b, paternity must be established before a father or his relatives are accepted as relatives of the child for ADC purposes.

41.7(9)

Subrule 41.7(9) defines "change of self-employment." Welp, responding to questions about 41.7(9)1(4), said the changes are on-going types. She said inflationary changes would be reflected in the average. Individuals with irregular income will be affected. Schroeder questioned the impact on businesses whose costs rise through no fault of theirs, i.e., a service station. Clark favored a threshold. Welp agreed to take that concern to the Council.

SOCIAL SERVICES Continued

Chapter 47 was a pilot project on monthly reporting but Health and Human Services denied a request for an "11-15" waiver. On the basis that the new federal law mandates the monthly reporting on a statewide basis, the rules will probably be withdrawn and a similar version used for the statewide reporting.

Schroeder questioned the necessity for reporting every thirty days but Welp indicated it was necessary. Schroeder was advised that much of the work would be done by computers. Clark defended the Department by contending that keeping information updated left less chance for error.

50.2(1) No questions raised on 50.2(1). No recommendations were offered for chapter 65 amendments.

139.4(2) In re 139.4(2), adoption services, the rules add a residency requirement for adoption investigators and add provisions for certifying investigators. Clark pointed to a possible grammar problem in 139.4(2)b. Tieden and Holden asked about the residency requirement. Turnbull explained there are private individuals who want to be certified as investigators. Requests are received from distant states but Iowa wants to limit certification to an arbitrary twenty-five mile radius.

Responding to Holden, individuals would not be allowed to carry out private investigating while on duty. Holden thought this would be hard to police.

Turnbull explained other language in 139.4(2)b(1-4) would ensure DSS would not be required to certify adoption investigators if they are employees of adoption agencies or of the Department.

76.9 No comments on 76.9.

78.1(17) Holden requested insertion of "health" before "agency" in line 3 of 78.1(17).

95.6(6)(7) No recommendations were offered for 95.6(6),(7), and chapter 147, 160.3, and 161.3.

16.10 Welp advised that revised proposed rule 16.10 is more stringent than the version published 7/8/81 IAB. Responding to Clark, Olk stated the Department worked with representatives from the AG's office and decided upon a strict definition of property--all other crimes would fall into the category of crimes against persons. Olk told Schroeder that 16.10(3)d was written on the advice of the AG. Schroeder preferred "may" instead of "shall." Olk said they had been notified the inmates have the right to be notified of their tentative category. Priebe was concerned that prisoners would be turned "loose by the numbers." Members were informed that fewer inmates will be eligible for parole under the present system -- 15 to 20 percent less.

AUDITOR OF STATE

Chairman Schroeder announced that since the Committee was behind schedule, he had excused Pringle of the Auditor's office.

5.3(1) Tieden questioned lack of date certain in 5.3(1). Royce was directed to write Pringle to suggest the correction. No questions concerning chapter 6.

CONSERVATION COMMISSION

Rules of Conservation Commission to be reviewed were:

CONSERVATION COMMISSION[290]
Fishing regulations, 108.1, 108.2(1) ARC 2222 ..... N 8/5/81
Rabbit and squirrel hunting seasons, 102.1 to 102.3, filed emergency after notice ARC 2219 ..... 8/5/81
Common snipe, Sora and Virginia rail, woodcock and ruffed grouse seasons, 109.1 to 109.4, filed emergency after notice ARC 2221 ..... 8/5/81
CONSERVATION COMMISSION[290]
Wildlife habitat stamp revenue cost assistance program on private lands, 22.5, 22.6, 22.9 ARC 2276 ..... N 9/2/81
Wildlife habitat stamp revenue cost-sharing with local entities, 23.5, 23.7, 23.14 ARC 2277 ..... N 9/2/81
Trapping on game management areas, ch 24 ARC 2278 ..... N 9/2/81
License depositaries, 66.3, 66.4, 66.6 ARC 2279 ..... N 9/2/81
CONSERVATION COMMISSION[290]
Crow hunting season, 101.1 ARC 2218 ..... F 8/5/81
Mink, muskrat, raccoon, badger, opossum, weasel, striped skunk, red and gray fox and beaver seasons, 104.1 to 104.4 ARC 2220 ..... F 8/5/81

Appearing on behalf of the Commission were Marion Conover, Supervisor, Fish Management, Robert Barratt, Wildlife Superintendent and Stanley Kuhn, Chief, Administration. Also present: Richard Thornton, Commission Member.

108.1,2

Conover emphasized the rules were identical to those of 1980, except for the daily catch limit and possession limit on black bass--changed from 10 to 20 to 5 daily and 10 possession; consistent with regulations on inland waters with Illinois, Nebraska and Wisconsin. In re 108.1, Priebe asked Conover the difference between bullfrogs and other frogs, and what about an indivdual who would have 15 frogs in his possession while fishing for Northerns. The bullfrog, according to Conover, does not have spots and grows to a larger size. Conover said possession of bullfrogs would be a violation.

66.3, 66.4, 66.6

Discussion of license depositaries. Kuhn commented that the Commission was attempting to provide the license depositaries the option of providing a certifcate of deposit as security for hunting and fishing licenses rather than bond coverage. Schroeder had been contacted by his county auditor with complaints of extra work--which the gun shop does not have. Kuhn responded there were two license systems: One, Conservation handles the depositaries directly -- about 300 around the state. Another, the county recorder either sells the licenses or has suboutlets. Hardware stores or gun shops could work with Conservation directly or with the recorders and procedure varies.

Priebe recommended that Conservation draft a bill to provide that license depositaries are directed by Conservation or the County Auditors--not both.

Kuhn, responding to Schroeder, indicated Conservation had no authority to dictate to the county and depositary. It was his personal opinion that most county recorders were doing a good job. Kuhn commented that the Rules Coordinator has suggested that the assignment form ought to be part of the rule.

Tieden recommended that language, "License shall be in possession of the owner at all times" should be added to fishing and hunting licenses. He preferred it to be in large, red letters. Kuhn would report the recommendation, however, it was pointed out that red letters would be costly.

CONSERVATION COMMISSION Continued

In re rabbit and squirrel hunting seasons, 102.1-102.3, Tieden noted the seasons were already open since the rules were filed emergency after notice.

Responding to Schroeder and Priebe, Barratt said the jack rabbit season is well restricted but reduction was due to loss of habitat.

109.1-4

Tieden registered his annual protest on open hunting season for snipe and Virginia rail. Barratt assured him they were not endangered species.

Amendments to ch 22

According to Barratt, the habitat stamp generates $1 million annually. Changes in the rules were made to meet the cost of inflation. Chapter 22 contains procedures by which revenue from the sale of the wildlife habitat stamps will be used to assist landowners in establishing habitat on private lands. Tieden commented that, in his area, the habitat stamp was unpopular. The program for landowners is limited to $100,000 a year. Fifty percent of the money from the stamp is used in cooperative programs with local entities--the remaining 50% is spent by the state.

23.5,23.7, 23.14

Schroeder questioned reason for new language in 23.5(1). Barratt informed him that was in response to individuals who buy a small parcel of land in order to gain access to fields.

Responding to Tieden re 23.7(1), Barratt indicated "three persons are appointed by the director..." was in response to county request. The Conservation Commission confers with county boards before appoints are made.

23,5(1)

Chiodo, in 23.5(1), questioned appraisal waiver determination by the staff. Barratt informed ARRC that Conservation cannot prevent buying the land; will cost-share only up to 50% of the appraised value. Under those conditions, Conservation could not see the validity in requiring the appraisal before purchase.

23.5(2)

Chiodo queried Barratt re the new language in 23.5(2)and Barratt replied it was for clarification.

23.14(3)

Chiodo questioned the 25% factor in 23.14(3)--equipment disposal. Barratt admitted the rules were inconsistent and needed clarification before they are adopted.

23.7(2)

Chiodo raised questions re project review and selection in 23.7(2). It seemed to him that money was being diverted from worthwhile projects. Barratt indicated projects often drag along for 6, 8 or 10 years and they should be completed. The Department cannot force completion, however. Barratt and Chiodo argued about the validity of the rule.

Chiodo contended people were being penalized whether or not the projects were proceeding on time. Schroeder interjected that was done to spread projects around the state and Chiodo claimed that was generating money geographically rather than on a population basis and he opposed that practice. He declared, "That is a violation of 'one-man, one-vote' principle."

CONSERVATION COMMISSION Continued

General Committee agreement the language should be reworded. Barratt was amenable.

23.14(3) Clark requested removal of excess use of "such" and "thereof." She thought "if any" in 23.14(3) was superfluous.

ch 24 Schroeder, in 24.1, questioned the meaning of marking trap sites. Barratt said that placing the marker ahead of trapping season was illegal. He referred to the intensive competition among trappers and problems with out-of-state trappers. Controversy ensued when stakes were placed a week ahead of the season. Holden suggested starting 24.1 with, "Except while in active pursuit of fur bearers,...". Schroeder recommended that a trap should be added to a marker and that would eliminate the objectionable practice. Barratt disagreed. He reminded ARRC that many traps are set in marshes on "rat-houses." Schroeder suggested that traps should be set only when the season is open. Barratt stated the AG's office had recommended an emergency rule. Priebe concurred with Schroeder's suggestion. Barratt concluded everyone should have the same opportunities on public lands.

No questions re chapter 101.

REAL ESTATE COMMISSION Eugene Johnson and Julian Campbell, Vice Chair, Real Estate Commission, appeared for review of the following rules:

REAL ESTATE COMMISSION[700]
Examinations, 1.3(5), 1.4, 2.2, ARC 2086 (terminated) ARC 2223 ..... N 8/5/81
Trust account, broker's responsibility, 1.27, 1.30 ARC 2266 ..... N 8/19/81

REAL ESTATE COMMISSION[700]
Application for license, 2.2(2) ARC 2224 ..... F 8/5/81

Also present: Wes Ehreck, Iowa Bankers Association.

No questions re 2.2(2), multiyear licensing.

1.27,1.30 Johnson called attention to the fact that there was a minor change in 1.27, trust accounts, at the request of ARRC. In re 1.30, Johnson said the purpose of the rule was clarification of the responsibility of the broker with respect to sale personnel and broker associates licensed to the broker. A public hearing was scheduled for September 24. The rule states "A broker who is part time or whose principal business is other than that of a real estate broker shall not be eligible to employ or have licensed to the broker a salesperson or a broker-associate." It does not prohibit the broker from acting on a part-time basis and is not intended to restrict an individual broker who has a jointinsurance and real estate office--even though predominantly selling insurance. Each branch office would be required to be managed by the broker or by an associate-designee of the broker.

Responding to Schroeder, Johnson noted there was no definition of "broker" in the Code. Schroeder questioned the Commission's authority to declare a "part-time broker." Johnson discussed the case of the "phantom" broker who allowed his license to be used by individuals who were not yet brokers. In Polk County, a ruling was made that, unless the broker has direct

REAL ESTATE COMMISSION Continued

knowledge of what is going on, he cannot be held responsible. Johnson had the case transcript and offered it to Royce. Royce considered a statement a part-time broker is incompetent to supervise to be excessive--a more complex test should be made.

Oakley inquired if there were rules regarding the degree of supervision the broker should exercise over a sales person. Johnson responded only to the extent the licensed broker is responsible for providing supervision. Campbell commented the rule was an outgrowth of a number of cases where sales people had come before the Commission because of problems resulting from lack of supervision. The salesman was penalized but the broker was not because of lack of rules. Oakley queried Campbell if it would not be better to look at the whole problem of supervision of brokers generally. In his experience, he found there were very few people who devote full time to real estate. He suggested listing some common ways a broker would spend his time and providing some criteria. General discussion of the matter, with Chiodo recommending the broker be responsible for situations where the sales person under his supervision is reprimanded. Johnson thought that would require legislation.

Oakley thought if the term "supervision" were used and defined that would tie the two together.

Royce read from 117.34 -- Holden said the language was designed to do exactly what brokers want--they do not want an employer-employee relationship and that is the problem. That would require workers compensation, tax deduction, unemployment, etc. He doubted the broker could be "responsible" unless the relationship were stronger than "associated with." Royce pointed out the statute doesn't address the branch office. It barely touches broker associates.

Thornton expressed that the Bankers Association envisioned the rule as an attempt by brokers to take banks out of the real estate business. Holden was surprised to learn that some realtors were unaware of the rule. However, Johnson had apprised all licensed realtors by newsletter. No further discussion.

INSURANCE DEPARTMENT

Janet Griffin, Deputy Commissioner, and Roger Strauss, Insurance Analyst; Fred Haskins, Assistant Attorney General, were present for review of the following Insurance Department rules:

INSURANCE DEPARTMENT[510]
Individual accident and health insurance and group Medicare supplement insurance, ch 36, 15.8, ch 37, 15.31, 15.9 ARC 2288....N.....9/2/81

Also present: James B. West, Attorney, Iowa Life Insurance Association; Paul E. Brown, President, Iowa Life Insurance Association, and Max S. Hawkins, Board of Regents.

Griffin communicated Bruce Foudree's apology for being unable to appear due to an out-of-town commitment. Griffin said the rule was designed to implement Chapter 514D, The Code, which provides for standardization, simplification of individual health and accident insurance policies, and HF 768[69GA,ch167]. The purpose of the rule is to provide certain standards for disclosure, outline coverages that must be provided to consumers, establish minimum standards for products and set guidelines on reasonable and creditable loss ratios with which companies must

INSURANCE DEPARTMENT Continued

comply. A public hearing was scheduled September 25. The Department was confident if there are provisions in the rules which place an undue burden on the industry, that can be accommodated. Responding to Schroeder, Griffin indicated insurance had contact with the industry about one year ago. However, industry did not have input in the drafting.

36.1

Clark recommended, if possible, rewrite of extremely long one-sentence paragraphs for clarity. Griffin contended the language was contained in the Model Act and that was preferred by the industry. In 36.1(1)c, Clark requested clarification relative to the location of the definitions. She presented a list of areas where there was excessive use of "such" and "said." Brown commented he was not present as an advocate, but wanted to assure that the rule "tracked" the Model Act because that was the position of the insurance industry in supporting the law. He continued the model laws and the regulations were a long-time development by the National Association of Insurance Commissioners. Brown noted several substantial changes from the Model Act and was hopeful these could be eliminated to avoid confusion. The rule is a combination of individual policy and medicare supplement and the industry feels the understanding and administration would be improved if these were separated into different parts. He distributed a draft, which had been sent to domestic companies and the Health Insurance Association of America, representing 90% of the companies writing "health products." He is in the process of receiving comments and will consolidate them for presentation to the Commissioner.

Tieden asked why the Model Act was not followed. Griffin replied the statute that was adopted was not the NAIC model. There were three rather significant differences and the Department had to adopt rules pursuant to Iowa law. Also, problems peculiar to Iowa were addressed.

In response to Schroeder's question as to the major changes, Griffin said the prohibition of the sale of duplicate medicare supplement coverages was not contained in the Model Act. Licensing scheme for nursing homes in the state created a problem because the Health Department has intermediate, skilled and custodial nursing--the model did not take that into account and it had to be dealt with in the rules. The Department would welcome suggestions in that area.

Brown admitted that was a problem to which they would submit recommendation. The definition of "hospital" did not meet with industry approval but they will work with the Department for an equitable solution. No formal action taken.

ENVIRONMENTAL QUALITY

Appearing on behalf of DEQ were Odell G. McGhee, George Welch, and Connie Leatherman. The following rules were reviewed:

ENVIRONMENTAL QUALITY DEPARTMENT[400]
Solid waste disposal, 25.1(7), 26.3 to 26.6, 27.2(1) ARC 2290 ..N.....9/2/81
Emission limitations—existing fuel-burning sources, 4.3(2)"b"(5) ARC 2268 ....F..... 8/19/81.

McGhee explained proposed amendments, intended to clarify solid waste disposal standards on private property. A loophole in the law has caused problems in that some industries have, in

ENVIRONMENTAL QUALITY

good faith, proceeded with open dumping, creating controversy. He cited Salsbury Labs in Charles City as an example.

25.1(7)

Schroeder questioned the ramifications of 25.1(7), farming waste and what constitutes rubble. Welch replied the provision reiterates current rule and the farming waste definition was included under this criteria. Farm waste and landscape waste are exempted from notification and reporting criteria. A definition has been developed for landscape waste.

26.4(1)b

McGhee called attention to 26.4(1)b as outlining the requirements for other disposal of solid waste and that is the reason for the definition of farming waste. Schroeder opined, in some areas, it would be tight and he asked, "Are we taking the shotgun to the farming industry across the state to get at the Salsbury situation?" Welch responded that was why the farming waste exemption was excluded from the reporting requirements.

4.3(2)b(5)

Responding to Tieden, McGhee reported they would submit rules to implement the hazardous waste legislation passed this year. Schroeder asked McGhee if the emission limitations, 4.3(2)b(5) affected businesses which are selling furnaces to burn crankcase oil, etc. Leatherman said the rules were for existing sources--no new sources would be covered by them. No other questions or comments.

No Representatives Soil Conservation

8.1(2)

At Priebe's request, Kenneth Tow, Soil Conservation, appeared to explain 8.1(2)--form for land disturbing activities affidavit--filed without notice, ARC 2298, IAB 9/2/81. When HF 2561 was passed in 1980, Iowa Soil 2000, one provision called for erosion control plans to be approved in conjunction with certain land disturbing activities. Soil conservation supported the theory of the legislation and there were some changes made. In working with contractor groups, this rule is the substitute for previous requirements in the approved soil erosion control plan.

In reply to Schroeder's question, Tow said SF262[69GA,ch154] exempted preparation of single family residences separately built. There was discussion of building and resale of a single family dwelling and Priebe inquired whether that constituted a subdivision. Tow explained the contractors wanted this substitution and it coincides with requirements for urban situations on soil loss at a construction site. If it is a multiple project, he interpreted the law to require an affidavit acknowledging an awareness of soil loss limitations. Tow would forward the concern. He thought the affidavit to be positive. Tow explained housing construction consuming more than 25,000 square feet would require an affidavit to be filed.

No agency representatives appeared for any of the following:

AGRICULTURE DEPARTMENT[30]
Certification of seed and potatoes, 5.6 ARC 2228 ..... N 8/5/81

ARTS COUNCIL[100]
Description of organization, 1.2(1), 1.2(2) ARC 2310 ..... F 9/2/81
Policies and procedures, 2.1(1), 2.1(2), 2.1(4), 2.3(8), 2.3(9) ARC 2311 ..... F 9/2/81
Forms, 3.1(9) to 3.1(11) ARC 2312 ..... F 9/2/81
Programs, 2.1(5)"a" to "f", 2.3(9) to 2.3(16) ARC 2232 ..... F 8/5/81
Forms, 3.2 to 3.9 ARC 2233 ..... F 8/5/81

No Representatives Continued

BANKING DEPARTMENT[140]
Cash reserve formula, 8.7 rescinded ARC 2225 ..... N 8/5/81

COLLEGE AID COMMISSION[245]
National Guard educational benefits, 9.1(1)"e" ARC 2231 ..... N 8/5/81

ENGINEERING EXAMINERS[390]
Licensing, forms, 1.2, 1.3 ARC 2283 ..... F 9/2/81

HEALTH DEPARTMENT[470]
State plumbing code, rescinds chs 21 to 34, new ch 25 ARC 2295 ..... N 9/2/81
Occupational therapists and occupational therapy assistants, continuing education and disciplinary procedures, 138.200(6) to 138.200(8), 138.206(1), 138.209 to 138.213, 138.202, 137.3(1), 137.2(6), 138.1(1), 138.7, 138.100(1), 138.101, 138.103, 138.200(1), 137.6(3) ARC 2299 ..... N 9/2/81
Chiropractic examiners, 141.1(18), 141.11(3), 141.11(3)"a", 141.13(6) ARC 2275 ..... N 9/2/81
Speech pathology and audiology, temporary clinical license, 155.3(4), 155.4(4)"c", filed emergency ARC 2301 ..... F, E 9/2/81
Advanced emergency medical care, 132.6(1)"b", 132.7(3), filed emergency ARC 2230 ..... 8/5/81
Medical examiners, dispensing of prescription drugs, 135.252 to 135.254, ARC 1720 terminated ARC 2247 ..... 8/19/81

LABOR, BUREAU OF[530]
Applications for variances, 5.7(2)"e", 5.8(2)"h" ARC 2272 ..... N 9/2/81
Applications for variances, 5.7(2)"e", 5.8(2)"h", ARC 0918 terminated ARC 2271 ..... N 9/2/81
Occupational safety and health standards, general industry, 10.20 ARC 2282 ..... F 9/2/81
Occupational safety and health standards for construction, 26.1 ARC 2281 ..... F 9/2/81

MERIT EMPLOYMENT DEPARTMENT[570]
Demotion defined, 1.1(13) ARC 2291 ..... F 9/2/81
Pay upon special duty appointment, inclement weather pay, 4.5(6), 4.14"4." ARC 2292 ..... F 9/2/81
Method of selection, 7.7 ARC 2293 ..... F 9/2/81
Special duty appointment, 10.3 ARC 2294 ..... F 9/2/81

NURSING HOME ADMINISTRATORS[600]
License renewal, continuing education, renewal fee, 2.5(5), 3.2, 3.6 ARC 2300 ..... F 9/2/81

PAROLE, BOARD OF[615]
Description, meetings—majority vote, 1.1, 2.1 ARC 2237 ..... N 8/5/81
Termination and revocation of parole, 7.5(13), 7.6(1) ARC 2238 ..... N 8/5/81

PLANNING AND PROGRAMMING[630]
Local government personnel service center, 13.1(4) rescinded, filed emergency ARC 2250 ..... 8/19/81
State of Iowa building code, 5.200, 5.400, 5.620, 5.624(3), 5.626, 5.700(1), 5.704(5) ARC 2274 ..... N 9/2/81

REGENTS, BOARD OF[720]
Committees, 11.1(8) ARC 2239 ..... F 8/5/81

SECRETARY OF STATE[750]
Uniform commercial code—fees, 1.5(3) ARC 2253 ..... F 8/19/81
Constitutional amendments and public measures, 11.2 ARC 2273 ..... N 9/2/81
Corporations, ch 2 ARC 2286 ..... F 9/2/81

SOCIAL SERVICES DEPARTMENT[770]
Intermediate care facilities, 81.6(11)"m" ARC 2240 ..... F 8/19/81

SOIL CONSERVATION DEPARTMENT[780]
Form for land-disturbing activities affidavit, 8.1(2), filed without notice ARC 2298 ..... F, W, N 9/2/81
Iowa financial incentive program for soil erosion control, 5.41, 5.31(2)"h"(1), 5.74(3)"b", filed emergency after notice ARC 2296 ..... F, E, N 9/2/81
Iowa financial incentive program for soil erosion control, 5.73(1), 5.73(6), 5.74(1), 5.74(5)"e"(6), 5.81(4) ARC 2297 ..... N 9/2/81

SUBSTANCE ABUSE, DEPARTMENT OF[805]
Standards for treatment programs, 3.22(15), 3.22(16) ARC 2263 ..... N 8/19/81

TRANSPORTATION, DEPARTMENT OF[820]
Contested cases, (01,B) 3.1 to 3.3, 3.4(4)"a" and "b", 3.7, 3.9, 3.9(1), 31.9(10)"b", 3.9(11), 3.10 ARC 2255 ..... N 8/19/81
Persons not to be licensed, (07,C), 13.2 ARC 2256 ..... N 8/19/81

VETERINARY MEDICINE, BOARD OF[842]
Suspension or revocation of license, 6.1, filed emergency ARC 2287 ..... F, E 9/2/81

Committee Business

Priebe commented that, in his opinion, all of the rules under Notice, unless they were terminated, should be on the agenda. Clark preferred allowing some discretion. Discussion as to how the agenda is created and Royce explained the procedure he follows.

Priebe had learned that Oakley peruses the rules and offers suggestions for the agenda. However, he doubted that this was part of the Administrative Rules Coordinator's responsibility. In further discussion, Priebe was unsure he approved of omitting terminated notices from the agenda. Royce spoke of an agency's right to terminate any notice. Schroeder indicated the September agenda was prepared to avoid a three-day meeting because three bulletins were involved. General discussion about length of meetings.

Royce reminded ARRC that the "Committee's power comes into play" when rules are filed. Clark suggested that Committee members could present questions to Royce and let him follow through with the agency representative.

October
November
December
Meetings

The following meeting schedules were confirmed: Wednesday and Thursday, October 14 and 15; Tuesday and Wednesday, November 17 and 18; Tuesday and Wednesday, December 8 and 9. There was discussion of the pros and cons of utilizing Room 116 for ARRC meetings. It was decided, in order to accommodate Health Department officials, their rules would be reviewed in Room 116. It was the consensus of the Committee that the acoustical advantages of Room 24 outweighed the spaciousness of Room 116.

Consideration was given to meeting the first week of the General Assembly. Final decision was pending.

Letter to Fair Board - 4.8

Royce asked permission to send a letter to the Fair Board informing them that the rule they proposed on Liens, 4.8, was acceptable to the Committee. He was asked to report ARRC would remove the objection if the Fair Board uses the language submitted at the Tuesday, September 8, 1981 meeting.

Adjournment

Chairman Schroeder adjourned the meeting at 12:00 p.m. Noon. Next meeting was scheduled for October 14 and 15, 1981.

Respectfully submitted,

Phyllis Barry

Phyllis Barry, Secretary
Assisted by Vivian Haag

Laverne Schroeder

CHAIRMAN

DATE