# 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, December 14 and 15, 1993, in Senate Room 22, State Capitol, Des Moines, Iowa.

Members present

Senator Berl E. Priebe and Representative Janet Metcalf, Co-chairs: Senators H. Kay Hedge, John P. Kibbie, William Palmer and Sheldon Rittmer; Representatives Horace Daggett, Roger Halvorson (excused on Tuesday), Minnette Doderer, and David Schrader.

Also present

Joseph A. Royce, Legal Counsel; Paula Dierenfeld, Administrative Rules Coordinator; Phyllis Barry, Iowa Administrative Code Editor; Mary Ann Scott, Administrative Assistant; Caucus Staff and other interested persons.

Convened

Co-chair Priebe called the meeting to order at 10 a.m and recognized Barry who announced that the Christmas party would be held at the Echo Valley Country Club in lieu of Noah's Ark.

The following agenda was reviewed. Those attending from the Department included Mary Ann Walker, Mary Nelson, Norma Hohlfeld, Douglas Howard, Sandi Koll, Nan Foster Reilly, Ruth Schlesinger, Sally Nadolsky, Mary Cogley, P. C. Keen, Margery Corkery, and Josephine Lerberg. Also present was Representative William Brand.

DHS

# **HUMAN SERVICES DEPARTMENT[441]** Home health agencies, private duty nursing and personal care services for persons aged 20 and under, 78.9, Amendments relative to elderly waiver service program and model waiver program, 78.34(2), 78.37(3), 79.1(2), Managed health care providers, 88.1, 88.2(1), 88.2(2), 88.2(4), 88.3(1) to 88.3(4), 88.3(6), 88.3(7)"b" and "c," 88.4(1), 88.4(3), 88.4(3)"a," 88.4(3)"b"(3), 88.4(4)"f," 88.5, 88.6(1), 88.6(2), 88.7(2)"b," 88.7(3)"a," 88.7(4)"b," 88.8(1)"g," 88.8(4), 88.9(1), 88.9(3)"b," 88.9(4)"a" and "c," 88.12(2), 88.21, 88.22, 88.22(1), 88.22(2), 88.22(4), 88.23(1) to 88.23(4), 88.23(6), 88.23(6)"b" and "c," 88.24(1), 88.24(3), 88.24(3)"a," 88.25(1), 88.41, 88.42(1), 88.42(2), 88.43(1) to 88.43(3), 88.44(2), 88.44(3), 88.45(5)"a," 88.46(1) to 88.46(7), 88.47(1)"a," 88.47(1)"c"(7), 88.47(2), 88.48(1) to 88.48(4), 88.49(1), 88.49(2), 88.49(6), 88.50(1), 88.50(3), Record check evaluation — day care providers, foster parents, adoptive parents, 107.4(5), 107.8(1)"c," 109.2(1)"g," 109.4(7), 109.9(4)"c," 109.9(5)"c," 110.5(10), 110.7(3), 110.9(3)"a" and "b," 113.13, Licensing or approval of foster family home or adoptive home applicants with founded abuse report or Child day care, 130.3(1)"d," 130.4(3) table, 130.4(3)"b" and "f," 130.7, ch 170 preamble, 170.1, 170.2(3)"a," "c," and "h," 170.2(5)"b," 170.4(1), 170.4(6), 170.4(7)"a" and "e," Notice ARC 4408A, also Payments for foster care and foster parent training, family-centered services, rehabilitative treatment services, 156.1, 156.6(4)"e," 156.7(2)"a," 156.7(2)"b"(2), 156.7(5), 182.6"4," 185.1, 185.5(1)"b," 185.5(7)"b," 185.9(2)"b"(6), 185.10(8)"b"(6) and (7), ch 185 division II preamble, Notice ARC 4410A, also

DHS (Cont.) 78.9 et al.

In review of amendments to 78.9 et al., Walker clarified for Daggett who was covered under these proposed rules.

In review of the elderly waiver service program in 79.1(2), Daggett was advised that any model waiver program was to be cost-neutral—if the services were not provided at home, the recipient would be getting that service in a nursing home.

78.34(2) et al.

In 78.34(2), Hedge was informed that this change was necessary to be consistent with Medicaid guidelines.

Ch 88

No recommendations on amendments to Chapter 88, managed health care providers.

Ch 89

At Schrader's request, clarification will be made on definition of "fair market value" in 89.1.

Brief discussion on the difference in meaning of "dwelling" in 89.1 and "homestead."

107.4 et al.

Amendments to 107.4 et al. pertaining to record check evaluation were reviewed. Priebe questioned, in 107.8(1)"c"(1), the use of the term "simple misdemeanor." Doderer suggested rewording so that the term would be unrelated to any kind of abuse. The Department officials thought legislation would be needed.

108.8, .9

No questions on amendments in 108.8 and 108.9.

130.3 et al.

Department officials provided Hedge with explanation of changes made in child day care amendments. (ARC 4407A)

With respect to the consultant's market rate survey, it was noted that the Department, not the consultant, conducted the survey.

Hedge was informed that the rate ceilings set out in 170.4(7) were maximums unless there was only one facility in the community.

Brief discussion between Daggett, Schrader and Department officials regarding child care facilities registered for six children when this number includes children in kindergarten half days. Schrader thought the statute was being liberalized by rule.

156.1 et al.

In ARC 4409A, clarification was provided regarding definition of child care plan as well as family-centered services.

Chs 173, 176

No questions on ARC 4446A or 4411A.

Welfare Reform

There was special advanced review of welfare reform changes, the text of which was published in IAB 12/8/93 as ARC 4466A. The Committee wanted opportunity to review before their January meeting these emergency rules which would be in effect January 1.

Schrader had heard numerous concerns about the rules, including those expressed by Representative Bill Brand. Schrader reported that a group of providers at the county level questioned reduction of benefits that would occur under a family investment program (FIP) when a family, or member of that family, failed to participate to the level of agreement in their contract. County level providers could foresee numbers going on general relief and seeking help from food



pantries or the Salvation Army. Schrader wanted explanation from the Department as to their obvious conclusion that these sanctions would deter violation of the agreement. Schrader was confident that many households would violate their agreements for a variety of reasons and sanctions imposed would force them to turn to other programs. Schrader also recalled the last ARRC meeting when Department officials had assured him there would be appeal rights. He then called attention to new subrule 7.5(8) in Item 1, appeal rights under the family investment program, limited benefit plan. It was Schrader's interpretation that appeal rights seemed to disappear with the sanctioning process—change in composition of the eligible group, the amount of the grant, or the beginning of the six-month eligibility. He reasoned that this would be a logical time for the appeal process to "trigger."

Hohlfeld responded that the participants would be aware of the 12-month period for the limited benefit plan and the required steps to which they had agreed. She cited an example for appeal: If benefits were reduced after three months, the participants could appeal the amount of the grant because of possible miscalculation but they could not, at that point, again appeal the establishment of 12 months of the limited investment plan. When the six months of cancellation and ineligibility begin, that would be part of the 12-month limited benefit plan which was established. That issue which had already been appealed and resolved could not be appealed again. Schrader was concerned that misunderstanding would prevail. Hohlfeld stressed that the Department was trying to ensure that notices to participants were very detailed as to the sequence of events during the 12-month period.

Hohlfeld described in detail the triple internal review system before the limited benefit plan would be initiated with the appeal rights that go with any negative action following the notice of petition.

It was Schrader's understanding that opportunity was provided for renegotiations once a family was in a limited benefit plan. Hohlfeld clarified that this would be true for those who chose the limited benefit plan before they signed the family investment agreement. Participants who begin the first step of the process may decide not to enter into the family investment agreement. Those households have reconsideration options from the date the limited benefit plan begins and again they have appeal rights at that point. They also have a 45-day reconsideration period where they may contact the PROMISE JOBS worker and begin the process.

Schrader suspected that during these renegotiations, there could be a real difference of opinion. Hohlfeld explained the opportunity for appeal on the content of the family investment agreement itself if there were disagreement between the worker and the family as to whether those goals were achievable or the activities were appropriate, etc. She emphasized that after signing the agreement there were no reconsideration options for those families who chose the limited investment plan. Hohlfeld reiterated the Department had tried to make it very clear in the rules that every household with a family investment agreement must select a date on which they plan to leave public assistance and select the activity which they will carry out to reach that goal. The rules also make it clear that every family will be eligible for renegotiation and amendment of the family investment agreement whenever a change in their family circumstances indicates that self-sufficiency would not be possible by their selected date.

Schrader was advised that once the participant has fallen into the limited benefit plan and sanctions begin, there was no way for redemption. Hohlfeld said this was part of the long and arduous decision-making process to require real choices and real consequences with a built-in serious review process. Schrader expressed his opposition to limitations on the appeal process and favored referral of the issue to the Legislature.

Chairman Priebe recognized Representative Brand who viewed the rules as relating to one of the most controversial acts of the welfare reform plan. He concurred with Schrader, but generally and specifically, that compliance would be difficult and some families would ultimately be denied benefits. Brand raised question as to where the cost of supporting those families would be transferred—counties, private agencies, charities, churches, etc. He spoke to the issue of sanctions which would be applied to two-parent families—the so-called unemployed parent family on ADC [FIP] grant at this time. In particular, he was concerned that noncompliance by one parent for whatever reason would result in loss of benefits to the other parent through the limited benefit plan. Brand had asked the Department for a mechanism whereby they could consider specific circumstances of that two-parent family where one parent was not complying.

Howard agreed with Brand's assessment of the issue. He continued that the entire family was considered in the limited benefit plan and he reiterated some high points that had been mentioned previously. Howard stated that those involved in the process included not only the Department but representatives from other agencies, the private sector, providers, and legislative staff. This particular issue was very sensitive to the group which realized there may be other options not yet identified. The issue has been left open on their agenda of things to revisit. Howard stressed the importance of allowing the rules to become effective when new participants would be included in the program under the family investment agreement. Howard reminded that the Department was also following the regular rule making process with hearings scheduled for December 29.

Doderer disagreed with Howard's contention that the program for two-parent families would only work if there were a consequence. She believed that the program was workable. Doderer could envision numerous problems when one spouse leaves and the remaining spouse and children suffer the consequences.

Howard responded that for situations where one parent leaves, the limited benefit plan consequences would follow the noncooperating parent. The Department would review the case as a new family.

Howard observed that the previous welfare system lacked incentive and support to encourage people to move forward. It was, at best, a maintenance system. With the family investment agreements, there will be a joint effort with state and families making decisions. Howard recognized that a large segment of the welfare population was truly short term and another group may need special services such as family development. A group in the middle may have some job skills and education but the Department believes that family investment agreements provide incentives.

Palmer was interested in other solutions. Howard cited an option for reconsideration: If the family were not on the limited benefit plan and had a health or physical problem that prevented them from meeting their goals.

Palmer was concerned about welfare of children when benefits were removed. He saw the need for some penalty but favored elimination of benefits to the nonparticipating partner.

Howard reiterated that this issue would be revisited.

Priebe took the position that the concerns merited further consideration. It was agreed that Committee members would meet with Brand and the Department officials today and that the rules would be discussed further tomorrow.

There was discussion of Committee options regarding the rules and Royce advised that their delay power would expire January 1, the effective date of the rules.

Schrader pointed out that any change in the rules would have to be approved by the Council on Human Services.

Brand concurred with Doderer and Palmer in believing that the basic concept was workable. With respect to the particular segment and in defense of families on welfare, Brand thought it should be noted that presently for two-parent family mandatory participants in PROMISE JOBS, the compliance rate was about 99 percent. Those families want to do better and are seeking an opportunity. The sanction that they face is loss of benefits for the one nonparticipating spouse and it seems to be working. Brand questioned why sanctions should be increased drastically by taking away benefits for both spouses and children to punish the one percent.

Hohlfeld admitted that the PROMISE JOBS program had a low sanction rate. About 50 percent who are sanctioned return to the program to participate.

Defer

Further review deferred until 3:15 p.m.

ATTORNEY GENERAL 1.1 to 1.3 Charles Krogmeyer, Assistant Attorney General, reviewed briefly Noticed amendments to 1.1 to 1.3, relating to organizational structure and duties, published in IAB 11/10/93 as ARC 4425A. No questions.

ALCOHOLIC BEVERAGES Janet Huston briefed the Committee on the following agenda:

**ALCOHOLIC BEVERAGES DIVISION[185]** 

COMMERCE DEPARTMENT[181]"umbrella"

Organization, permits, complaints, procedures, forms, 1.5, 1.5(2), 4.2(4), 4.23(4), 4.39, 5.2,

1.5 et al.

No Committee recommendations.

**ENERGY** 

Victor Kennedy, Attorney, and Greg Wright, Energy and Geological Resources Division, reviewed the following:

**ENERGY AND GEOLOGICAL RESOURCES DIVISION[565]** 

NATURAL RESOURCES DEPARTMENT [561] "umbrella"

Energy bank program for public schools, merged area schools, area education agencies, cities,

Ch 6

No questions or comments.

#### **EPC**

Representing the Environmental Protection Commission were Randy Clark, Christine Spackman, Peter Hamlin, Allan Stokes and Anne Preziosi. The following agenda was before the Committee:

### **ENVIRONMENTAL PROTECTION COMMISSION[567]**

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Recycling property — tax exemption, ch 11 title, 11.1, 11.6(1), 11.6(2), Filed Without Notice
ARC 4428A 11/10/93
Drainage district ditch — repair and maintenance, 61.2(2)"h," 70.2, Filed ARC 4429A
Sanitary landfills — definitions, monitoring for explosive gases, remediation,
100.2, 103.2(1)"m"(8) to (11), 103.2(15), Notice ARC 4430A
Regional collection centers, 211.8(2)"c"(6), 211.8(2)"d," Filed ARC 4431A
Controlling pollution, emission standards for contaminants, measurement of emissions, 22.4, 22.100 to 22.147,
23.1(2), 23.1(2)"ooo" and "ppp," 23.1(3), 23.3(2)"d"(3) and (4), 23.4(6), 25.1(9), 25.2, Notice ARC 4356A
Carried over from November agenda

#### Ch 11

No questions on ARC 4428A.

Filed rule on repair and maintenance of drainage district ditches was reviewed briefly and Kibbie was advised that there would be no impact on drainage districts, including areas in a protected stream.

### 100.2 et al.; 211.8

No comments on ARCs 4430A or 4431A.

#### 22.4 et al.

Amendments to 22.4 et al. were before the Committee having been carried over from the November meeting. Hamlin provided background on the rules. In response to concern of the Committee as to the impact of the rules on small business, Hamlin stated that the Act recognized there would be such an impact. He advised there was an organization called "Small Business Assistance Center" funded by EPC, which had been functioning for over two years. Hamlin also pointed out that the statute sets up a panel appointed by the legislature to deal with compliance activities. The ombudsman was also included in this Act with responsibilities which include conducting independent evaluations of all aspects of the Small Business Assistance Program; referring small businesses to appropriate specialists in the program; and aiding in investigating and resolving complaints and disputes from small businesses against the state and local air pollution control authorities. Hamlin pointed out that the legislature passed, at the Commission's request, a voluntary permit program to allow small businesses to opt out of the operating permit program. These rules would be forthcoming.

Scott Young, Nyemaster Law Firm, represented the Iowa Auto Dealers Association. Their concerns included fees on emissions in 22.106(1) which they contended were in conflict with the statute; in 22.105(1)"a"(1), the application deadline would be difficult to meet because of the size of the application and the lack of available consultants to complete them; these applications may not be reviewed by the Department for up to three years. The Association maintained there should be a phase-in provision.

Concerns of the Association not addressed in these rules were the voluntary permit program and the construction permit.

Kibbie inquired about the public hearings and the Department advised they were in the process of developing a response summary to the comments received and would provide members with this summary.

EPC (Cont.)

Stokes provided background on development of the fee structure which they intend to adjust after experience with the program.

Regarding the time for submitting applications, Stokes stated this was a federal requirement. If the program was not approved, the time frame could be modified.

Hamlin advised that voluntary permit rules were in draft form. Stokes interjected that they were working closely with representatives of business and industry and consulting groups in the state in developing the air program and they wanted to continue to work with the Ad Hoc Advisory Group before presenting rules to the Commission.

As to the construction permit concern, Hamlin responded that this was a requirement in the Clean Air Act. EPA will not accept an operating permit without limits that the source must meet. Therefore, the Commission must go through this exercise of issuing a permit with limits so the operating permit can be obtained. He admitted this might create problems for some industries.

Daggett was assured that Iowa's air quality regulations were not more stringent than those of surrounding states.

Young reiterated his concern with the fees and urged clarification. He commended the Department for doing a good job with these rules considering their limited resources. He was aware of potential burden for small businesses. Responding to Priebe, Young unequivocally supported state jurisdiction with adequate funding and staffing over federal regulations.

Stokes commented that, although other states had submitted lower fees, they may not be approved by EPA. He expressed a willingness to incorporate language to require annual review of the permit fee structure.

Royce expressed the opinion that, under Iowa's law, it would be illegal to state that the program would be self-supporting. For a fee of some significance, Royce took the position that it must be set out by rule or statute.

Rittmer and Daggett would support annual review of fees.

Schrader reviewed his concerns relative to the role of the citizens' aide/ombudsman, and noted they had decreased after discussions with William Angrick. Stokes assured Schrader that the Commission had no reservations about involvement by the office of Citizens' Aide.

Angrick agreed that his office would handle their role with the same degree of impartiality followed in any other situation.

No further action by the Committee.

Title insurance

Priebe referenced a letter received from attorneys in Council Bluffs relating to title insurance. Royce explained that in September, the Banking Division updated its rules dealing with standards for real estate loans. Included in these rules was the requirement for title opinions (which is Iowa's law) or title insurance (which is not in Iowa's law except in the title guarantee program). Royce agreed to research the matter and there was unanimous consent to place it on the January agenda.

**Recess** 

Priebe recessed the Committee and reconvened it at 1:30 p.m. for consideration of the following EPC water quality rules:

EPC

#### **ENVIRONMENTAL PROTECTION COMMISSION[567]**

NATURAL RESOURCE DEPARTMENT[561] "umbrella"

Water supplies, 41.3(1)"b"(2)"3," 41.3(1)"c"(2)"4," 41.3(1)"c"(3)"6" and "10," 41.3(1)"c"(8), 41.4(1)"d"(5)"4," 41.5(1)"a," 41.10(7)"a"(3), 41.11(2)"a," 41.11(2)"c"(4) and (5), Filed ARC 4359A

Ch 41

Darrell McAllister represented the Department. Others in attendance included Mary Ann deVries and Linda Kading, Iowa Association of Municipal Utilities; Christina Gault, Iowa Farm Bureau; Mark Dickey, Executive Director, Iowa Rural Water Association; L. D. McMullen, CEO and General Manager, Des Moines Water Works; Reed Craft, General Manager, Waterloo Water Works; and Jack Clark, Executive Assistant, Iowa Utility Association.

McAllister reported that notice on these rules was sent to 1330 water supplies and no comments were received.

The cost of monitoring for small water supplies was discussed.

Priebe thought testing water at the delivery site would solve everyone's problem. McAllister said this change would make Iowa rules less stringent than federal requirements. Royce advised that people in the audience were interested in primacy—should the inspection process continue to follow Iowa rule or federal regulation.

Kibbie and McAllister discussed sampling waivers and costs in Items 10 and 11 and how they pertained to small rural communities.

It was noted that the state would save money by continuing the Iowa program. McAllister stressed that there would be no waivers from monitoring under federal regulation.

Stokes further commented that if the federal government runs the program, over the initial three-year period, for the synthetic organic compounds, there would be a total aggregate cost of about \$20 million for the monitoring. If the state had adequate staff to do the vulnerability assessments and other work necessary to grant the waivers, the agency could cut that figure about in half. The cost to public water supplies in Iowa would be about \$10 million over the three-year period but it represents a \$10 million savings. To do this work, the agency would need from \$500,000 to \$1.3 million additional resources on an annual basis to meet EPA expectations.

Stokes opined that this was a classic example of a federal mandate with costs to be borne by the state.

McAllister advised Doderer that the biggest complaint by water supplies was the number of contaminants to be monitored—many may not be in their water supply.

L. D. McMullen addressed the Committee with a particular concern over loss of primacy. He gave background and an overview from the utility's perspective. He spoke of the history behind the Safe Drinking Water Act, the vulnerability issue and viability which he contended was the biggest concern in providing safe, clean water. He urged the state to look long-range rather than putting together stop-gap measures to keep primacy in the state. McMullen was hopeful for a cooperative effort between the utilities and the Department.

# EPC (Cont.) Water Supplies

McAllister informed Priebe that the state was receiving \$850,000 in federal funds per year, up from \$450,000 in 1986. They will ask the state for \$1.2 million in addition to the federal funding.

Kibbie equated this issue with underground storage tank problems. McMullen advised that EPA would implement a computerized system of monitoring.

Reed Craft spoke on behalf of large and small water utilities of the state. He stated that DNR with their regional offices offer technical advice to smaller water supplies who lack staff to interpret the rules and regulations. He was supportive of additional funding to DNR to continue this service. Also, large and small utilities alike favor retention of primacy.

Priebe asked if the small water supplies would object to a fee to fully fund the program and it was pointed out that fees would be passed to users.

Daggett expressed concern for the low- or fixed-income citizens who would be affected and reasoned that the state would have to provide some of the funding.

Craft alluded to pending federal legislation that would eliminate the requirement for testing for contaminants not found in Iowa. This would result in greatly reduced costs.

Responding to Schrader, Stokes said the increased federal regulations imposed by the Safe Drinking Water Act of 1986 and administration account for the stress placed on existing resources. Schrader shared comments from constituents who recognize increased risk in their water supply and who were willing to share the costs.

# MOTION Delay lifted Ch 41 amendments

Metcalf made a motion to lift the 70-day delay placed on ARC 4359A. Motion carried.

Mark Dickey, Iowa Rural Water Association, submitted written comments, copies of which would be distributed to the Commission and filed in the Administrative Code Office (ACO).

# NATURAL RE-SOURCE COMM.

Richard Bishop, Wildlife Bureau, Marion Conover, Fish and Game Division; and Steve Dermand, Law Enforcement Division, attended for the following agenda:

#### NATURAL RESOURCE COMMISSION[571]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

 Public, commercial, private docks and dock management areas, 16.2, 16.5(1), 16.5(2), 16.5(8), 16.5(10),

 16.6(1), 16.6(2), 16.7, 16.8(1), 16.8(3), 16.9(1)"e," 16.10(4), Notice ARC 4454A
 11/24/93

 Fishing regulations, 81.2(1) to 81.2(3), 81.2(5), Filed ARC 4455A
 11/24/93

 Trotline restriction, 85.1, Filed ARC 4457A
 11/24/93

 Wild turkey spring hunting, 98.2(3), 98.2(5), 98.3, 98.10(2), 98.14, Filed ARC 4456A
 11/24/93

Metcalf in the chair.

16.2 et al.

Dermand reviewed amendments to 16.2 et al. and clarified subrule 16.5(2) relating to removal and reconstruction of docks.

81.2

Amendments to rule 81.2 were before the Committee. Schrader expressed his opposition to the catch and release philosophy on black bass. He viewed this rule as being discriminatory in allowing one group of anglers to catch trophy fish whereas, others such as meat fishermen could not.

# **Motion to Delay**

Schrader moved that 81.2(2) be delayed until adjournment of the 1994 General Assembly.

Conover responded for DNR in defense of the catch and release provision and stated there were no negative comments at the public hearings. He added that he would be disappointed if the ARRC passed the session delay.

### Motion failed

The Schrader motion failed on a show of hands.

85.1

No questions or recommendations on trotline restrictions in 85.1

Ch 98

Amendments to Chapter 98 relating to wild turkey spring hunting were reviewed by Bishop. The impact of the weather on turkey population in the state was briefly discussed.

# **ECONOMIC DE-**VELOPMENT

Lane Palmer was in attendance from the Department for the following:

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF [261]

CDBG — state block grant policy, 23.2, 23.4(3)"aa," 23.4(4), 23.5(1)"g," 23.5(1)"k"(16) to (22), 23.5(2), 23.6(2) to 23.6(4), 23.6(7), 23.7(2), 23.7(8) a," 23.8(2), 23.8(4) c," g," and "i," 23.8(5)"a"(3), 23.8(6), 23.8(8), 23.8(8)"g," 23.8(9), 23.9(4)"d," 23.11(1)"c" and "d," 23.11(2), 23.13(3)"a" and "c," 23.13(3)"d"(1), 23.13(3)"e," 23.13(5)"a" to "d," 23.13(8),

HOME investment partnership program, 25.2, 25.4(1), 25.4(5)"a," 25.4(6), 25.5(1)"a" and "f," 25.5(2)"a," 

Ch 23

Community development block grants in Chapter 23 were reviewed with no questions.

The flood funds under the CDBG program were discussed briefly and it was noted the program was funded by HUD.

# **AGRICULTURE** Special Review, Grade A Milk

Ron Rowland, Director, Regulatory Division, Department of Agriculture and Land Stewardship, reported to the Committee that the controversy with the Amish community over amendment to rule 21-68.12 had been resolved and it had been Filed Emergency to be effective Wednesday, December 15. The Department worked with the FDA relating to the minimum size for the discharge pipe and questions regarding lighting and the Amish will now have discretion in this area. He indicated to Metcalf that the Amish who attended the meeting were satisfied with the outcome.

Priebe in the Chair.

# Welfare Reform

HUMAN SERVICES The controversy regarding the welfare reform changes which was deferred this morning was again before the Committee. Mary Ann Walker, Norma Hohlfeld, and Douglas Howard were present.

> Howard advised that a final agreement had not been reached on the two controversial issues—the appeals process and two-parent families. He stated the Department was committed to further review but he could not guarantee the outcome. Howard observed that all factions had the same goals but the approach may differ. He recommended that the Department be permitted to implement these rules so that family investment agreements could be fully implemented in January. This would allow the Department to come up with an alternative for

either or both options and change the provisions by either emergency or the regular rule-making process. The regular rules would be effective May 1 and they would be before the ARRC in February or March. Under the limited benefit plan, no one would realize reduction in benefits until at least May 1.

Palmer mentioned the possibility of delaying only the objectionable portion of the rules. Howard responded that they could attempt to negotiate family investment agreements and set goals, but without consequences, the incentive would not be there. Palmer continued to talk about the two-parent family. Hohlfeld responded that if the rule about the two-parent family was removed, then there would be no rule that applied to the limited benefit plan or the two-parent household. In response to Palmer, Howard said that two parents were defined as one type of family and, therefore, the one-parent consequence would apply.

## **Motion to Delay**

Palmer declared that the rule, as written, was blatant and unfair in that category of recipient and he moved to delay for 70 days 441—41.24(8)"f"(1-3) relative to LBP policies applicable to two parents in a FIP household.

Priebe requested Dierenfeld to advise agencies who file emergency rules to allow the ARR Committee an opportunity to review them before they become effective.

Doderer supported Palmer's motion.

Metcalf resisted the motion adding that legitimate concerns had been raised which would be referred to the Council. She opined that the time frame allowed adequate time for the Committee to follow up.

Priebe asked about the possibility of emergency amendments by January 1 and Howard thought that was doubtful.

Hedge concurred with Metcalf and requested that the Committee be apprised during the session of any potential elimination of two-parent families from this program. Howard suspected that by early March they would have a sense of how many would participate in the limited benefit plan. The process being used to implement the investment agreement would involve first-time assistance and the existing population would be phased in over a 12-month period.

Rittmer was hesitant to jeopardize the program. He recalled past cooperation by the Department and would not support a delay.

Priebe asked that Steve Conway provide background data on these rules and the makeup of the Human Investment Council—prominent citizens in the state as well as executive and legislative branch.

Doderer expressed dismay at punitive action against the family—the spouse and the children—in order to make this program work. She was hopeful the Committee could be instrumental in change.

# Motion failed

The Palmer motion to delay 70 days failed on a show of hands.

# **Objection**

Schrader moved an objection to 441—41.24(8)"f," and 7.5(8) as being unreasonable. He stressed that placing an objection on the rules would "bring the players to the table around the Noticed rules."

The motion carried and Royce prepared the following:

Objection

At its December 14, 1993, meeting the Administrative Rules Review Committee voted to object to subrule 441 IAC 7.5(8) and paragraph 441 IAC 41.24(8)"f" as published in ARC 4466A on the grounds that these provisions are unreasonable and that these provisions should not have been made effective on an emergency basis. This filing is published in IAB Vol. XVI No. 12 (12-08-93).

Subrule 7.5(8) places significant limitations on a client's ability to appeal decisions relating to the limited benefit plan. That subrule provides:

7.5(8) Appeal rights under the family investment program limited benefit plan. A person's right to appeal the establishment of the limited benefit plan is limited to the Notice of Decision, Form PA-3102-0, from the department establishing the limited benefit plan. A hearing shall not be held if an appeal on the establishment of the limited benefit plan is filed in response to a subsequent Notice of Decision which notifies the person of changes in composition of the eligible group, amount of the grant, or the beginning of the six-month period of ineligibility. When the reason for a subsequent appeal is based on incorrect grant computation, error in determining the eligible group, or other worker error, a hearing may be granted. [emphasis added]

It was the opinion of the Committee that a client who is aggrieved or adversely affected by any decision made as part of the "LBP" should be accorded an opportunity to contest that decision at the time that action was taken, if the client did not initially appeal the establishment of the limited benefit plan. While it is true that not every agency decision triggers an appeal right, the Committee felt that any decision that could terminate or reduce benefits should be accompanied by the right to appeal that decision.

The Committee was also concerned with paragraph 441 IAC 41.24(8)"f." That provision relates to a two-parent household and in part provides that the limited benefit plan can be triggered if either FIA-responsible parent declines to properly participate in the program. This provision is unreasonable because it can result in an active, willing participant, and possibly other family members, losing benefits or eligibility through no fault of their own; the situation is then made worse by subrule 7.5(8), which fails to provide that person with an opportunity to contest that decision. It was the feeling of the Committee that a person should be held accountable for his or her own actions, but that it is unreasonable to allow those actions to impact the rights or duties of another person; especially when that second person has no opportunity to escape that result by showing, in a hearing process, his or her own lack of culpability and their own willingness to actively participate in the program.

Lastly, the Committee believes that it was unreasonable to place these particular provisions in effect on an "emergency" basis. The Committee believes that they are so significant in their impact that these items should have been subjected to public scrutiny and debate before they were made effective. The effect of this objection is to terminate the effective date of these two items 180 days after the filing of this objection.

**Minutes** 

Schrader moved that minutes of the November meeting be approved as submitted. Motion carried.

Recess

The meeting was recessed at 4:05 p.m. and Chairman Priebe reconvened it at 9:05 a.m. Wednesday, December 15.

Reconvened .

Senator Kibbie was excused to attend a funeral. All other members and staff were present.

# **REVENUE**

Priebe called up the Revenue agenda. Carl Castelda and Eldon Sperry were present from the Department.

### **REVENUE AND FINANCE DEPARTMENT[701]**

Taxable and exempt sales — admissions to amusements, athletic events, commercial amusement enterprises,
fairs, and games, 16.26, 17.1(2), rescind 16.27, 16.28, 16.31, Filed ARC 4436A
Prescription and nonprescription drugs and medical devices, 20.7, 20.8, 20.9(3)"a," "c," and "e,"
20.9(4)"f" to "h," 20.10, Notice ARC 4437A
Determination of net income — material participation, 40.38(1)"c," Notice ARC 4438A, also
Filed Emergency ARC 4439A
Collection of debts owed the state of Iowa or a state agency, ch 151, Notice ARC 4440A, also
Filed Emergency ARC 4441A

Ch 16

In review of taxable admissions to amusements, fairs, etc., Castelda clarified that if admission charges to general public were subject to sales tax, there would be no sales tax on entry fees.

Responding to Daggett, Castelda said if the tractor pull charged an admission there would be sales tax on the admission charge, therefore, there would be no sales tax on entry fees. Castelda agreed to research for Daggett on an admission charged to the county fair, but not to the tractor pull.

Metcalf in the Chair.

Ch 20

Prescription and nonprescription drug tax exemptions were reviewed, Chapter 20.

Metcalf relayed concerns of Kirk Norris, Iowa Hospital Association, in 20.7(2), regarding interpretation of subparagraph "a" which stated that a prescription drug or device must be dispensed by a practitioner to an ultimate user for exemption to apply. Norris pointed out that a medical supply store was not a licensed facility.

Norris elaborated on other concerns of the Association.

40.38

In review of revised 40.38(1)"c" relative to deduction from net capital gains, Halvorson was provided further clarification on material participation on rental activities or businesses.

Rittmer was advised that the revision would be in compliance with federal statutes. No Committee action.

Ch 151

New Chapter 151 was discussed and Metcalf questioned whether further clarification was needed in the last sentence of 151.6—payment of collected amounts. Castelda responded that intent was to have very general rules while the program was being implemented.

Halvorson asked if all refunds would fall under Revenue's jurisdiction. Castelda stated that the statute provided the Department offset authority—the Department could collect a debt on behalf of the state. Sperry elaborated on prioritization of disposition of the funds collected, e.g., general fund or the county.

On a subject not on the agenda, Rittmer inquired about impact on the roll backs on residential property taxes. He said cities were complaining about reduced



REVENUE (Cont.)

evaluations. Castelda responded that was part of the equalization process following a statutory formula.

Priebe in the Chair.

LOTTERY Ch 13 Nichola Schissel and Steven King were in attendance for Emergency Filing of 705—Chapter 13, "Iowa's Lucky Day," published in IAB 11/10/93 as ARC 4402A. Schissel reported that the payout was 55 percent. There were no recommendations.

INSURANCE DIVISION

Susan Voss represented the Division to review Filed new 101—Chapter 71, "Small Group Health Benefit Plans," published in 11/10/93 as ARC 4414A. The rules were previously adopted under Emergency rule making in 7/21/93 IAB.

Voss agreed to refer to the Commission questions by Palmer regarding new language in 71.3(5)"a". No Committee action.

PERSONNEL DEPARTMENT

Clint Davis, Elizabeth Sanders, IPERS Deputy for Investments; and Greg Cusack, IPERS Deputy for Benefits, were present for the following agenda:

PERSONNEL DEPARTMENT[581]

Ch 21

Sanders advised members that these rules would complete implementation of Iowa Code chapter 12A which was adopted in 1986. There was brief discussion of quorum requirements with it being noted there were 8 voting members on the IPERS Board. No comments were received at the public hearing.

MEDICAL EXAMINERS BOARD The following agenda was reviewed by Ann Martino and Dennis Carr.

MEDICAL EXAMINERS BOARD[653]
PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Licensure requirements, allied health committee, 10.3(5)"I"(6), 11.1(1)"b"(2)"3,"

10.3, 11.1

No questions or comments on amendments to 10.3 et al.

Ch 14

New Chapter 14, "Registration of Acupuncturists," was before the Committee.

Oriental medicine was defined at Daggett's request but it was determined that the proposed rules were limited to acupuncture.

Martino indicated to Rittmer that fewer than 10 doctors practice acupuncture in Iowa but they do not have to register under these rules.

Kathleen A. Colburn addressed the Committee as a private citizen who expressed concern over the stringent educational requirements for nonphysician acupuncturists to register in Iowa—14.5(1)"d." She contended the rules were heavily biased toward physicians. The text of her letter is on file in the Administrative Code Office (ACO). Colburn also referred to and distributed copies of a letter to the Board from Barbara B. Mitchell, an attorney and licensed acupuncturist, who also expressed concerns over stringent licensing requirements. She quoted from the letter which is also on file in the ACO.

# **MEDICAL EXAM-**INERS (Cont.)

Martino then distributed to the members copies of a proposed revision to paragraph "d" in question which would be implemented immediately to make the educational requirements less stringent. She said Mitchell has reviewed the proposal and was in agreement. Colburn also concurred that the proposed revision was reasonable.

In review of 14.10, relating to evaluation and referral of a patient by a medical evaluator, Royce advised that these requirements were set out in Iowa Code section 148E.10.

In response to Hedge as to requirements of other states, Martino stated that Pennsylvania and Washington D.C. have referral requirements similar to Iowa's proposal which as had no apparent impact on the number of practitioners. She thought that cooperative relationships were worked out between physicians and acupuncturists. Martino spoke of the range of evaluators being much greater in Iowa which makes it more difficult for the Board, as the regulatory agency, to ensure that the referrals are done properly. It also makes it confusing to patients as well. Martino opined that the issue may have to be addressed statutorially.

Motion-GA Referral Doderer then moved that rule 653—14.10(148E) be referred to the Speaker and President of the Senate for referral to the appropriate committee. Motion carried.

Metcalf in the Chair.

# **PROFESSIONAL LICENSURE**

Carolyn Adams represented the Division for the following agenda.

### **PROFESSIONAL LICENSURE DIVISION(645)**

PUBLIC HEALTH DEPARTMENT[641] "umbrella"

Podiatry - examination fee, prevention of HIV and HBV transmission, license and temporary license

20.6

No questions on amendments to 20.6(1).

Ch 220

In review of amendments to Chapter 200, Adams informed Metcalf that each of the examining boards or professional licensing boards would be responsible for complying with the HIV prevention recommendations. No Committee action.

PUBLIC HEALTH Ronald Eckoff reviewed minor changes to the local substitute medical decision-making boards, 85.3(5), 85.6(2), 85.12, Noticed in IAB 11/24/93 as ARC 4452A. Approximately 8 counties have appointed boards. No recommendations.

## HEALTH DATA COMMISSION

Pierce Wilson represented the Commission for the following and there were no Committee recommendations:

## **HEALTH DATA COMMISSION[411]**

Submission of data, posting and submission of hospital price information, health care utilization task force, 

Priebe in the Chair.

# SESOUICENTEN-NIAL COMM.

Filed Chapter 1, "County Sesquicentennial Commission Certification and Chapter 2, "Criteria for Grant Proposals and Awards," published in IAB 11/24/93 as ARC 4445A were presented by Scott Raecker. He reported that 89 counties were currently mobilizing county commission and the other 10 counties have identified conveners who will coordinate the appointment process after the holidays. No Committee recommendations.

# SOIL CONSERVATION

Kenneth Tow represented the Division to review the Amended Notice of 27—Chapter 40, Coal mining, published in IAB 11/10/93 as ARC 4424A. No questions.

# TRANSPOR-TATION

Shirley Andre and Terry Dillinger of the Motor Vehicle Division; Dennis Ehlert, Harry Miller and Jan Hardy were in attendance to review the following agenda:

#### TRANSPORTATION DEPARTMENT[761]

400.1 et al.

Ehlert reviewed amendments to 400.1 et al. and advised Daggett that no comments had been received nor did anyone appear at the hearing.

In 400.41(2)"b"(4), Metcalf suggested revision as follows: "Child" includes, but is not limited to, a stepchild, foster child or legally adopted child who is younger than 18 years of age, or a dependent person 18 years or older who is unable to maintain his or her self.

Hedge questioned the change in 420.1 and was informed it was based on statutory revision.

600.4 et al

Dillinger gave a brief overview of amendments to 600.4(4) et al.

Schrader reminded members that rule 605.26—license renewal by mail—had generated much discussion at the October meeting. (Notice 9/29/93 IAB) Specifically, the proposed rule precluded mail renewal by anyone over 55 or anyone with a moving violation in the last four years. Schrader took the position that both requirements were too restrictive.

Dillinger commented that this issue had been discussed at length. Andre added that no comments were received on this part of the rule and it was determined that insurance rates would not increase. She continued that when this was discussed previously by the ARRC, the Department did not believe that it was Committee consensus to make changes.

Andre agreed to provide Doderer with statistics from National Highway Traffic Safety Administration which confirm "older" people have more accidents for the miles that they drive.

Palmer questioned the data used to make the determination of a "clean driving record" in 605.26(2)"d." Information would be provided to him by the Department. he also commented that the "over 55 restriction" was contrary to

DOT (Cont.)

insurance companies which offer substantial discounts to those between 55 and 65 years of age who drive very few miles.

Dillinger explained that the 55-year threshold was not based on accident experience but on the fact that health problems and vision changes may affect driving ability. Use of age 55 was supported by the Medical Advisory Board.

Motion

After further discussion, Halvorson moved to refer the issue to the legislature for study.

Andre asked for clarification since the Department intended to implement the rules by February.

Substitute Motion

Priebe suggested a 45-day delay for further study. Schrader moved a substitute motion to impose 70-day delay on 605.26(2)"a" and "d" for further study. This delay would be effective 12/29/93. Metcalf preferred this approach.

Motion carried with one "no" vote. Halvorson withdrew his motion.

Ch 720

Miller reviewed amendments to Chapter 720, Iowa airport registration. No questions.

**ELDER AFFAIRS** David Ancell reviewed the following agenda:

#### **ELDER AFFAIRS DEPARTMENT[321]**

Definitions, fiscal policy, nutrition services, 1.7, 5.1(4)"j," 5.2(1)"b," 6.8"20," 7.3(1), 7.3(2), 7.3(4)"b," Adult day care and institutional-based respite care; noninstitutional respite care, chs 24 and 25,

1, 7 et al

No questions on ARC 4460A.

Chs 24, 25

With respect to new Chapters 24 and 25, Hedge relayed concerns of constituents who felt the "red tape" was exorbitant for persons in adult day care for a short period of time, e.g. complete medical history, diet, etc. Ancell stressed that patients' health and well being were important factors to ensure they would not be at risk. However, he would relay Hedge's concerns to the Director. No formal action.

## UTILITIES DIVISION

Vicki Place and Lisa Chalstrom presented the following agenda:

#### **UTILITIES DIVISION(199)**

COMMERCE DEPARTMENT[181]"umbrella"

Ch 35

No questions or comments on amendments to 35.6(1), 35.8(9) or 35.8(6) in ARCs 4461A and 4449A.

### Special Review SO<sub>2</sub>

The special review on sulfur dioxide emissions was before the Committee. Royce explained that when rules on this subject were considered by the Committee previously, he was requested to send a letter to Congress expressing Committee's concerns about a utilities ability to sell surplus emission by one utility to other utilities that could not meet the new standards.

UTILITIES (Cont.) Motion	Chalstrom provided the Committee with details of the program which has been successful for several years. Doderer moved to rescind the previous Committee action taken to send a letter to Congress. Motion carried.
RACING AND	Lou Baranello gave explanation of the following agenda:
GAMING	RACING AND GAMING COMMISSION[491] INSPECTIONS AND APPEALS DEPARTMENT[481]"umbrella" Thoroughbred racing — jockey's weight, 10.4(19)"i"(2) and (3), Filed ARC 4422A
20.10, 25.10	In review or riverboat license amendments, Halvorson asked if this could be a one-year license subject to renewal. Baranello agreed.
10.4	Priebe questioned authority to require safety vests for jockeys. Baranello thought there was no question about it and Priebe requested Royce to research the matter.
NO REPS	ARCHITECTURAL EXAMINING BOARD[193B] Professional Licensing and Regulation Division[193]
	COMMERCE DEPARTMENT[181]"umbrella"
	NCARB publication dates; description of seal; sales of goods and services; petition for rule making
	and for declaratory ruling, 2.2(1), 4.1(6)"b," chs 7 and 8, Notice ARC 4443A
	CORRECTIONS DEPARTMENT[201]
	Preemployment tests, criminal records checks, 40.5(10), Notice ARC 4442A
	GENERAL SERVICES DEPARTMENT[401]
	State vehicle dispatcher vehicle assignments, 1.8(4), 1.8(6), Notice ARC 4427A
	PHARMACY EXAMINERS BOARD[657]
•	PUBLIC HEALTH DEPARTMENT[641]"umbrella"
	Controlled substance accountability, 10.10(6), Notice ARC 4415A
	PUBLIC EMPLOYMENT RELATIONS BOARD[621]
•	General provisions, prohibited practice complaints, internal conduct of employee organizations,
	administrative remedies, 1.2, 1.3, 1.6(1), 1.6(2), 1.6(4), 1.6(6), 3.1 to 3.4, 3.5(3), 3.7, 3.8, 3.10,
	8.2(2)"a," "b," and "f," 8.5, 9.1, 9.2, Notice ARC 4420A
	SECRETARY OF STATE[721]
	Election forms and instructions, renumber 21.1 to 21.17 as 21.1 to 21.830; amend renumbered 21.1,
	21.1(1) to 21.1(4), 21.1(11)"h" and "i," 21.2(1), 21.300, 21.300(1), 21.300(2), 21.800(3)"b"(1) and (2),
	21.801, 21.801(1), 21.801(2), 21.810(1), Filed ARC 4450A
January Agenda	Advance copies of the January 4 and 5 agenda were distributed to Committee members with a reminder that the meeting would be held in Room 116.
Adjournment	The meeting was adjourned at 12:30 p.m.
	Respectfully submitted,
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Phyllis Barry, Secretary
Assisted by Mary Ann Scott