# MINUTES OF THE SPECIAL MEETING OF THE ADMINISTRATIVE RULES REVIEW COMMITTEE

# Time of Meeting

The special meeting of the Administrative Rules Review Committee was held Wednesday and Thursday, May 9 and 10, 1990, Committee Rooms 22 and 24, State Capitol, Des Moines, Iowa. This meeting was held in lieu of the statutory date of May 8, 1990.

### Members Present

Senator Berl E. Priebe, Chairman; Representative Emil S. Pavich, Vice Chairman; Senators Donald V. Doyle and Dale L. Tieden; Representatives David Schrader and Betty Jean Clark.

Staff present: Joseph A. Royce, Counsel; Phyllis Barry, Administrative Code Editor; Alice Gossett, Administrative Assistant. Also present: Paula Dierenfeld, Governor's Administrative Rules Coordinator; Evelyn Hawthorne, Democratic Caucus.

#### Convened

Vice Chairman Pavich convened the meeting at 10:05 a.m. and called on College Aid Commission for the following:

COLLEGE AID COMMISSION[283]

EDUCATION DEPARTMENTERIL | sambords |

Stafford loan program, 10 33. Filed Emergency ARC 783A. 4/4/90

10.33

Appearing for the Commission was Laurie Wolf, Director of Field Service. Wolf stated that as a cost-saving measure, the Commission moved back by 20 days the date of the filing of a mechanism used to get delinquent student loans paid.

In response to question by Tieden, Wolf said that default in Iowa is 7.1 percent; the national rate is 11.6 percent. No further questions.

### LABOR SERVICES DIVISION

Appearing for Labor Services Division was Walter Johnson, Deputy, and he explained the following amendments which were adoption of Federal rules:

 LABOR SERVICES DIVISION[347]

 EMPLOYMENT RENUCES DEPARTMENT[341] "materilla"

 OSHA rules for general industry, 10.20.
 Notice ARC 794A
 4/4/90

 OSHA rules for general industry, 10.20.
 Filed ARC 792A
 4/4/90

 OSHA rules for construction, 26.1.
 Notice ARC 793A
 4/4/90

 OSHA rules for construction, 26.1.
 Filed ARC 791A
 4/4/90

Pavich voiced concern with respect to use of dangerous and hazardous chemicals by non-English speaking people. Johnson assured him that this issue was addressed in the rules. He stressed that the availability of an interpreter would be required for facilities with certain number of employees. In other situations, the right-to-know information must be communicated to employees in a manner which they understand. No Committee action.

# PERSONNEL DEPARTMENT

Clint Davis, Bureau Chief, presented the following agenda for the Personnel Department:

5-9-90

PERSONNEL DEPARTMENT Contd.

Davis explained that majority of the amendments address the "Classification System" in the Department. recalled opposition to the classification rules from some employees of the Departments of Natural Resources and Economic Development. Davis continued that one of the individuals from Natural Resources, met on at least two occasions with the Personnel Commission and participated in the drafting of the Notice. The proposal provides additional opportunity for employees who are dissatisfied with the results of the classification appealed to ask the Commission to review the decision of the Classification Appeal Committee, prior to going on to judicial review.

Other miscellaneous changes include: flexibility to departments for the pay of persons on internship appointments; Chapter 12 was clarified by giving two alternative methods for filing grievances as a result of discipline of noncontract employees; Chapter 20 was clarified as to which entities are required to submit an annual affirmative action plan and report; and revision in Chapter 25 changes the administration of the "One Gift Campaign" to an executive board. This board will be comprised of representatives from state government.

In response to a question by Tieden, Davis said that a list of the top six scores, starting with the highest, is provided to an agency with a vacancy. That may be six names, or if there are tie scores, it could be sixteen or But the agency must select someone from the top six to fill that vacancy. People who do not score high enough to get in the top six, are frequently dissatisfied because they say they never were contacted to be interviewed for the job but the reason is that their score was not high enough to be on the list sent to the agency. examination can be taken again, within 30 days. an arrangement with Job Service of Iowa to use a test for a number of jobs that is the same that Job Service uses for private employers called the GATB, which is a general aptitude test battery, and the retake on that is every 6 months. That is a rule that is applied to all people, whether they are applying for state government or private sector job. Lists would be updated if there were higher scores. No Committee action.

CREDIT UNION DIVISION James Forney, Superintendent, presented the following and there were no questions:

CREDIT UNION DIVISION[189]

Committee Business Minutes

Pavich moved to approve the minutes of the April meeting as submitted. Motion carried.

Citizen's Aide

Royce discussed a recent Supreme Court ruling in the case of Rolf's v. Ombudsman. The court held that the Citizen's Aide (Ombudsman ) office under the Legislative branch was an administrative agency and must promulgate rules like any other agency. Royce touched on the significance of the case since other legislative agencies such as the

Committee Business Contd.

Rules Review Committee, Legislative Council, Service Bureau and Fiscal Bureau might be required to file rules.

Ch 17A Amendment Barry sought permission from the ARRC to include an "Attention" page in the June 27 Iowa Administrative Bulletin. The purpose of the page would be to alert all agencies of changes to administrative procedures by 1990 Iowa Acts, S.F.2280: (1) Citations for the IAC and IAB; (2) The ARC number defined and (3) Implementation statutes required in all rules. Schrader moved that the attention page be published in the IAB. Doyle asked that authorization be tentative pending ARRC approval of the notice. Motion carried.

DISASTER

SERVICES

Motion

Ellen Gordon, Administrator and Myrna Foster, Administrative Assistant, appeared for the following:

Gordon stated that the rule making was basically updating, correcting numbers, etc., as a result of government reorganization. The rules implement Iowa Code Chapter 29C. The Notice was sent to all 99 counties. Their comments were taken into consideration for the final draft. Tieden asked about "joint boards" and Gordon said that 85 counties have joint boards. No further questions or comments.

Priebe in the Chair.

ARRC Meeting Dates Discussion of dates for ARRC meetings with Tieden urging that the Committee attempt to follow the statute or at least set definite dates so that members could adjust their schedules accordingly.

Chairman Priebe announced that the June meeting would be decided later in the meeting; the July meeting would be the 10th and 11th; August meeting would be 14th and 15th; and the September meeting was scheduled for 11th and 12th. After some discussion, it was decided that a special meeting would be held on Friday, June 8 and Wednesday, June 13.

DEPARTMENT OF ECONOMIC DEVELOPMENT The following were present for the Department of Economic Development agenda: Mike Miller, Ken Boyd, Thom Guzman, Melanie Johnson, Frank Vance, Jeananne Hagen and Erik Eriksen.

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF [261]

Community economic betterment account (CEBA), 22.2, 23. 2, 23.0, 27.7, 22.6(4), 22.7(2), 22.8(1), 22.8(3), 22.8(4), 22.9(4), 2

Ch 22

Mike Miller, Chief for the Bureau of Business Grants and Loans, reviewed proposed revisions for the CEBA program. The rules address when and to what extent the Department would require repayments from businesses that are provided funding under CEBA and have not met their job pledges. Other clarifying amendments are also proposed.

ECONOMIC DEVELOP-MENT Contd.

22.13

Tieden referred to 22.13(3) "a"(1) which provided, "If the recipient fails to achieve at least 50 percent of the job attainment goal, 100 percent of the award will be due as a loan at an annual interest rate as determined periodically by the board." Miller stated that this approach was strictly a policy decision.

Schrader discussed quorum requirements in 22.3. The last sentence stated that "The vote of a majority of members in attendance is necessary for making recommendations to the board." He suggested deletion of "in attendance" and Miller was amenable.

Doyle commented on amendments to 22.6(3)e and suggested that the words "in turn" be stricken from the fourth sentence. Also, in 22.6(4), Doyle thought "electronic" should be changed to "telephone" meeting. In addition, in 22.13(1)a Doyle recommended use of "guaranty" for "warranty." Finally, Doyle expressed his opinion that 22.14(1)a should be rewritten to eliminate use of "There is no likelihood". Department officials agreed to consider the recommendations.

Ch 43

Thom Guzman, State Coordinator for the Main Street Program, explained new Chapter 43 which had been clarified at the recommendation of the ARRC at its February meeting.

Tieden reiterated his concern that there was no point system. Guzman replied they based the rules on the Secretary of Interior Standards for Historic Preservation. Selection for the communities is based on a point system and that is in the rules. Guzman emphasized that Main Street was not a competition but would allow communities to tap into low interest loan funds.

Doyle and Guzman discussed assessment of property designated as historic sites. It was Guzman's understanding of the new law that as an incentive for owners of historic properties, they are allowed to rehabilitate their buildings based on the federal standards. Also, they are allowed a tax abatement for four years and then a sliding scale is used to bring it back up to the new tax assessed value at the end of 8 years. This would be a local decision—the ordinance must be passed by the local governing bodies. Guzman advised Doyle that both city and rural properties would be eligible. However, Main Street was strictly concerned with downtown "main street" properties. Doyle was concerned about inequity in assessments. Guzman stressed that the local governing body must adopt an ordinance.

Priebe asked if historic property owned by the Historical Society in the county was assessed now and Guzman did not believe it was.

## EDUCATION DEPARTMENT

The Department was represented by Terry Voy, Transportation Consultant, Eric Eriksen, Consultant, Bureau of Instruction Curriculum, Frank Vance, Chief, Bureau of Special Education; Duane Toomsen and Jeananne Hagen. The following agenda was considered:

EDUCATION DEPARTMENT[281]	
School-based youth services programs, ch 66. Filed Emergency After Notice ARC 777A	4/4/90
Use of telecommunications for instruction by schools, ch 15. Flied ARC 859A	5/2/90
Education of pupils requiring special education, administrative law judge, amendments to ch 41, 41.33(1), 41.33(3), 41.35(3), Filed ARC 860A	6/2/90
School buses, 44.257g, Filed ARC 881A. Educational support programs for parents of at risk children aged birth through three years, ch	8/2/90
67. Filed ARC 863A	5/9/00
Conservation education, ch 68 Filed ARC 862A	5/2/90

Ch 15

Eriksen reviewed Chapter 15 which was identical to the Notice. There were no ARRC recommendations.

44.2

Voy described amendment to 44.2(5)g as modifying the criteria requirements at which point a vehicle must be equipped with air brakes. They are returning to the original method which was based on wheel base and vehicle capacity.

Priebe wondered if this had been controversial and Voy replied that how to accomplish it had been a problem because of the industry changes. Ratings used to be 8000 lb. front axles and 15,000 and 17,000 lb. rear axles which were quite adequate. Now the standard, in many cases, is 9000 lb. fronts and 18,000 to 19,000 lb. rears. The loads are not increasing so school districts are being forced into an air brake system when it is not needed.

There was discussion as to the impact of the new Commercial Driver License (CDL) legislation on school bus drivers. Voy said they were reviewing three different seminar type programs for CDL preparation where the Department can work with schools.

Ch 41

Vance summarized amendments to Chapter 41 which were intended to address federal compliance issues, clarify special education appeal procedures and update Code references.

Pavich took the chair.

Doyle was interested in the procedure for expunging records if a child were evaluated or rated incorrectly. Vance explained the process for doing this which would include a records hearing. The local district administration would be asked to expunge certain information from the record and if the district refused, the parents could request a records hearing to have that decision reviewed and a decision made. This process would not be limited to special education children. No further questions.

Ch 67

Hagen presented adopted Chapter 67 which was identical to the Notice. She indicated that no comments were received at the hearing held March 29. No ARRC recommendations.

Ch 68 Review of Chapter 68 was temporarily deferred. See page 4304.

EDUCATION DEPARTMENT Contd.

Royce explained that Ray Morley of the Education Department could not appear today for review of Chapter 66 but was willing to attend the June meeting.

Schrader noted that Royce had commented on Chapter 66 in his Rules of Interest memo. Royce observed that the rules lack criteria for the Department to evaluate competing proposals and select projects for funding.

Schrader thought Royce's point was well taken since he recalled that the Department anticipated 15 or 16 applicants.

Clark said there were many applicants, seven of which were singled out as very good proposals. The four that were selected were chosen primarily on the basis that they had a larger number of people who fit the category—not necessarily because they had better proposals. Schrader requested information on the criteria used.

DENTAL EXAMINERS Connie Price, Executive Secretary, presented the following amendments of the Dental Examiners and there were no questions.

TREASURER OF STATE Lynn Bedford was present for the following:

Bedford clarified that rule 4.8 addresses eligibility to participate, eligible uses for the proceeds of the loan, the maximum amount that can be loaned to an individual borrower, conditions of renewal of a CD after a project is completed, and that it can be used in conjunction with other state, federal and local financing programs and a new subrule also allows for refinancing of existing loans, if those loans were made after May 24, 1989.

In response to a question by Tieden, Bedford explained that borrowers must meet requirements of Economic Development Department and the Historic Preservation Division of Cultural Affairs Department. When the borrower has been certified as eligible, the Treasurer of State will be notified to provide the funds. Ten percent of the state's General Fund is set aside for this—it is an investment and is not appropriated.

Bedford discussed the role of the Rate-Setting Committee. There was brief discussion of the Notices of Public Funds Interest Rates which are provided to the Administrative Code Editor by the Treasurer of State for publication in the Iowa Bulletin. [Ia Code §453.6]

UTILITIES DIVISION

Appearing for the Utilities Division were Vicki Place, Gary Stump and Anne Preziosi and the following agenda was considered:

UTILITIES
DIVISION
Contd.

UTILITIES DIVISION[199]
COMMERCE DEPARTMENT[181] umbre

COMMERCE DEPARTMENT[181] "umbreile"	
Options for demand charge allocations - purchased gas adjustment formula, 19.10(3), Notice ARC 845A	5/2/90
Demand charges allocations — purchased gas adjustment, 19.10(3), Filed Emergency ARC 846A	5/2/90
Take-or-pay adjustments, 19.10(5), 19.10(7), Filed ARC 844A	5/2/90
Distribution of management efficiency report, 29.5. Notice ARC 855A	
Application for water costs for fire protection services, 21.8. Amended Notice ARC 786A	4/4/90
Lowest rate quotes — telephone, 22.4(1 Fa [2]). Filed A RC 7RRA	4/4:00
FILIDE DI ADDUAL FEDOTIA, 23. 1(2). FILES A RE: 787A	4 . 4
Reorganization of public utilities, ch 32. Notice ABC 822A.	A/10/00

- 19.10(3)
- Place offered background information on amendments to 19.10(3), Emergency and Notice. No comments.
- 19.10

Place reviewed 19.10(5) and 19.10(7) and agreed to provide the Committee with information on the E factor with respect to the take-or-pay adjustment formula--19.10(5)c.

Priebe in the Chair.

29.5

Preziosi said that amendment to 29.5 was intended to clarify requirement for annual reports and the distribution of same.

Doyle took the position that "may" would be preferable to "shall" in the last sentence of 29.5(476).

Priebe reasoned there should be a Committee to study the need for the various statutory reports which are seldom used. He suggested that Doyle and Tieden mention this to the Legislative Council.

- 21.8
- Preziosi said that 21.8 was renoticed following comment period where flaws were revealed. The rule will be clarified with respect to application information.

At the request of Doyle, Preziosi agreed to check whether 10 copies were needed in 21.8(4)a.

22.4(1)

Stump told the Committee that the final version of 22.4(1) resolved the ambiguity they pointed out in the Notice. Doyle recounted a telephone service problem reported by a constituent of his. He wondered if there were any protection from being switched from company to company. The constituent was switched to a service different from his customers who now have to pay 50 cents to call him. Department officials agreed to provide information to Doyle.

- 23.1(2)
- Preziosi explained amendment to 23.1(2). No questions.
- Ch 32

Stump reported that comments regarding Chapter 32 had been favorable. No ARRC action.

EDUCATION DEPARTMENT

Ch 68

Chairman Priebe called on Duane Toomsen to discuss adopted Chapter 68 of Education rules which had been deferred earlier. Toomsen pointed out that the rules have been implemented as emergency adopted in February. He informed the Committee of requests they had received concerning the rules which address conservation education programs. The Iowa Association of Soil Conservation District Commissioners, Soil Conservation Education Commissioners, Interpret-

EDUCATION Contd.

ative Naturalist Association and the Iowa Conservation Education Council, felt they should be represented on the Soil Conservation Education Program Board. The three-member Board comprises representatives from the Departments of Natural Resources and Education, and the Iowa Association of County Conservation Boards. A statutory change would be needed to accommodate these requests.

Priebe thought the Department should notify the legislature of this matter.

Recess Reconvened Chairman Priebe recessed the Committee for lunch at 11:50 p.m. and reconvened it at 1:30 p.m.

ENVIRONMENTAL PROTECTION
COMMISSION

Chairman Priebe called up the following rules:

Representing the commission were: Mike Murphy, Randy Clark, Wayne Reed, Morris Proctor, Allen Stokes, Mark Landa and Diana Hansen.

Mark Landa told of the Department's proposal to amend Chapter 23 to exempt from the open burning prohibition trees and trimmings burned under the control of a local governmental unit. A new exemption will allow for the open burning of agricultural structures in rural areas except in particular nonattainment areas.

Priebe and Landa discussed the fact that asphalt shingles would have to be removed before the structure was burned. Landa clarified that diseased trees would be exempt from open burning prohibition.

Diana Hansen presented amendments to 60.2 et al. on water et al. quality standards.

Priebe questioned the definition of "Secondary contact," and Hanson said it would cover anyone who fell into the water.

100.1 Mike Murphy explained amendments to 100.1 et al. and et al., 101.3. No questions.

Ch 109 Murphy described amendments to Chapter 109 as intended to conform tonnage fees on solid waste to recent revisions in the Code. Priebe recalled a situation in Algona where landfill tonnage fees for disposal of a storage tank had more than doubled. Murphy said that the statute sets fees but there were exceptions for material that is not buried. He was not familiar with the Algona matter but pointed out that the Department does not set the landfill fees charged at the gate. He advised Priebe that the

EPC Contd.

Department collects a fee for each time solid waste is disposed of in a landfill as prescribed by the legislation—currently \$2 a ton with 50 cent increase each year. The landfill retains 50 cents of the fee.

Priebe expressed his frustration with the manner in which Department of Natural Resources had responded to an underground storage tank matter in his district. The owner of the service station followed specific instructions and the project was approved by DNR. Now DNR wants "bore samples" from underneath the building.

Stokes was familiar with the circumstances of Mr. Hilton's station. He stated that the Department encourages soil samples and testing while the opening is excavated. soil samples exceed the 100 part per million threshold after overexcavation, more in-depth analysis is required. Stokes indicated that Hilton's consultant took those samples and sent them to a laboratory of his choice. Stokes emphasized that it may be several weeks before the laboratory results are available and the Department allows installation of the tanks or filling in the hole if there is no intention of replacing the tanks. This allows an operation to continue but the Department makes it very clear that depending upon lab results, further studies might be Stokes recalled that Hilton made the decision to put the tanks back, fill in and cement the area prior to laboratory results. Stokes was willing to provide Priebe a complete file copy of everything that had transpired.

Priebe wondered if legislation was needed. Stokes clarified that the Department was not asking Hilton to excavate underneath his building but was requesting further sampling in terms of a ground water sample and additional borings around the outer perimeter of the building in the respective direction of the contaminant plume. Priebe suggested that a letter of explanation be sent to Hilton. Stokes indicated that the Department would not oppose more restrictive legislation but he felt that would work a hardship on the tank owners who rely on pumping gas for their livelihood. Priebe and Stokes discussed the time frame for laboratory results with Stokes pointing out that the Department does not do the sampling.

He continued that the state hygienic laboratory was fully capable of performing the tests but DNR has not mandated a designated laboratory. Stokes reasoned that additional staff would be needed if the state were to assume this responsibility.

Priebe reiterated his position that improvement in the system was possible.

Chairman Priebe recognized Randy Clark who reported on DNR staff action following the 70-day delay of portions of 39.8(3) and 39.8(4)a. Staff proposals will be submitted to the Environmental Protection Commission in the coming months and they will be working through the rules process.

EPC Contd.

Assuming the Commission approves, agricultural lime will be added to the two sentences that were delayed and to a third sentence which was not delayed—39.8(4)c, first paragraph, second sentence.

Royce advised against lifting of the 70-day delay at this  $\$  time.

R. Clark stated that the next Commission meeting was scheduled for May 21. No ARRC action.

NATURAL RESOURCE COMMISSION Appearing for the Commission were: Bob Walker, Marion Conover, Fisheries Supervisor; and Don Cummings, Wildlife Supervisor.

NATURAL RESOURCE COMMISSION[571]	
NATURAL RESOURCES DEPARTMENT[641] * **********************************	
Snowmobile and all-terrain vehicle registration revenue cost-share program, ch 28. Filed ARC 857A	5290
Turtles, 86.1(1), 86.1(5), Notice ARC 858A	5.2.90
Waterfowl and coot hunting seasons, 91.4(27 k," Amended Notice ARC 856A	5,2,90

Ch 28

Walker reviewed Chapter 28 relative to the cost-share program for snowmobiles and all-terrain vehicles. Walker pointed out that the date for request for reimbursement on the ATV program was changed from July 1 to September 15; also, grammatical changes had been made following Notice. No one commented at the public hearing but written suggestions were received.

Schrader informed Walker of concern by some ATV enthusiasts that the September date, while appropriate for snowmobile trails, was out of sync with activity on ATV trails. Priebe concurred.

Schrader reasoned that two different dates would be a logical solution.

Walker recalled conversation with Ken Meyers who was anxious to utilize any ATV funding this year. Walker reminded that registrations are slow in coming in and that there was only \$3900 in the fund. He would favor two reviews a year in the future since the two activities do differ. When setting the September 20 review date for the ATV program, the Department thought that would allow time in the summer to work on projects and define areas for appropriation. Schrader requested the Department to consider two review dates—April 1 and September. It was his opinion that emergency adoption would be appropriate.

Priebe mentioned that an ATV dealer had expressed his preference for January 1 for consistency.

Priebe suggested an amendment to become effective on June 6 to coincide with the effective date of Chapter 28.

Walker informed Tieden that they had hoped for 20 to 30 thousand registrations in the first period but have about 300. He suspected that the ATV owners were unaware of the new law even though there has been a fair amount of publicity on it. Department officials met recently with County Recorders and sent letters to clarify that ATV owners are no longer to be registered as snowmobiles.

NATURAL RESOURCE COMMISSION Contd.

It was pointed out that a permit is required to ride an ATV along a frozen lake or stream. Walker mentioned good media coverage on the matter. No Committee action.

86.1

Conover explained that the purpose of amendment to 86.1 was proposed to remove alligator snapping turtles from permissive catch. Ultimately, these turtles will be placed on the endangered species list. Conover described the alligator snapping turtle as having a sharp ridge on its shell that is higher than the shell of a snapping turtle. No Committee action.

91.4

No questions on amended notice of 91.4(2)k.

TRANSPORTA-MENT

Those appearing for the Department included: Roger TION DEPART- Anderberg, Susan Albright, Julie Fitzgerald and William Zitterich. The following agenda was considered:

	•	-	
TRANSPORTATION DEPARTMENT(761)		_	
Real property acquisition and relocation assistance, ch 111. Filed	Į AF	RC 880A 5	2/90
Administrative rules and declaratory rulings, 10.2(1)"b" to "d." 10			
10.243), 10.2651, 10.2(6), 10.2(6ra*(3), 10.2(6rc.* 10.3(1ra*15), 1			
Adopt-a-highway program, ch 121. Filed ARC 774A	• • • • •		/4/90
Traffic signal synchronization, ch 143. Filed ARC 768A		4	/4/90

Ch 111

Albright told the Committee that Chapter 111 was intended to conform with the Federal Relocation Act passed in 1987. Basically, federal rules are mirrored with a few exceptions which Albright explained.

Priebe discussed the bidding process on a small parcel of ground in Algona that was acquired by the state when the highway was relocated.

Pavich in the Chair.

In response to a question by Doyle, Albright said that railroads would follow the procedures used by DOT to obtain federal assistance for a project. She agreed to provide Doyle with information as to the DOT prerogative to condemn railroad property in use.

Ch 10

Fitzgerald said that amendments to Chapter 10 would remove the Transportation Commission from the rule making process unless otherwise stipulated by the statute. Also, the Department plans to allow 26 days for comment and request of an oral presentation on a rule making.

Schrader pondered why the Department would willingly relinquish that key authority. Priebe had never favored transfer of power from the Commission to the Director. Schrader and Priebe concurred that there would be less opportunity for public input on rule making.

Motion

Priebe moved that the ARRC go on record as informing the Transportation Commission and the Director of Transportation of their strong opposition to rescission of subrule 10.2(3) which vests rule adoption power in the Commission. The provision should be retained so that the public can continue to have input at Commission meetings.

DOT Contd.

Fitzgerald discussed statutory changes under government reorganization. Rule-making authority was added for the Director and the Commission was left with one rule making authority. Fitzgerald continued that staff attorneys interpret the statutory directive for the Department to adopt rules as being the prerogative of the Director. Royce opined there could be exceptions.

Fitzgerald pointed out that current practice was to allow both the Commission and the Director to approve everything. Priebe clarified that intent of his motion was to ensure continuation of "current practice."

Motion carried. 432/

Priebe took the Chair.

Ch 121

Zitterich reviewed modifications which had been made in Chapter 121 following the Notice. Subrule 121.4(2) now provides that "The department shall not grant sponsorship of a highway section in the Adopt-A-Highway program if the sponsorship might be deemed a partisan endorsement by the state or have an adverse effect on the program."

Priebe referred to 121.6(3), relative to termination of a sponsor and recommended that a specific time frame be included to allow immediate termination, if necessary.

With respect to 121.6(2) Pavich was apprehensive that selection of sponsorship by the Department could lead to political ramifications.

Schrader reiterated his concern that "hate" groups such as KKK could participate in the Adopt-A-Highway program. He said that these groups could have an adverse effect on the program. Zitterich could not assure Schrader that an undesirable group would be precluded from the program if the group went to court and won. Zitterich stressed that the public has been very supportive and enthusiastic about the program.

Doyle concurred that 121.6(2) needed specific selection criteria. Chairman Priebe urged the Department to consider ARRC recommendations.

Ch 143

In presenting Chapter 143, Anderberg, said it was in response to legislation for traffic signal synchronization. As a result of the public hearing, mandate for actuated signals at isolated intersections was deleted. Maintenance of the signals could create hardship on some cities.

In response to Doyle's concern that police and fire fighters have the capability to turn signals red, Anderberg said that equipment for this function was available. However, the rule does not address that issue.

DOT Contd. In response to a question by Tieden, Anderberg told Tieden that the rules address arterial streets, primaries or within a larger city. Many arterial streets are not highways but have signal systems that function best when they are coordinated. Signal systems can be set various ways. No Committee action.

HUMAN SERVICES

Ch 49

Appearing for the Department were: Mary Ann Walker, Dan McKeever, Norma Hohlfeld, Vivian Thompson, Maya Krogman, Kathy Ellethorpe, Lucinda Wonderlich, Anita Smith, Marcia Stark, Suzanne Boyde, Kathi Kellen, Harold Poore, Don Herman, Mary Lou McGinn and Geri McGinn. The agenda follows:

HUMAN SERVICES DEPARTMENT[441]	
Agent Orange settlement funds - income and resource exemption, 41.3(3)"b." 41.7(2)"m"(1), 41.7(6)"w."	
41.777°k° and "n " 130.383°w " Notice ARC 811A	4/18/90
Transitional child care assistance program, ch 49. Filed ARC 807A	4/4/90
Presumptive eligibility for pregnant women, 75.1(30). Filed ARC 806A	4/4/90
Conditions of eligibility, 75.1(33), 75.5(2) and to "c," 75.5(4) c and "d," 75.16(2), 75.16(1) "d"(2) and	
(3). Notice ARC 810A.  Adjustment for inflation of minimum and maximum community spouse resource and income allowances.	4/18/90
Adjustment for inflation of minimum and maximum community spouse resource and income allowances,	
75.5(3)"d." 75.16(2)"d"(3). Filed Emergency ARC 784A	4/4/90
75.5(3)"d," 75.16(2)"d"(3), Filed Emergency ARC 784A  Amount, duration and scope of medical and remedial services, 78.12(1)"b," 78.13(10)"c,"	
78.19. Filed ARC 805A	4/4/90
Reimbursement for hospice services, 79.1(14)"e. Notice ARC 778A	4/4/90
Intermediate care facilities - pharmaceutical vendor services and consultant pharmacist services,	4 4
	4/4/90
81.13(7°); Filed ARC 804A .  Medicaid waiver services, 83.2(1)"e." 83.3(3)"c." 83.4(1)"a" and "b." Filed ARC 803A .	4/4/90
Child care centers, 109.3(10), 109.4(8), 109.4(8);c," 109.6(3)*f, 109.6(5)*h," 109.11. Filed ARC 802A	4/4/90
	47 47 50
PROMISE JOBS program, census income, medicaid coverage, transfer of resources for community spouse,	
40.7(1)*a*(1) and (2), 41.4(8), 41.7(7)*aa,* 41.8(3)*d,* 65.29(3), 65.30(1), 65.30(2), 75.1(28)*a,* 75.13(1), 75.15.	
75.15(1), 75.15(1), 76.15(1), 75.15(1), 75.15(1), 75.15(3), a" and "b." 92.3(3), 93.2(3), 93.4(3), 93.6, 93.9, 93.10.	
93.10(1), 93.10(6) to 93.10(8), 93.11, 93.11(1), 93.11(2), 93.11(7), 93.11(11), 93.11(12), 93.11(14), 93.12(2)°a."	
93.12(4), 93.13, 93.14(1), 93.14(3), 93.14(5) to 93.14(11), 93.15, 93.15(1)*c" to "e." 93.15(2), 93.15(3), 93.19(7).	
93.20(4)"b" and "c," 93.20(6) to 93.20(8), 93.21(1), 93.21(1)"b," "d," "(," and "g," 93.21(9), 93.23, 93.25(2).	
93.25(3), 93.27(1) T and "h." 93.28, 93.29, 93.33(4), 93.39, 93.41(1)"b." 93.41(3), 93.51. Filed ARC 852A	5/2/90
Application and investigation, 76.2(1). Notice ARC 850A	5/2/90
Elderly waiver services program, 77.33, 78.37, 79.1(2), 80.2(2) hh. 83.21 to 83.30. Filed ARC 853A	5.2/90
Payment of dental services, coverage of hospice care, 78.4, 78.28(2), 78.36(4) a. 79.1(14) b. Filed ARC 854A	5 2 90
Payment of dental services, coverage of hospice care, 18.4, 18.25(2), 18.30(4) & 18.11(4) O. Fried Arc 35(4)	5 2 30
Other policies relating to providers of medical and remedial care, 79 (15). Notice ARC 851A.	5/2/50
Medicaid patient management, 76.6(2), 78.3(12) c. 79.10(5), 79.11(6), ch 88 preamble, 83 L 83,3(1) b. 88.4(4) b.	
Other policies relating to providers of medical and remedial care, 79.115). Notice ARC 851A.  Medicaid patient management, 76.6(2), 78.3(12) c. 79.10(5), 79.11(6), ch.88 preamble, 851, 88.2(17b.* 88.4(4) b.* 88.21, 88.2(4) rb.* 88.41 to 88.51. Filed ARC 632A7.0. day. delay. 3/13/20	12 7 94Y
Selective Review of 441Ch 77, Payment for care by social	
workers	TAC

41.3 Walker explained amendments to 41.3 et al. No comments. et al.

In review of Chapter 49, Walker pointed out two revisions from the Notice based on federal clarification.

Krogman discussed reasons for loss of eligibility, e.g. terminating employment without good cause.

75.1 No questions regarding amendment to 75.1(30), 75.1(33) et al., 75.5(3) or 75.16(2)d.

According to Walker, adopted amendments to 78.12, 78.13 and 78.19, included three Notices, which set forth Department policies for payment of rehabilitation services. The rules provide for direct payment to the provider of medical transportation when the provider is one of the department volunteers and clarify that Iowa will not require a prior hospitalization as a condition of skilled nursing care coverage. As a result of comments on the rehabilitation services, decision was made to allow the payment of group therapy if individual therapy remains the primary service. With appropriate documentation of need, treatment sessions may exceed 60 minutes per day. Tieden was interested in the fiscal impact but no problem was anticipated.

Clark asked if group therapy were cheaper than individual therapy. Walker responded in the affirmative but pointed out that Medicaid cost was tied to the individual.

79.1(14)

Walker said that amendment to 79.1(14) will limit the aggregate number of inpatient hospice days to 20 percent of the aggregate total number of hospice days provided to all Medicaid recipients during the twelve-month period that begins November 1. AIDS patients will be excluded from the limitation. Hospice must spend at least 80 percent of the time in the homes of patients.

81.13(7)

Discussion of 81.13(7)j which will require all intermediate care facilities to execute separate written contracts for services of pharmaceutical vendors and consultant pharmacists. Provisions relative to supplementation as applicable to intermediate care facilities were omitted after the Notice. They will be revised.

In response to a question by Doyle, Herman said that Medicaid would allow only 50 percent of the cost of the consultant. The other 50 percent would be up to the discretion of the consultant as to how it would be charged back to private pay patients.

83.2 et al. In review of amendments to Chapter 83, Priebe questioned limitation of the model waiver to 200 names. Walker explained that under federal law these waivers are limited to 200 persons—others would be placed on a waiting list. If necessary, the Department could apply for another waiver. Clark could see the need for some control as a cost factor.

Ch 109

There were no questions on amendments to Chapter 109.

40.7 et al.

According to Walker, three Notices of Intended Action were combined for the adopted amendments pertaining to the Promise Jobs Program. She summarized changes in the program which are required by the final federal regulations.

There was discussion of the fact that the Department of Employment Services is under contract with the Department of Human Services to provide some Promise Jobs services to specific areas.

Schrader wondered why census work was the only short term employment to be excluded as income. It was his opinion that other four-to six-week jobs would be very helpful to ADC recipients. Walker responded that the federal government seldom allows this type of exemption.

76.2 —

No questions on amendments to 76.2(1); 77.33 et al., 78.4 et al. or 79.1(5).

Medicaid Patient Management Chairman Priebe announced continued review of amendments to 76.6(2) et al. relative to Medicaid patient management which were under 70-day delay.[2/7/90 IAB]

76.6(2)

Human Services officials in attendance included Mary Ann Walker, Nanette Foster-Reilly, Mary Roberts, Ruth Schlesinger, Rita Vodraska and Mary Cogley. Representing Public Health Department were David Fries and Joyce Borgmeyer. Also appearing from the public sector were: Betty Hoffman-Bright, Carolyn Levine and Marcella Prevo, Material and Child Health Centers of Muscatine; Sheryl Nuzum and Becky Roorda, Iowa Medical Society; Mary Michalek, Davenport; Jeanine Freeman, Iowa Hospital Association.

Foster-Reilly recalled ARRC directive for the Departments of Human Services and Public Health to work together with the involved parties to resolve issues of concern regarding Medipass. Two meetings have been held since April and represented were the two departments, four maternal health centers, and the Governor's office, the Iowa Medical Soci-Joe Royce and some legislators also attended the meetings. Tom Slater, Iowa-Nebraska Primary Care Association, and former Senator, had agreed to coordinate the effort and help the group to focus on issues. Reilly continued that after the group had discussed the wide range of concerns expressed by the maternal health centers, Slater summarized possible solutions. compromise should avoid interrupting the continuity of care at a maternal health center. Slater determined that centers represented at the meetings did not mistrust physicians or have a problem with getting them to make referrals to a maternal health center. However, some means of ensuring such referrals remained a concern.

Foster-Reilly distributed draft copies of a "Memorandum of Understanding" which was agreed to by the group. The memo follows:

# D R A F T C O P Y 5/2/90

#### MEMORANDUM OF UNDERSTANDING

This memorandum of understanding is being entered into by the Department of Human Services, the Department of Public Health, The Maternal Health Centers, the Iowa Medical Society and the Iowa Osteopathic Association.

The following conditions relating to the MediPASS program are acceptable to the involved parties:

- 1. The following language will become a provision of the contract between patient managers and the department of Human Services. Patient managers will agree to:
  - Q. Authorize services for pregnant enrollees (case management, enhanced services, prenatal, postpartum) at a maternal health center or other eligible provider when an enrollee requests such services, is receiving such services at the time of enrollment, or attempts to

Memo Contd. obtain such services without prior authorization. The patient manager is required to refer all pregnant enrollees to a maternal health center or other eligible providers for case management and enhanced services for pregnant women.

- 2. Education will be offered as deemed appropriate by the oversight committee, and will be provided by the Department of Human Services, the Department of Public Health, the Iowa Medical Society and the Iowa Osteopathic Association. This education will be provided to patient managers, local Departments of Human Services office staff, and maternal health centers regarding referrals and communication between providers.
- 3. The Legislative Council of the General Assembly shall be requested to create a special committee to provide oversight to the pilot project. The council shall be requested to include a representative of maternal child centers in its membership.
- 4. The department of Human Services will contract with an outside agency to evaluate cost containment, access to care, continuity of care and patient satisfaction. This will include a report of the impact of MediPASS on the prenatal care of pregnant women and Medicaid. The report will coincide with the due date for the evaluation for the federal waiver for MediPASS. The agency will cooperate with the legislative oversight committee by providing information and services as deemed necessary by the committee.

Foster-Reilly explained each item of the agreement and urged the ARRC to allow the 70-day delay on the rules to expire so that the program could be implemented.

Priebe questioned Royce as to whether the rules would need modification to include provisions of the contract. Royce advised that it would not be necessary at this time. He said that paragraph "Q" would be included in the contract itself.

Priebe took the position that the rules would need revision. Royce stated the contract was a legal enforceable document. Priebe referred to paragraph 3 of the Memorandum of Understanding and contended that the group could not mandate that the Legislative Council set up a special oversight committee. Royce concurred and added that was the reason it was phrased as a "request."

Chairman Priebe asked Royce to comment on the rule making. It was Royce's opinion that through the meeting process in April and May, the Department had made significant concessions to ensure the ongoing viability of maternal care centers. He considered the contract agreement to be significant. In addition, he saw the concept of an oversight committee as a major safeguard.

Dierenfeld supported comments by Royce and Foster-Reilly. In her judgment, both Departments had made compromises on the issue. Dierenfeld was optimistic that the Memorandum of Understanding addressed bottom-line concerns-loss of patients.

Because of strong feelings by both factions, Clark indicated her preference for assurance that the Oversight Committee would be created. She stressed the need for that committee to be very active at the outset. She viewed the entire issue to be "baffling." In conclusion, Clark recalled a point made by Foster-Reilly regarding attention focused on the care of pregnant women, which seemed to overshadow other types of care involved in the program.

Royce suggested that the ARRC could serve in the capacity of Oversight Committee in the event the Legislative Council failed to act on the request.

Hoffman-Bright distributed copies of the following and there was further discussion:

# REMARKS TO THE ADMINISTRATIVE RULES REVIEW COMMITTEE

by the Maternal and Child Health Centers May 09, 1990

### I. We have the following concerns about MediPASS:

- 1. The Legislature has made efforts to create a "one-stop shop" for programs and now we are doing just the opposite adding another layer of bureaucracy.
- 2. The vast majority of Maternal and Child Health patients do not avail themselves of enhanced services if they have to go to another facility to receive them. Why? Because there is often a lack of motivation, transportation, or an understanding of the importance of these services.
- 3. When comprehensive care hasn't been received, short term costs may appear to be less, but long term costs are guaranteed higher by every research study done.
- 4. Public Health programs are experts in providing comprehensive health care to low-income families. This is the result of the last twenty plus years of research, experience and marketing.

### II. In regard to the Memorandum of May 2, 1990

 Item #1: Seven versions of a paragraph in the patient manager contract have been proposed to the Maternal and Child Health Centers. These language changes only superficially address concerns about MediPASS: they do not speak to the fundamental flaws in the program.

- 2. Item #2: An education plan was described initially and should be part of any pilot program.
- 3. Item #3: We believe a special committee to provide oversight to this pilot program is a good idea. However, there should be an equal number of representatives of each involved group on the committee.
- 4. Item #4: Evaluation of any pilot program is routine, including evaluation of impact on patient groups.

#### III. Summary

We are requesting that the Committee reject the rules of the MediPASS program. We ask that the Maternal and Child Health Centers have input in any future plans to design cost containment in this area.

Priebe asked Doyle and Tieden, who serve on the Legislative Council, if the Council had the power to appoint and fund the Oversight Committee. Doyle advised that it would need to be a recommendation of the Studies Committee to the full Council. Clark reasoned that unless the Oversight Committee obtained information from maternal health centers, doctors and the two departments involved, it would not function adequately.

In urging rejection of the rules by the ARRC, Hoffman-Bright cited their main concern as the health and welfare of their Title XIX patients. She asked that the Maternal and Child Health Centers have input in any future plans to design cost containment in this area. Hoffman-Bright also reiterated her concern as to lack of bilingual patient managers.

It was noted that the 70-day delay of the rules would expire on June 10 prior to the June 12 statutory meeting date of the ARRC. There was discussion of Royce's suggestion that the ARRC serve in the oversight capacity for the Medipass issue. It was noted that they lack authority to pay expenses or authorize public membership. Priebe voiced opposition to the suggestion.

Chairman Priebe recognized Roorda who stated that the Iowa Medical Society had sat through all the discussions and supported the Memorandum of Understanding, including the oversight committee. She encouraged the ARRC to let the program go forward and indicated they would cooperate with the physicians and maternal health centers.

Although Fries had mixed emotions, he also believed that with the specific conditions of the Memorandum of Understanding, the program would work. He maintained that oversight was absolutely essential to the program. The Department of Health plans to establish some mechanism to monitor maternity care if the rules go into effect.

Foster-Reilly suspected that many irrelevant problems were being attributed to Medipass.

Chairman Priebe noted that the matter of an oversight committee would be presented to Legislative Council on May 10. He felt there had been concerted effort by both factions to implement the program. Priebe preferred that the ARRC take no further action on the rules until the proposal for an oversight committee was resolved.

Schrader assumed that the Committee's silence would indicate that the delay would expire on June 10 provided all points in the Memorandum were reached. Priebe responded in the affirmative. He asked Dierenfeld to comment and she emphasized that the Governor believes that maternal health centers are crucial in the delivery of services. She stressed that both Medipass and maternal health centers could be successful. No formal action taken.

Ch 77

Chairman Priebe announced selective review of 441--Ch 77, pertaining to conditions of participation for providers of medical and remedial care. It was noted that social workers were not included in the list of reimbursable provid-This fact was brought to the attention of the ARRC by Mary Lou McGinn of Council Bluffs whose daughter Molly has been on Title XIX since aged 19 because of physical and mental handicaps. Molly has been under care of an Omaha psychiatrist since she was a young teenager. psychiatrist continues to see her once each year for evaluation and monitoring of her medications. At the recommendation of the psychiatrist, a counselor employed by his office at Creighton University also worked with Molly. Three years ago the counselor joined a group of counselors who formed their own professional organization and employed two psychiatrists. Medicaid coverage for counseling was terminated at that time because physicians did not own and operate the professional group--counselors employed the physicians. Because of her strong commitment to Molly, the counselor has continued treatment without reimbursement.

Don Herman commented that he was not aware of the case. He said that it was the Department's policy to cover services of social workers if they are provided as a part of other providers. He referred to the extensive list of those other providers. Herman continued that although Iowa Medicaid does not make direct payment to independently practicing social workers, this was an option under Federal regulations. Discussion followed.

Motion

Pavich moved that the Department gather information and study the feasibility of adding social workers to the Medicaid program and report to the ARRC.

Herman thought this approach was appropriate since the results may reveal significant additional costs. He pointed out that any service in the Medicaid program must be made available to the entire Medicaid population.

Motion carried.

No other Committee action regarding Human Services.

Tinted glass in autos

Chairman Priebe brought up the matter of tinted glass in automobiles. Drivers had complained to him about being stopped by the highway patrol. The patrol is utilizing light meters to check density. It was noted that Code section 321.438 prohibits excessively dark or reflective windows or windshields and authorized the Transportation Department to adopt rules. The DOT promulgated rule 820--[07,E]1.7(321) in 1984 and rescinded it in 1986. Doyle recalled that proposed statutory revision on the issue had been rejected by the Departments of Public Safety or Transportation or other factions. Currently, federal standards apply to the auto manufacturers.

Laverne Schroeder discussed percentages of ratio of light transmitted. Some states have adopted 35 to 65 percent and he thought this was the subject of federal hearings. Hawthorne commented on telephone calls she had received which indicated that manufacturer's are using an arbitrary percentage.

Priebe spoke of inconsistency in enforcement. In some areas fines are imposed and in other parts of the state warnings are issued. Doyle contended that the words "excessively dark" were vague.

June Review After lengthy discussion, it was agreed that the matter of tinted glass in automobiles should be placed on the June 8 agenda as a special review.

Recess

The meeting was recessed at 5:05 p.m.

Reconvened

Chairman Priebe reconvened the meeting at 9:05 a.m., May 10, 1990, in Committee Room 24, State Capitol. All members and staff were present.

JOB SERVICE Chairman Priebe called on Paul Moran, Bureau Chief, for consideration of the following agenda:

Chs 3, 4,5,7

Moran reviewed amendments to Chapters 3 to 5 and 7 which were identical to the Notice.

In response to comment by Tieden, Moran said that Job Services contracts with Human Services for the Promise Jobs Program. No other questions. LOTTERY DIVISION Nichola Schissel and Steve King appeared for the Lottery The following rules were before the Committee: Division.

LOTTERY DIVISION[705]

LOTTERY DIVISION(100)

REVENUE AND FINANCE DEPARTMENTIFUL "umbroids"

Wild card option of lowa Lotto game, 10.2, 10.3, 10.6(1), 10.6(2), 10.10. Notice ARC 771A,

also Filed Emergency ARC 772A 4.490

Ch 10

Schissel stressed the importance of emergency adoption to avoid confusion to consumers and the retailers. added that timing was very strategic.

Priebe questioned use of "verbally communicating" in the method of play--10.3. It seemed to indicate to him that a player could call and pay later. Schissel explained that credit was illegal and other general lottery rules prohibit telephone or credit sales by retailers. Committee action.

#### PHARMACY EXAMINERS

Lloyd Jessen presented the following rules and there were no questions:

8.9(3)et al. PHARMACY EXAMINERS BOARD(657) PUBLIC HEALTH DEPARTMENT(641) "umbroils 

PUBLIC SAFETY Ray Marshall, State Fire Marshal, and Michael Coveyou were in attendance for the following:

Coveyou called attention to revision in 5.665(2) with respect to outside windows for emergency rescue in student occupied areas. Exceptions were provided for buildings protected by approved automatic fire detection systems. Coveyou stated that officials from Muscatine Schools who had voiced opposition to the Notice found the revision to be acceptable.

Marshall advised that rule 5.313 was consistent with Federal standards and DNR requirements for observation He explained the advantages of slotted openings as opposed to round holes in the pipe.

Coveyou clarified that definitions in rule 5.651 were applicable only to school buildings. Hospitals rules are similar but follow the Life Safety Code. No Committee action.

Pavich in the chair.

Schrader questioned Marshall as to the procedure for investigating underground storage tank leaks. had observed that DNR or the Fire Marshals' office may respond. Constituents have complained of conflicting reports from the two agencies. Marshall spoke of the unofficial guideline where the fire marshal's office investigates potential fires or explosions. Routinely, the fire chief is called first and he notifies the appropriate agency. An environmental issue would probably be pursued by DNR officials since the fire marshal's office lacks expertise in pollution problems. Marshall emphasized PUBLIC

SAFETY Contd.

that they work with DNR but would follow up any problem to its resolution.

Priebe in the Chair.

Ch 19

There were no questions regarding amendments to Chapter 19.

RACING AND GAMING Lorenzo Creighton presented the following:

**RACING AND GAMING COMMISSION[491]** 

Creighton told the Committee that the amendment would allow Racing Associations to offer a different type of wager which will be a marketing tool available at greyhound tracks. Bluffs Run Greyhound Park had requested the rule. Committee action.

REGENTS BOARD

Appearing for the Board of Regents were Betty Volm, Frank Gerry and Roger Maxwell wo presented the following:

REGENTS BOARD[681] College-bound voucher program, 1.6, Filed ARC 814A. 4/18/90
Suspension of parietal rule at UNI, 2.36(5). Notice ARC 813A. 4/18/90 

1.6

Maxwell explained new rule 1.6 which outlines procedures which universities will follow in developing collegebound voucher programs for minority students. displayed a colorful brochure which has been very informa-Last year 273 students were assisted in the program at the three universities. Next year they hope to develop programs to serve seventh grade through high school.

In response to a question by Tieden, Maxwell explained the college-bound program vouchers which students can earn. A voucher will be awarded for each 10 hours of particip -tion in certain programs. Students with vouchers will receive priority in the awarding of funds.

2.36(5)

According to Volm, the amendment to 2.36(5) would allow suspension of parietal rule at UNI through May 1995 since projections indicate that the residency halls will be occupied by 101 to 104 percent through 1995.

Royce noted that the suspension had been renewed for 15 years and he took the position that the rule should be rescinded and reinstated when necessary. Volm was aware of that alternative but indicated that commitment from the bondholders would be more difficult. No Committee action.

9.6, 9.7

Gerry stated that new rule 9.6 was intended to clarify that 30 days' notice is required for any increases in student tuition, fees or charges. No questions.

ELDER AFFAIRS

David Ancell presented the following amendments and there were no questions.

AGRICUL-TURE The following Agriculture rules were considered:

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Disease control at fairs and exhibits. 64.34(4). Filed ARC 848A

Weights and measures. 85.23, 85.48(10) to 85.48(14). Filed ARC 849A

672

63.34

Anderson offered detailed explanation of amendment to 63.34(4) intended to prevent carriers of equine infectious anemia from entering Iowa.

85.33, 85.43 Rowland reminded the Committee that the definition of "leaded gasoline" was omitted following Notice and will be rewritten. Discussion of the law which requires labeling on pumps where MTBE, ethanol or other oxygenated octane enhancer has been added. It was noted that the law was extensively debated this year without change.

Priebe took the chair.

REVENUE AND FINANCE The Department was represented by Carl Castelda, Director, who reviewed the following:

REVENUE AND FINANCE DEPARTMENT[701]
Simultaneous tate filing and late payment of tax counted as one delinquency, 11.10(1)\*\*c,\*\* 37.13(1)\*\*b,\*\* 38.9(1)\*b,\*\*
63.20(1)\*\*c,\*\* Filed ARC 828A.

Exemption for property used in lows only in interstate commerce, 33.6. Notice ARC 717A Terminated,

Notice ARC 770A.

4/4/5

11.10 et al.

No questions on amendments to 11.10(1) et al.

33.6

In review of 33.6, Castelda pointed out that the issue had been before the ARRC twice previously. He discussed the court case of <u>Grudle</u> v. <u>Iowa Department of Revenue and Finance</u> which prompted the rule making.

Doyle asked about the taxation of car rentals. said that the Department's position was to impose tax on vehicles registered out of state and brought into Iowa to Doyle was also interested in the applicability of the rule to airplanes. Castelda said when they litigated the aircraft case, it was the consensus of the agency and the parties that had they assessed a tax based on the Complete Auto Transit Case, Because the aircraft hangered in the State of Iowa, there would be no doubt that those aircraft would be subject to taxation in the state. taxable moment rule was utilized at that time. The Grudle case dealt with trucks used in interstate commerce but the result would have been the same. Castelda reasoned that the General Assembly could adopt the taxable moment theory. He mentioned concerns on the car rental issue and said the Department's position was neutral. He also spoke of budgetary restraints facing the Department.

Schrader and Castelda discussed settling of withholding tax situations.

LAW EN-FORCEMENT ACADEMY Ben Yarrington, Director of the Academy, was in attendance for the following agenda:

LAW ENFORCEMENT ACADEMY[501]
Cost of psychological and cognitive tests, 2.2(6), 2.2(77°c." Notice ARC 773A. 4/4/90
Certification of law enforcement officers, 1.1, 3.1, 3.8, 3.9. Notice ARC 831A 5/2/90
Reserve officer weapons cortification, 1.1, ch 10. Filed ARC 838A 5/2/90

LAW EN-FORCEMENT **ACADEMY** Contd.

Yarrington summarized the amendments and there were no Committee recommendations.

SECRETARY OF STATE

Sandra Steinbach explained the following rules and there were no questions:

SECRETARY OF STATE[721]

NURSING BOARD

Lorinda Inman, Marjorie Matzen and Chris Newell presented the following rules of the Board of Nursing:

NURSING BOARDI6551

Inman summarized amendment to 3.6(2) pertaining to licensure for those licensed in another country and she offered details of the process. Intent of the amendment was to stay within the statute and still regulate people coming to this country for a short period of time to attend When in graduate school, they are not graduate school. always under the direct supervision of the faculty member.

Ch 12

Newell described new Chapter 12 as a means to identify the certifying organizations for specialty areas for registered nurses. A utilization and cost control review (UCCR) committee was also created to allow these nurses to be reimbursed by third-party payers. The rules were modified following Notice.

The definition of "medically necessary" was deleted since insurers will probably use their own definition. changes were made in the mechanism for the review of the nurses services provided by certified registered nurses.

Priebe was interested in the function of the 7-member UCCR Committee and quorum requirements. Newell referred to Scope of Review in 12.6. Newell continued the Committee was established for review of appropriateness of levels of nursing care and documentation of credentials of the nurse, the care provided, and the cost of nurses services. was amenable to including quorum provisions in the rules.

DOT Bill Draft Motion Carried There was further discussion as to rule-making authority for the Department of Transportation. Pavich moved that the ARRC sponsor a bill to clarify the statute and delegate rule-making authority to the Transportation Commission since they represent a broader segment of the population. Carried.

INSURANCE DIVISION

Fred Haskins represented the Division for review of adopted rule 5.4 relative to surplus notes, published in 4/4/90 IAB Haskins reported that the final rule was less as ARC 789A. restrictive than the Notice. No questions.

5.4

UNDERGROUND **STORAGE** TANK BOARD (UST)

Robert Hubbard and David Lyons were present for the following:

PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD, IOWA COMPREHENSIVE[591] Determination or adjustment of cost factor, 5.2. Filed Emergency also Hotics ARC 757A Terminated ARC 848A ...... 5/2/90 UNDERGROUND STORAGE TANK BOARD Contd.

Hubbard noted that the cost factor on each gallon of petroleum diminution would be \$.0085 commencing July 1, 1990, to allow the Board to stay within the \$12 million annual limitation. The board is mandated to review the EPC charge at least once each year. The process of accumulating claim values has begun and total reserves amount to approximately \$30 million. Recent legislation changed the formula slightly to avoid constitutional questions.

Priebe and Hubbard discussed consultants and Hubbard said the Board pays for their services. It was noted that House File 2552 amended the UST law this year. A cost containment provision essentially requires that the owner-operator, in conjunction with the administrator, approve the contract. Hubbard mentioned Sioux City, where they have bids on remedial work alone which range from \$40 to \$450 thousand. As Administrator, Hubbard viewed his responsibility as being two-fold. If they make a decision to correct a problem, they should complete the job, regardless of the dollar amount but do so at the best cost possible. This approach could unavoidably place them at odds ith DNR on occasion. Hubbard reasoned that all issues must go into the "mix" and where a determination is made on the value of a particular claim.

Priebe saw a need for a law to prohibit a department employee from becoming a consultant, for at least a year or two for that same agency. Hubbard cited their single purpose in administering the program was to keep as many people in business as possible. He added that legislation provided the Board authority to prioritize. Priebe was critical of the DNR who, in his opinion, was inflexible. Three people in his district lost their businesses and DNR made no effort to help.

Lyons pointed out that legislation dictates different focuses for the UST Board and DNR--DNR rules are prioritized by federal government. Lyons commended DNR for their tremendous cooperation over the past eight months. He recognized the possibility of some conflicts over the next year in the area of prioritization of the businesses but was confident they will be resolved.

Hubbard described in detail the bonding approach the Board uses to ensure funding. Lyons pointed out that the brunt of costs would be incurred in the early years of the program.

Hubbard indicated that they are sending informational mailings with their 800 number in an attempt to answer many questions. Lyons was confident that full remedial assistance would be provided to anyone who qualifies rather than having to prioritize. The position of the Board and Legislative intent is that no one is prioritized off the list. ARRC questioned how other states were addressing the problem without a program. Hubbard responded that many are struggling with the issue of how to actually structure the

No

UST Contd.

In some respects, for example, Nebraska's remediation plan is superior to Iowa but it does not address Therefore, the owner-operators the third-party liability. have no coverage.

Schrader and Hubbard discussed problems faced by independent owner-operators, primarily those in rural areas. Hubbard advised Doyle that a county would be protected in the case of bankruptcy. No formal action.

PROF. LIC. DIVISION

The following agenda was before the Committee:

PROFESSIONAL LICENSURE DIVISION[645]

PROFESSIONAL LICENSURE DIVISION(68)

PUBLIC REALTH DEPARTMENT(64); "maintrels"

Dietetic examiners. 80.7(3), 80.7(4), 80.100(3), 80.107(1), 80.108, Notice ARC 780A

Utraing home administrators examiners, implementations, amendments to cha 140 and 141, Notice ARC 799A.

4/4/90

Leensure of nursing home administrators, continuing education, 141, 4(27), "142,2(7), 142,2(7), 142,2(8), Notice ARC 800A.

0/ptometry examiners — fee for branch office certificate, 180.10(7), Notice ARC 787A.

4/4/90

Podiatry examiners, 220,4(27), "220,4(27)," 220,4(27), Notice ARC 789A. 

Ch 80

Barbara Charls presented amendments to Chapter 80 and there were no questions.

The remaining rules were presented by Kathy Williams and there were no questions.

HEALTH DATA COMMISSION

The Health Data Commission was represented by Pierce Wilson who explained adopted amendments to 411--5.5, 6.3(6) and 6.3(7) pertaining to submission of data for uniform hospital billing. The amendments were published in 5/2/90 IAB as ARC841A.

from the Notice include an extended reporting time frame increased from 45 to 90 days and deletion of sanction language.

PUBLIC HEALTH The Department of Public Health was represented by Robert Minkler, Donald Kerns and Susan Osmann. The following was

PUBLIC HEALTH DEPARTMENT[641]

questions.

Hospital protocol for donor requests, 51.4(5) to 51.4(11), rescind ch 180, Filed ARC 781A 4/4/90
Training and certification of and services performed by advanced emergency medical technicians and paramedics, 132,3(2), 132.4(1)\*n.\* 132.4(8), Notice ARC 823A 4/18/90 Minkler presented amendments to Chapters 51 and 180

Chs 51, 180

132.3

Kerns stated that amendments to 132.3 et al. related to advanced emergency medical tachnicians (EMTs) and paramedics which were regulated by the Board of Medical Examiners. In response to a question by Tieden as to the 2-year wait for re-examination for certification, Kerns replied that the skill level drops without practice.

Schrader raised question as to the reason that the fees in 132.4(8) were nonrefundable. Kerns said this was intended to coincide with policy of the Board of Medical Examiners.

June review

It was noted that amendments to 641--39.31 and 39.48 [ARC77] would be added to the June ARRC agenda.

Lunch

The meeting was recessed at 11:45 a.m. for lunch.

IOWA FINANCE AUTHORITY

Chairman Priebe reconvened the meeting at 1:30 p.m. and called on Iowa Finance Authority which was represented by Julian Garrett, Title Guaranty Division. The following was before the Committee:

Garrett said that the amendments were intended to implement 1988 Acts, H.F. 2407. Garrett described their program as serving in the same capacity of a title insurance company—difference being it is through the state. He continued that the volume continues to grow—in the first four months they averaged 650 certificates monthly compared to 450 in 1989. The current cost is \$1 per \$1000 of coverage on amounts up to \$250 thousand and 75 cents per \$1000 on amounts of \$5 million or more.

Doyle asked about current insurance prices and Garrett said that they vary from company to company. The typical title insurance rates average \$2.50 per \$1000 and \$3.50 per \$1000 on an owner certificate. In their research, IFA had not found a title insurance company more competitive than the title guaranty rates. Garrett advised that their title guaranty program was widely accepted on the secondary market. A number of private investors from other states that purchase mortgages from Iowans, accept title guaranty.

With respect to collections, Garrett quoted figures in the range of one half million dollars just on premiums. In addition, they collect money from real estate trust accounts. Significantly, that fund was used to create their initial reserve. Now premium income far exceeds expenses and all interest on trust accounts is reverted to the Iowa Finance Authority for housing programs. Part of the premium money also goes to the Authority. At their last meeting, the Title Guaranty Board voted to turn over another \$200 thousand to IFA which brings the total reverted to \$2 million dollars. So far they have not received any claims and Garrett attributed that fact to their conscientious work.

### INSPECTIONS AND APPEALS

Those in attendance for review of the Inspections and Appeals agenda were Robert Haxton, Don Mendenhall, Art Anderson and Rebecca Walsh.

INSPECTIONS AND APPEALS DEPARTMENTI481]	
Field survey administration, 30.2, 30.6, Notice ARC 795A	4/4/90
Intermediate care (activities for the mentally retarded — involuntary discharge of transfer.	i
64.36. Filed Emergency ARC 796A	4/4/90
105. Notice ARC 203A Terminated. Notice ARC H29A	4/18/90
Hospice license standards, ch 53. Filed ARC 840A	5/2/90
Residential care facilities for the mentally retarded, 63.14(7), Notice ABC 839A	5/2/90

30.2, 30.6

Walsh explained proposed amendments to 30.2 and 30.6 intended to clarify jurisdiction of hospital and dairy plant inspections. Also, the definition of a "mobile food unit" was expanded to include food establishments which will be required to report to home base each night for cleaning and servicing. Priebe asked about possible impact on food stands at county fairs. Haxton explained that 30.6 was directed at a restaurant that has grocery sales over \$20,000 annually. If they grossed over \$20,000

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in grocery items, a second license would be required—they would also need the service license. Priebe asked about operations such as Quick Trips and Haxton said they have both licenses. Tieden was interested in impact on the Farmers Markets that have prepackaged items. Haxton referred to 30.2 which would allow prepackaged nonhazard—ous food products to be sold at Farmers Markets by those who have food establishment licenses. No Committee action.

64.36

No questions regarding 64.36.

Ch 53

In review of Chapter 53, Walsh and Minkler clarified that the licensure of hospice programs was voluntary. However, a license will not be granted until all the standards in this chapter are met. Comments were received from the Iowa Hospice Association, Iowa Medical Society and Buena Vista College Hospital who found the rules to be acceptable but suggested a change in the proposed biennial license fee of \$500. The Department and the Board of Health concurred that the license fee should remain unchanged. According to Minkler, a voluntary license would provide recognition of a licensed facility. Priebe questioned use of "shall" in a voluntary program. It was noted there are no licensed groups in Iowa. Clark saw the need for licensing to eliminate those hospices which would not provide high quality care.

63.14

Revision of 63.14(7) was intended to reflect the practice of Human Services Department regarding payment and holding of a bed in the absence of a patient from the care facility.

It was noted that Roman numerals (I), (II), or (III) indicate Classification of Violation Codes set out in 481-- Chapter 56. Doyle suggested substitution of "immediate family" for "legal representative".

Chs 100-103 Mendenhall offered history of the proposed rules in Chapters 101 to 103 relative to amusement concessions, social gambling and bingo. A Notice of Intended Action was published in September 1989 but was terminated due to numerous revisions as the result of the comments from bingo operators and others. Discussion centered on bingo regulations and Mendenhall summarized changes which included, under the licensure provision, a definition of what constitutes good moral character. Under rule 100.7, prizes are to be recorded by game for games under \$100. Penalties were included in 100.13(7) and (8).

Social gambling in a bar was addressed in Chapter 102. An opinion from Gary Hayward, Assistant Attorney General, advised that the rules were needed to comply with Iowa Code section 99B.6. In 103.12, they deleted the requirement for a cash register if the bingo operation grossed more than \$60,000 annually. Equipment may be either owned or borrowed. Bingo equipment may not be leased.

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Rule 103.13 simplifies the recordkeeping of prizes and requires additional inventory and cash controls for licensees having more than \$100,000 gross receipts per year. Mendenhall reported that approximately 30 people attended the May 9 public hearing with interest focusing on bingo. Six additional hearings were scheduled throughout the state.

Pam Lewis, Horizons Senior Citizens Center, was puzzled about so many changes in the bingo laws when Iowa has so many types of "gambling." The Horizons' operation was managed by volunteers only. Lewis voiced opposition to recording the pattern of the game--103.6(1). She labeled 103.7(3)b--"the wages may be no higher than the minimum wage "as discriminatory. Lewis pointed out that the security guards are paid the prevailing wage for that type of work in the area. Lewis referred to 103.8(99B) and contended that Supreme Court rulings in other states have held that states have no right to dictate to a nonprofit organization as to the manner in which money is spent. With respect to 103.8(1) -- "when the annual gross exceeds \$10 thousand, expenses shall be paid from the bingo checking account"--Lewis reasoned that all bingo operators should have a checking account. She urged simplified recordkeeping since volunteer groups cannot afford bookkeepers.

Mendenhall responded that most of the complaints were legislative issues and could not be addressed in the rules.

Bert Fetters, interested person, voiced the opinion that excessive regulation would eventually eliminate small charity operations.

Pavich asked about salaries and Mendenhall said the Iowa minimum wage was paid--minimum wage for one worker per 25 people in attendance at the bingo hall. There is no cap for a security guard. The proposed rules will extend the hours they can be paid from 4 hours to 6 hours to allow cleanup, etc. However, the manager can receive only minimum wage. With reference to the statement that all bingo halls should have to keep the same records, Mendenhall referred to 103.13(99B).

Karen Fetters referred to 103.5(3) wherein house rules require posting of certain information including "The prize for each game." She said this would be difficult for a small operation since the prize would be unknown until the collection was known.

Mendenhall agreed to review the rule.

Schrader voiced his disagreement with 102.3(3) a and the Attorney General's Opinion that pool should be excluded from social gambling. He continued that the loser in pool usually pays for the next game. A tavern could have a liquor license at risk if that rule were enforced. Schrader considered bowling alleys in the same category. He referenced Iowa Code Supplement section 99B.1(23) which defines "social games," as including only activities permitted by

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section 99B.12(2). Section 99B.12(2) references games that are permitted, i.e., paragraph "a" of that section allows "Card and parlor games, including but not limited to poker, pinochle,...". Paragraph "a" also lists unlawful types of gambling. Schrader contended that since pool was not listed in either paragraph of the statute, it could be included in the first sentence of paragraph "a." He emphasized that pool was not included in the unlawful list.

Mendenhall responded that many family rooms have pool tables. The Attorney General's Opinion interpreted 99B.6(1)g as precluding betting on a game where the owner of the beer or liquor establishment charges any fee to play. Schrader and Mendenhall discussed the problem of control of social gambling by the licensee.

Pavich was interested in how bordering states address this problem and Mendenhall agreed to provide information at the next meeting.

DNR/Black Hawk Lake Dredging ARRC members were provided copies of pertinent information prepared by Department of Natural Resources relative to Black Hawk Lake dredging design selection. The information had been presented to the Legislative Fiscal Council at their May 9 meeting. Chairman Priebe noted that the Department had approved a contract with Butts Engineering for the project. The sole source selection was accomplished under rules IAC 561 Chapter 8. Although Priebe thought the Department acted legally, he viewed the action as "poor business policy." Schrader and Priebe questioned use of time frame as an excuse to bypass bidding since the issue had been on the drawing board since 1987.

Motion

After some discussion, Pavich moved that the bidding problem be referred to the President of the Senate and Speaker of the House for review by the appropriate committees including the Appropriations Subcommittee and that the Legislative Council also be notified.

Human Services 70-day delay lifted Schrader moved to rescind the 70-day delay of Human Services amendments to 441 Chapters 76, 78, 79 and 88 relative to the Medipass Program [ARC 632]. This action is being taken following the adoption of the Memorandum of Understanding and appointment of the Oversight Committee.

Motion Carried

Motion carried.

No Agency Reps No agency representatives were requested to appear for the following and there were no questions:

CORRECTIONS DEPARTMENT[291] Riverview release center — visiting, 28.2. <u>Filed</u> ARC 865A	5/2/90
EDUCATION DEPARTMENT[281]  Area school funding plan, 21.45(2), Filed ARC 776A	4/4/90
NARCOTICS ENFORCEMENT ADVISORY COUNCIL[551]  Organization and operation, petitions for rule making, declaratory rulings, agency procedure for rule making, public records and fair information practices, cha 1 to 6, Filed ARC 769A	4/4/90
PUBLIC HEALTH DEPARTMENT[641]	
Exemption of aerosols used in nuclear medicine, bankruptcy notification, 39.31(3)*b*(6) and (7), 39.48(5), 29.48(6). Filed Emergency After Notice ARC 779A	4/4/90

Next Meeting Next meeting was scheduled for June 8 to be continued on June 13, 1990.

Adjourned

Chairman Priebe adjourned the meeting at 2:50 p.m.

Respectfully submitted,

Phyllis Barry, Secretary Assisted by Alice Gossett,

Administrative Assistant

APPROVED:

CHAIRMAN