MINUTES OF THE REGULAR MEETING of the ADMINISTRATIVE RULES REVIEW COMMITTEE

Tuesday and Wednesday, May 14 and 15, 1985. Time of Meeting:

Committee Rooms 24 and 116, State Capitol, Des Moines, Iowa. Place of Meeting:

Senator Berl E. Priebe, Chair; Senators Donald V. Doyle and Dale Members Present:

L. Tieden; Representatives Edward G. Parker and Betty J. Clark.

Not present on Tuesday: Representative James D. O'Kane.

Also present: Joseph Royce, Committee Counsel; Phyllis Barry,

Deputy Code Editor; Kathryn Hove, Governor's Coordinator.

Convened:

Chairman Priebe convened the meeting at 10:05 a.m. in Room 24.

WATER, AIR AND WASTE MANAGEMENT

The WAWM Department was represented by: Michael Murphy, Director of Regal Services; Mike Geringer, Environmental Specialist; Diana Hansen, Compliance Officer. The following rules were reviewed:

Safe drinking water program. 9.1 to 9.5, 40.2, 41.1, 40.3(1), 40.4(1), 40.4(4), 41.2(1), 41.2(2), 41.3(1), 41.3

9.1 et al

Murphy explained amendments re safe drinking water. He responded to question by Tieden that private campgrounds would not be affected by the changes. Department officials stated that bacteria samples must be examined within 30 hours. A list of the 46

certified laboratories would be sent to Tieden.

Doyle questioned whether dates should be added in the publications referenced in 41.4(3). Murphy said the footnoted material would

contain dates.

Re 40.4(1), Clark questioned "...correct the deficiency in a timely manner.... in the last sentence. Murphy pointed out that the variety of deficiencies would be considered on a case-by-case basis in a manner so appeal of the Department's decision would

be possible.

64.2

Discussion of whether or not a detailed preamble should have been published for the amendment to Chapter 64. Murphy stated that the rule affects only a limited number and copies and changes are available upon request to the Department.

June Meeting

COMMITTEE BUSINESS It was decided that the June meeting of this Committee should be rescheduled to be held on the statutory date of June 11 and continued on June 12.

Minutes

Chairman Priebe called for disposition of minutes of the April ARRC meeting. Doyle moved that the April minutes be approved as submitted. Carried viva voce.

Royce Memo

Discussion of Royce Memo wherein he addressed the impact of amendments by the 1983 GA to the definition of "agency" in \$17A.2 In excluding two agencies from the rulemaking process, the legisCOMMITTEE BUSI-NESS Cont'd lation also excluded them from the contested case process in 17A.10 to .17, the "open records" provisions of 17A.3, declaratory rulings in 17A.9 and judicial review provisions of 17A.19. Royce had drafted amendment to 17A.2(1) which would free the specified agencies from constraints of rulemaking without totally removing them from the APA.

Motion

Ch 18

Doyle moved that a copy of the Royce memo be forwarded to the Legislative Service Bureau for a bill draft and that copies also be sent to the Supreme Court and Consumer Advocate. Motion carried.

PUBLIC SAFETY

The following rules of Public Safety Department were before the Committee:

Carroll Bidler, Director, Administrative Services, and Connie White, Program and Policy, were present for the Department. Discussion of Chapter 18. White noted that changes from the Notice were made in 18.4 and 18.5 where "one calendar year" was substituted for "the calendar year".

Doyle questioned authority to prohibit sale of handguns—18.6, 3. It was his position that a person holding a valid gun permit should have the opportunity to purchase a confiscated handgun at a state auction. He interpreted the rule as being ultra vires. White assured the Committee that handguns not utilized by crime labs and police departments were literally "junk." She explained the exchange process between states. Bidler advised Parker that prohibitions re handguns in federal provisions were similar to those set out in Iowa Code chapter 724.

White said that no one came to the scheduled public hearing and no written comments were received.

The Committee decided to defer further consideration of Chapter 18 until May 15 to allow time for a laboratory official to appear before them.

17.3(2)

Bidler said that proposed amendment to 17.3(2) would allow other probative evidence as a violation of Code section 321.281 for the purpose of victim reparation.

Doyle advised against use of "probative" and suggested "other evidence that is relevant." Bidler saw no problem in complying with federal requirements.

According to Bidler, claims are on the increase and now average \$1000—the largest to date is \$6500, involving OWI. There have been only six drunk driving cases. Bidler added that significant changes in the rules would be forthcoming to implement 1985 Acts.

White stated that the amendment to 5.275, adopting by reference federal standards, would clearly give the Commerce Commission authority for inspection of liquefied natural gas facilities. The

date set out in the Notice was corrected to "10-7-82".

5.275

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LAW ENFORCE-MENT ACADEMY Chs 1-6 Ben Yarrington, Director, and William Callaghan, Counsel, were present to review adopted amendments to Chapters 1 to 6 of the Academy rules, being ARC 5418, published in IAB 4/10/85. Essentially, Committee recommendations had been incorporated. Discussion of 6.4(3) which followed Code §17A.14(5). Callaghan reported that the Academy preferred to retain the provision as originally proposed. At the suggestion of Doyle, Callaghan agreed to rewrite subrule 6.4.(3) to read: "Rules of evidence. In evaluating evidence, the presiding officer may utilize the agency's technical competence and specialized knowledge."

LABOR BUREAU

Walter Johnson, Deputy Commissioner, reviewed the following:

Chs 81, 82

Asbestos control procedures. Hiensing of business entities. Hiensing of training courses and worker certification.

Interested persons were: James I. Seaman, Master Builders of Iowa; Thomas M. Eckey, Aid Insurance Co.; Donald Hauser, ABI; Fred Melin, Legal Staff, Maytag; Joe Schmitz, Interstate 35 School District Superintendent; William Timmons, IA Insurance Institute.

He said that a public hearing was held in November and request was made for a Regulatory Flexibility Analysis. The request was later withdrawn and a majority of the rules are scheduled to be effective May 15.

Chairman Priebe recognized Seaman who cited problems of school officials and building owners in contracting for asbestos removal when most Iowa contractors find it virtually impossible to obtain liability insurance. State law precludes a public school from accepting a bid for asbestos removal from an unlicensed company. This situation prevails in many schools. Seaman emphasized that he was not opposed to the law but pointed out that only six general contractors have liability insurance—the insurance industry does not want to accept responsibility. He offered a suggestion that the Department require on the application for licensure information re insurance -- notification when coverage was canceled. Seaman spoke of anticipated change in the insurance industry whereby businesses will be offered policies on a "claims made basis." Seaman contended that the asbestos business must have protection. He observed that the law addresses safety of the worker in a strong way. He was hopeful that the rule could be modified to authorize the Department to require insurance coverage to protect the public.

Tieden wondered if the law would allow this dramatic policy change and Johnson replied that the statute does not address insurance. He continued that when the insurance issue surfaced following the public hearing, the Department inserted a rule to require the name of the workers' compensation and liability insurance company providing coverage for the asbestos removal projects—82.3(1) a (11). It was the position of the Department that they lacked authority to specify an amount of insurance.

Royce reasoned that licensing by its very nature was intended to protect the public which would seem to be implied authority for the rule.

LABOR Cont'd Hauser had no substantive problem with the rules but suggested that "business entity" be substituted for "person" in the rules since the statute does not use person--§88B.2.

He referred to 81.3(1)a as an example.

Schmitz told the Committee that they were scheduled for asbestos removal to begin May 28 but learned yesterday that they must hire a licensed company. He suspected that many school districts would probably have to cancel plans for removal if the rules go into effect as scheduled.

Timmons acknowledged the problem but knew of no immediate solution. Most liability insurance underwriters will not write asbestos coverage which amounts to insuring against an inevitable event. Studies indicate that asbestos has an incubation period of approximately 17 years and expensive medical problems could be incurred. He knew of two companies which write limited policies. Timmons recalled that the Federal government had attempted to address the problem a few years ago but later abandoned the effort. There have been 26,000 asbestosis cases in the last 15 years with costs averaging \$95,000 per case. Inevitably, other types of environmental related diseases will be involved. Timmons continued that courts do not distinguish between general liability with defenses and the environmental protection policy. He declared that the Federal government must carve out asbestosis as a unique problem, take it out of the tort system and compensate for wage loss.

Seaman advised Parker that the six contractors referenced earlier were insured under "long tail" provisions as opposed to "claims made policies." He noted that the Labor Bureau has agreed that compensation should be awarded to the disabled only. Seaman theorized that "hysteria" would settle when business facts are known.

Johnson reiterated that, although the insurance problem was mushrooming, they had no authority to mandate insurance.

Doyle wondered about a pool concept similar to the process followed by doctors for liability coverage. Each contractor would contribute a percentage to the pool. It was consensus that statutory change would be needed.

Johnson told Parker that no provision exists for reciprocal licensure.

Discussion of possible delay of the rules which would result in delayed implementation of licensure. Johnson pointed out that Chapter 81 of the rules was basically a "mesh" of OSHA and EPA regulations. Those regulations would be applicable regardless of a delay. Motion Delay

LABOR Cont'd Doyle moved to impose a 70-day delay on Chapters 81 and 82 of the Labor Bureau for further study, that the appropriate legislative committees be apprised of the problems, and that the Legislative Council be requested to consider an interim study on the issue. Motion carried.

July Agenda

It was agreed that the delayed rules should be placed on the July Agenda of the ARRC.

Agenda Items Rescheduled

A change in the Agenda was necessitated because of unfor eseen obligations of Senators Priebe, Tieden and Doyle which would prevent them from attending the afternoon ses-Clark and Parker agreed to meet informally with Public Instruction officials and other interested persons concerning Chapter 12 rules pertaining to special education at 3:00 p.m. Royce would report to the Committee.

Motion

Tieden moved to delay for 70 days for further study the following rules:

MERIT EMPLOYMENT DEPARTMENT[570] Miscellaneous amendments, 1.1, 2.3, 3.1 to 3.3°, 3.4(1), 4.4(3), 4.5(1)'g, 4.5(3), 4.5(4), 4.5(6) to 4.5(10), 4.5(16), 4.5(16), 4.7, 5.5(9), 5.3(2°, 1.5), 5 **EXECUTIVE COUNCIL 4201**

Excused

Senators Priebe, Tieden and Doyle excused at 11:30 a.m.

Commerce rules were rescheduled for May 15 at 1:00 p.m.

Recess

The Committee was in recess at 11:30 a.m.

PUBLIC INSTRUCTION The following rules were reviewed informally by Representatives Clark and Parker at 3:00 p.m:

PUBLIC INSTRUCTION IAC Librarians, 15.15

Also present: Royce and Barry.

Public Instruction officials who appeared were: John Martin, Betty J. Buckingham, Frank Lance, Joe Frielinger and Interested persons representing Iowa State Education Association included: Maureen White, Jan Reinicki, James Sutton, Ronald Livermore and Karen Inman.

15.15

Parker discussed a problem of a constituent who had applied for a school librarian position and learned that her degree in English was not adequate qualification. Parker noted that rule 15.15 requires a library science degree as well as a teacher's certificate.

Buckingham stated that education requirements vary with the level on which the individual wishes to teach. are available to fulfill these requirements. Martin clarified that a library science major is not mandatory but the individual must have preparation in this field which would be determined by the institution. He said that the

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PUBLIC INSTRUCTION Cont'd rationale for the teacher certificate was to ensure that the individual is knowledgeable of the instructional program, of a school system in order to assist the students. A librarian becomes involved in teaching students library skills so they can become life-long learners. In response to Parker re possible waivers, Buckingham said that schools must search for qualified librarians before seeking emergency or temporary certification. Martin added that temporary approval has been granted only to someone who might be teaching in one field and has not yet completed all requirements for another field. Clark pointed out that the "business world" allows testing for knowledge from "living experiences." Buckingham disagreed that schools are ignoring this approach and cited intern programs.

Special Education Ch 12 Parker explained that comments on the special education rules would be provided to the ARR Committee when a quorum is present tomorrow. He then recognized White who stated that she was a teacher of students with behavior disorders in a Waterloo school. White's main concerns were with 12.5(2) -- self-contained special class with little integration and 12.5(3) -- special class with integration. saw no basis for imposing "arbitrary time limits" on the amount of time during which a student is integrated into general education classrooms. White viewed the change as "far reaching and damaging to special ed students, their teachers and the regular classroom teachers." She reviewed the typical integration procedure of the special students into regular classes -- usually for one subject with gradual increase as appropriate. Previously, these decisions were made by those most familiar with the student. The rules drastically alter this process by placing emphasis on artificial time limitations rather than on quality or appropriateness of the integration experience. White declared that it was wrong for DPI officials to determine the extent of integration -- professionals who work with the students should decide.

White continued that the change left potential for widely varying interpretation. She pointed out that the rules do not recognize that students are placed in special classes for good reason. Transferring them back to general education before they are prepared subjects them to unnecessary failure. Progress is uneven and it is "riskier to make the judgment based on time.

White stated that teachers are burdened with tremendous obstacles to reintegrating students which will be further aggravated by the rules.

PUBLIC INSTRUCTION Cont'd White raised question as to the meaning of "educational program"--does it include academic subjects only or are recess and lunchtime included? She stressed the importance of administrative co-operation. White also spoke in defense of the regular classroom teacher. Placing students in general ed classes before they are ready creates a negative attitude toward special education. Many classes are overcrowded already.

White urged revision of the objectionable portion of the rules or reinstatement of previous language.

Vance concurred that the issue has been a perplexing one but it was his opinion that the rules were an improvement. The overall education is viewed from the time the student arrives until he goes home. A yardstick was needed for integration but Vance did not deny that there were many administrative interpretations. He mentioned a new monitoring plan in process and urged that the rules be implemented.

Howe brought up the question of weighting and Vance assured the group that funding was not a consideration. Vance urged that all factors of the rules be considered. Frielinger pointed to rule 12.30 for exceptions.

Inman, Des Moines Roosevelt teacher, described their problem and predicted there would be different placement of students every semester. She stressed that the severity of student problems must be addressed. It was her opinion that the rule exceptions were too broad and preferred rules with "teeth."

Sutton submitted written comments wherein he cited problems in special education, many of which could be attributed to the Department's lack of resources to enforce rules; other problems exist because of lack of rules. He urged development of a procedure for appeal of an IEP decision by a teacher directly to the Department of Public Instruction. Sutton cited 12.11(9) as being in conflict with Code sections 260.6 and 260.7.

Vance referred to 12.31(9) which gives any one, including teachers, right to complain to the Department. He cited Code section 281.6 and indicated that DPI lacks authority to allow teachers to initiate an appeal.

frielinger displayed letters of support for the rules.

Parker indicated that these rules would be considered on May 15 at 3:00 p.m.

Recess 5:00 p.m.

Reconvened:

Vice Chair James D. O'Kane reconvened the meeting May 15 at 9:00 a.m., Room 24. Senator Berl Priebe excused. Also present: Royce, Barry and Hove.

REVENUE DEPARTMENT

O'Kane noted a quorum was present and he called on Revenue officials for the following rules:

Regulatory flexibility analysis procedures. 6.5 ARC 5469 . F.	4/24/85
Assessment practices and equalization, agricultural real estate, 71.12(1)"a" ARC 5470	4/24/85
Individual income tax. 38.1(1), 38.1(8), 38.1(9), 38.2(1) and "f." 38.3(1), 38.8, 39.2(1), 39.3(1), 39.3(1), 39.3(1), 39.4(2), 39.5(5),	ì
40.1. 40.4. 40.15"2," 40.15(2), 40.15(3), 40.16, 40.16(2), 40.16(4"d," 40.16(8"2." 40.18(2), 40.18(6), 42.2(1"c," 42.4(2),	i
42.5. 42.6. 43.1(2), 43.1(3), 43.2. 43.3(5), 46.3(3)"a"(1), 46.4(2)"8," "10," and "11," 46.4(4), 47.2(1)"c"(1), 47.3(3)	Į.
47.4(2) ARC 5471	4/24/85
Penalty and interest, 44.3(3), 44.3(5) ARC 5472N	4/24/N5
Assessment practices and equalization, 71.1(3), 71.10(2), 71.10(3), 71.11, 71.12(1) a (2), 71.12(7), 71.12(7), 71.13, 71.14(1)	
71.15. 71.16. 71.17(1). 71.17(4). 71.19. 71.20(1)"a" to "c." 71.20(2) to 71.20(4). 7.21 ARC 5473	4/24/85
Real estate transfer tax and declarations of value, 79.1/37°c," 79.1/4), 79.2/21, 79.2/41, 79.2/51, 79.2/91, 79.2/121	
79.3. 79.6. 79.6 ARC 5474	4/24/85

Carl Castelda, Deputy Director, and Gene Eich, Deputy Director of Property Tax Division. were present. No recommendation was offered for 6.5.

6.5

71.12 Eich reported that no changes were made following the Notice of 71.12(1)a which contains procedures to be followed in the agriculture poductivity formula for equalization in 1985. The Department has requested drainage district tax information from County Auditors. Responding to Tieden' question re PIC acres, Eich said that on diverted acres, the number of acres is provided by the ASCS office and payments made are included as income. Expense items are obtained from Iowa State for set-aside acres. There are three different types of set aside acres. Eich noted they do not have in-

> Eich clarified that drainage district taxes would be county by county and only assessed against agricultural land.

formation on other payments received by the farmer, e.g.,

38.1 et al

loans.

Discussion of individual tax amendments which, according to Castelda, were essentially cleanup.

44.3

Discussion of 44.3. Tieden called attention to a possible transposition of figures in interest computations in 44.3(3)--\$.84 and 44.3(5)--.48. Castelda will check this. Doyle asked for explanation of tax break. Castelda explained when the computation is made to determine whether or not 90 percent of the tax is paid, the Department goes back to original amount of tax paid when the return was If there is over-withholding and the Department makes refund, they do not return to net amount after withholding, they go to the orginal amount. The taxpayer is given full credit for any amount paid. Doyle was advised that nothing was being done on the "other side" re Sioux City problems. Discussion of proposed amnesty legislation.

REVENUE Cont'd Ch 71 In reviewing Chapter 71 amendments, Eich called attention to 71.20(3)c, last sentence where "reassessment" should read "nonreassessment."

In answer to Doyle's inquiry, Department officials said they were seeking uniformity for the tank storage issue.

Ch 79

Eich referred to amendments to Chapter 79 as "minor revisions of the real estate transfer tax and declarations of value."

O'Kane asked if new substantive legislation was passed.

Eich referenced a bill [SF 359] that requires assessors to retain one copy of each declaration of value for three years [from December 31 of the year in which the transfer took place]. Tigden interpreted language in 79.1(4) to be somewhat unusual and asked about the procedure followed if a taxpayer overpays. Eich said there would be a refund. Normally, the overpayment would be discovered by the taxpayer or an attorney. Department officials agreed to review the second sentence from the end of 70.1(4): "County recorders ... has not been collected."

INSURANCE Kim O'Hara, Attorney, appeared to review the following rules DEPARTMENT of the Insurance Department:

Ch 10

She stated that amendments to Chapter 10, 3.11 and 3.12 will enable them to utilize outside testing service for licensing examinations. The fee would be increased from \$10 to \$45 but has support of the industry. The County Mutual Exam will be retained since legislation was not enacted. Tieden noted numerous changes and was concerned that policy changes might go unnoticed.

REGENTS, BOARD OF UNI Parietal A proposed suspension of UNI parietal rule 2.36(5), IAB 4/10/85, was before the Committee. Robert J. Barak and Clark Elmer, UNI were present.

Barak said the University anticipates 100 percent capacity in the dorms until 1986-87. Enrollment is approximately 11,000 at this time. He continued that UNI plans to follow the procedure suggested by the ARRC for University of Iowa. Clark favored rescission of the rule. Barakat could foresee need for it in the future.

CONSERVA-TION The Conservation Commission was represented by the following: Lester C. Fleming, Doyle D. Adams, Al Farris, Richard Bishop and Robert Walker. Rules to be considered were:

	Motorboat horsepower restrictions on artificial lakes and marshes, 26.1, 26.15, 30.5, 40.4, 40.5 ARC 8457.	/24/85
	State parks and recreation areas, ch 45 ARC 5483	194/95
	Land and water conservation fund grants-in-aid for local entities 72.2.72.5(2) ARC 5456. F.	/24/85
1	State game refuges, restrictions, 3.1 ARC 5458 A	
١	Snowmobile registration revenue cost sharing with public agencies, 52.3(2), 52.3(4), 52.3(6) ARC 5461	/24/80 #24/00
		/44/83



CONSERVATION
COMMISSION
Continued
26.1 et al

According to Farris, amendments to the motorboat horse-power restrictions had been changed considerably since the Notice. The Green Valley rule was amended two ways for clarity; the rules will apply year around; horse-power limitation on that lake was removed. Also, two new rules were added to chapter 40 which clarifies horsepower limitations on artifical lakes. The exemptions granted have been in response to public request.

ch 45

According to Adams, one change had been made since Notice. Re 45.5(9)d, Adams said the Department found that mopeds could not be exempted. No one attended the scheduled public hearing.

O'Kane inquired about publicity re after-hours fishing in designated areas of state parks. Adams recalled it was published in a news release to all of the state's newspapers and a map is provided in conjunction with the rules. He did not believe information was published in the Conservationist Magazine because of the time restraints. O'Kane favored notification to park users. Adams felt that coverage was adequate. Adams did not envision additional liabilities as a result of the 24-hour use since park officers are on duty 24 hours a day.

45.3(3)

Doyle noticed that Blue Lake was not listed in 45.3(3) and Adams advised that the shelter is being repaired. There would be no charge for facilities that are not listed in rules. Size, condition, location and potential use are criteria used to determine covered shelter charge. No recommendations for 72.2 or 72.5(2).

72.2

O'Kane asked Bishop to supply specific source information on rule 3.1 when it is filed. Bishop said it was initiated by the Department. In explaining rule 24.1, Bishop stated that the past rule prohibited trapping of beaver or coyote on state management areas after the muskrat season was closed. That was not intent, thus the rule change.

41.5(4), 41.11 Discussion of 41.5(4) and 41.11. Doyle recalled that trailers and motor homes are often segregated from tents and foldouts and he interpreted rule 41.11 as precluding the homes and trailers from using air conditioners. Adams assured Doyle that judgment would be exercised, depending on the number of campers.

Parker questioned whether 120 feet was an arbitrary figure in the last sentence of 41.11. Adams explained they need authority to deal with loud music or chain saw use, for example.

52.3(2)

According to Walker, in re amendments to subrules 52.3(2) to 5.23(4), deadline for applications for snowmobile cost-sharing funds was changed from September 1 to July 1; meeting date of the Committee was changed and cost-sharing items were consolidated.

CONSERVATION COMMISSION Continued Funds are used to purchase snowmobile groomers and drags, averaging \$45,000 to \$50,000 each with a depreciable life of 8 to 10 years. The bidding process should begin at an early date. Twenty-seven counties have groomers. The program is administered through local County Conservation Boards which have been aware of it since its inception. Applications for next year will be mailed soon.

Tieden asked for clarification of the law re snowmobile operation. Walker said that snowmobiles can run on either side of the ditch on county roads. On state highways after dark, they must run with the traffic. O'Kane found it somewhat ironic that the Conservation Commission was involved in something so "anti-conservation-snowmobiles destroy and disturb natural habitat, etc." Walker cited the registration of over 60,000 machines. Registration is not required to run on private land. Tieden saw conservation involvement as actually providing better control in wildlife areas.

Parker asked if motorcycle trails existed and received negative reply. There was discussion of the various forms of sports vehicles and the need for a study committee to address the increasing problem of soil erosion due to use of these vehicles.

CORRECTIONS DEPARTMENT

Broxann Keigley was present for brief review of the following:

Doyle referenced new legislation and presumed rules would be forthcoming. Keigley gave an affirmative response. Brief discussion. O'Kane mentioned an amendment which he thought had been passed and Keigley agreed to research.

O'Kane questioned the need for a Notice for a change of address--37.2. No action taken.

Recess HEALTH DEPARTMENT

Committee was in short recess to move to Room 116. Mark Wheeler, Irene Howard, John Buckley, and Donald Ruberti were present for the Department to review:

Amendment to 1.2(1) will add Chlamydia Trachomatis to the list of reportable diseases. Wheeler deferred to Ruberti who informed the Committee that CT is the most prevelant sexually transmitted disease in the country—3 million cases annually infecting men, women and children. Although the disease has been in existence for a long time, he was unaware of any "common name."

58.1 et al

According to Buckley, proposed amendment to care facility rules was terminated because of comments at the

HEALTH DEPARTMENT Continued

public hearing by the Iowa Health Care Association. Revision will be submitted.

140.9, 140.10 In considering amendments to 140.9 and 140.10, Doyle asked Howard if there were a prohibition re a licensee displaying a Xerox copy of the license in his or her office. Howard replied that a recent AG opinion advised it was legal for boards to issue duplicate licenses and to charge for this service. The law requires that licenses be displayed in a public place and there are many satellite offices. She said the Department does not condone use of Xerox copies of licenses.

NURSING HOME ADMINISTRA-TORS

Denial, suspension, revocation of a license, 2.4(2)g, ARC 5451, filed, IAB 4/24/85, was before the Committee. Howard explained the subrule which requires administrators to report "suspected or actual" cases of sexual abuse to the local law enforcement agency or the Department of Human Services.

2.4(2)g

Doyle wanted to know what would be done on cases of "attempted abuse" when the rule reads "actual." Howard said they would be treated as "suspected cases." General discussion. Doyle suggested that consideration be given to expanding the rule to include "suspected or attempted cases."

Tieden reasoned that the one-hour deadline was prohibitive. It would seem to preclude any investigation by the administrator of the facility. Tieden could foresee a problem with enforcement of the "one-hour" provision. He raised question as to how the time was documented. No formal action.

Recess HUMAN SERVICES

Committee in recess to return to Room 24.
Mary Ann Walker, Vivian Thompson, Barbara Momberg,
Norma Ryan, Dan McKeever, Marg Corkery, Miriam Turnbull,
Stephen Gies and Cynthia Tracy were present for the following:

ADC. application, granting assistance, recoupment, unemployed parent workfare program, 40.244), 41.4417g." 41.7(2)"5'(2), 41.8(4), 46.1.59.3 ARC 5431	. 4/10/85
11.727 0 12.41.549, 401.59.5 ARC 5351 Supplementary and medical assistance. 75.113), 75.1(14), 75.7, 51.8 ARC 5433 Food programs, administration, job search. 65.28 ARC 5432 F.	4/10/80
Adoption corpices, certification of adoption investigators, 200.4, 200.5, 200.11, ch 107 ARC 5434.	9/ 10/00
Nonassistance child support recovery program, 96.1, 96.22"b," 96.4, 96.10, 96.11 ARC 5436	
ARC 5428 F.F. Soul programs, administration, treatment centers, 65.9, filed emergency ARC 5429 F.F.	4/10/85
Medical assistance, eligibility, 75.1(20), filed emergency ARC 5430	4/10/85

40.2 et al

In re 40.2 et al, Walker gave brief explanation of the filed amendments. Tieden was interested in fiscal impact but Walker stated it was almost impossible to estimate. However, she suspected there would be a small decrease.

ch 75

Amendments to chapter 75 and 51.8 will require social security number as a condition of eligibility for state supplementary assistance. This will be consistent with Medicaid policy. Rule 65.28 clarifies job search requirements. Walker indicated there were varying opinions as to whether the federal government requires job search. Comments had been received from Legal Services

HUMAN

Corporation and Walker was willing to provide copies to the SERVICES Committee. In answer to Parker, Department officials said job search was a requirement for ADC recipients. Gies added that the ADC unemployed parent program has stricter require-Doyle recalled amendments to Job Service rules on areas of high unemployment where the number of contacts were He wondered if paragraph c took that into consider-Walker pointed out that Human Services workers are in no way involved with job search. Job Service would notify Human Services as to how many searches are required. Parker noted that in his area, mileage expense would be costly for recipients.

ch 200 Discussion of chapter 200 amendments and new chapter 107. ch 107 Comments had been received from the Certified Adoption Investigators Group and their concerns were resolved. Corkery said there was some concern about possible conflict of interest. Re 107.4(1), residency requirement, the Executive Council allows the applicant to go only 25 miles beyond the state line without permission from them.

> Doyle called attention to use of "legal" as being redundant in the catchwords of 107.10 and asked that it be stricken when the rule is amended.

- ch 96 Walker informed the Committee that additional rules on nonassistance for child support recovery were in the drafting stage. Ryan cited example of documented abuse by an exhusband as "claim of good cause"--96.10. If an ADC applicant had been abused by an ex-husband, then the Department does not pursue the case. Clark called attention to inconsistent use of "individual" and "caretaker" in 96.1(1) and 96.1(2).
- 41.7 It was noted that the second "if" in 46.7(6), second sentence, et al should be "is." No recommendations were offered for 65.9 and 75.1(20).
- RACING Mick Lura represented Racing Commission for the following: COMM.

Practice and procedure before the rucing commission and the board of stewards, ch 4 ARC 5462. ## 4/21/85
Applications for track licenses, 5.7(4) ARC 5463 ## 4.24/85
Grevhound racing, ch 7 ARC 5464 ## 4/24/85
Mutuels departments, ch 8 ARC 5465 ## 4/24/85

ch 7 Clark asked and received permission to review chapter 7 first. Clark took the position that portions of the divisions of 7.3(16) should be in the "may" category, e.g., paragraphs b, f, k and m, and others in the "shall" category. Lura said most of them would be interpreted by the Commission that revocation would occur. He added that, in extenuating circumstances, "may" would give flexibility. Lura was willing to amend the rules if necessary, but emphasized the importance of having them in place since a meet was scheduled for June 1.

> O'Kane thought there were at least a half dozen areas where the rules conflicted with the statute. He agreed to visit with Lura following the meeting.

5-15-85

RACING COMMISSION

Lura advised that a majority of control comes from the testing program. Clark was interested in having the Commission monitor the areas she had pointed out. Clark excused.

11:35 a.m.

ch 4

Discussion of chapter 4. "Messenger bettor" definition was deleted at ARRC request and grammatical changes were made. No recommendations re 5.7(4).

ch 8

Lura briefed the Committee on minor changes in mutuel departments since the Notice which included two methods of paying off situation where no one bets on the winner—an "east of Mississippi, west of Mississippi interpretation" with decision being to pay on the horse running second. Lura saw no problem with 8.12(1) re windows. Doyle was told that licenses for 31 days of racing had been given for 7 different county fairs—for purposes of this license, the state fair is being treated as a county fair—Hum—boldt, Monticello, Cedar Rapids, State Fair in Des Moines—2 four—day weeks—Nashua, Denison and Whatcheer. Dubuque will have the first legal betting June 1. No formal action taken.

TRANSPOR-TATION DEPT Donald L. East, Robert R. Samuelson and Cande Bakke were present to review:

Highway division, maintenance, operations research, cities, primary road extensions, (06.J) ch 1; (06.L) chs 1 and 2; (06.P) ch 1 ARC 5453
Annual carrier report (07,F) 4.8 Selective review

- [06,P,Ch 1] East explained revisions to rules concerning extensions on primary roads. ARRC suggestions made involving definition of right of way were incorporated. Additional changes were made after the meeting at the suggestion of the Governor's Coordinator.
- [07,F,4.8] Selective review of 4.8. Bakke answered questions on behalf of the Transportation Regulation Authority in a special review of [07,F 4.8] pertaining to annual carriers' report. O'Kane was concerned about expense to a carrier because of the time frame for reporting. Bakke said the carrier might be in the position, depending upon size, of having to provide the same information for the same fiscal or calendar year to the ICC.

If the rule were changed to accept the reports on a fiscal year basis, all other carriers that set up on calendar year basis would have to change. Bakke reasoned that a practical solution would be to accept reports on the carrier's year basis but the problem is, those figures are used in certain annual statistical reports for comparisons, rate increase, etc. Bakke said the Department was studying the entire regulatory scheme and presentation of the findings will be submitted to the Commission in July. She asked for guidance from the Committee. O'Kane wondered about permissive reporting on any year basis the carrier chooses and making it DOT's responsibility to ferret out needed information.

PUBLIC SAFETY DEPT

18.6

Connie White, Tom Ruxlow and Bob Harvey appeared for Public Safety to resume discussion of chapter 18 of rules on disposition of ammunition and firearms which were deferred yesterday. The Committee was particularly interested in rule 18.6, paragraph 3. [See page 3103 of these minutes].

Ruxlow referred to Code section 691.9 which addresses disposition of firearms by the state and to section 724.1 which defines offensive weapons.

Doyle reiterated his position that the Department should be willing to auction handguns that are in good condition and will not be used for police work. A person with a license should be afforded opportunity to purchase these guns, in his opinion.

Ruxlow pointed out that language in Code section 691.9(3) be is permissive with use of "may be sold." He added that as a practical matter, the Department will not determine any handgun suitable for auction to the public. Most good quality guns go into reference files, are exchanged with other states, or are distributed to law enforcement agencies. Remaining guns are basically "junk." Ruxlow displayed a large box of handguns which will be destroyed to remove them from circulation. He estimated that 600 to 700 weapons are confiscated annually.

Doyle reasoned that the objectionable paragraph 3 could be rescinded without changing the policy and would be in compliance with Code provisions in chapter 691 and section 724.1(3). Ruxlow saw no problem with that approach and was willing to utilize emergency adoption to rescind 18.6, paragraph 3.

COMMERCE COMMISSION

Representing Commerce Commission were Dennis Downing and Dan Hanson. Also present were Don Williams, Northwestern Bell and Jack Clark, Iowa Utility Association. The following was before the Committee:

Regulatory flexibility analysis, 3.3(3), 3.6(3), 3.9 ARC 5475 F.	4/24/85
Telephone utilities, extended area service, 22.1(3) ARC 5476	4/24/85
Procedure for determining the competitiveness of a communications service or facility, ch 5 ARC 5477 N	4/94/85
Findings of fact and conclusions of law, 7.7(14) ARC 5478	4/24/85
Terminal equipment. 22.1(3), 22.2(6)"j," 22.3(2)"g," 22.3(6), 22.3(10)"c," 22.9, 22.10, 22.13(2)"b"(2), 16.6(5), 16.6(6), "	42400
16.5(12), 16.5(15) to 16.5(22), 16.5(26), 16.5(30), 16.5(34), 16.5(35), 16.5(37), 16.5(41), 16.5(42), 16.5(42), 16.5(43), 16.5	
16.5(46) ARC 5479 W	4/24/85
metering requirements, 19.3(1), 20.3(1) ARC 5442	4/10/85
Credit procedures and accounting practices for uncollectibles, amendments to che 16, 19, 20 and 22, notice	
ARC 4912 terminated ARC 5441 N 7.	4/10/85
The same of the sa	

ch 3

In reviewing amendments to chapter 3, Hanson advised O'Kane that the Department was looking at the "trigger mechanism" and impact on small business. There were a number of possible interpretations including some from federal. Each situation will be considered on a case-by-case basis. No action taken.

22.1(3)

Downing stated that 22.1(3) explains Commission position about the nature and purpose of extended area service. Public comment was received. Hanson concurred with Parker that the reseller would have to pay the access charge.

COMMERCE Cont'd There was discussion of the distinction between the EAS service and the EAS facility. Some local exchanges are willing to share lines if they are paid.

Opposition was expressed by NW Bell and Teleconnect on a number of issues but Downing was unsure of this particular area. Doyle recalled that NW Bell contended this would be inconsistent with FCC regulations.

Re Teleconnect, Hanson said the Department is considering the filing of tariffs as a requirement. Teleconnect filed petition for declaratory ruling with respect to this particular rulemaking. It was noted that Iowa Electric plans to purchase a portion of Teleconnect.

Williams was aware of big problems and indicated they were working with the Commission.

Ch 5

Re Chapter 5, Parker wondered if local entities would keep their own pay telephones. Hanson had no "feedback" on that. Parker viewed this issue as very "cloudy."

7.7(14)

According to Department officials, 7.7(14) was rescinded since experience indicated it was not as beneficial as anticipated.

22.1(3) et al

Comments were received by the Department late yesterday on amendments pertaining to terminal equipment but Hanson said they had not perused them. The Commission has decided that pay telephones are subject to competition and must be deregulated. Two rulemakings will be initiated—one to deregulate terminal equipment which include pay phones, the other would create a procedure for future matters of competition. Hanson continued that, based on an in-depth investigation of various types of services, the Commission decided on a definition of competition. They also found a substantial number who would offer pay phones.

Parker referred to Code chapter 312 and asked about decisions on competitive services which should be deregulated. Hanson said that customer premise equipment and regular telephones have essentially been deregulated. Other types being studied are intralateral WATS provided by NW Bell. An alarm system to be operated by NW Bell, Centron and Centrax was deregulated.

19.3, 20.3 Downing said that metering amendments were intended to clarify that when a landlord is passing utility costs to the tenant and is not remetering or repricing the utility service, the allocation of those costs as part of the rent should not be considered a utility function regulated by the Commission.

Termination Comments received on proposed credit procedures for uncollectibles were not positive, according to Downing. They revelaed the practices would not be cost effective in reducing bad debt level and the rulemaking was terminated. O'Kane supported this action. Parker wondered if any one favored the proposal. Downing was unsure.

SOIL CONSERVATION

The Department of Soil Conservation was represented by James Gulliford who presented the following:

Changes in rules with regard to gender reference, 5.20(9), 5.20(15), 6.70(7), 27.70, filed without notice ARC 5466 FWM. 4/24/85

Blaster training, examination, and certification for coal mines, ch 23, notice ARC 4631 terminated ARC 5467 MT. 4/24/85

Blaster training, examination, and certification for coal mines, ch 26 ARC 5468 M. 4/24/85

No recommendations were offered for gender changes except in rule 27.70 where "the owner's" should be substituted for "their." Barry agreed to make the change editorially when the rules are amended again.

ch 26

The first Notice was terminated and the new version was based on federal requirements. Gulliford explained that the Department, as part of the Office of Surface Mining Program, is required to examine and certify a coal company and their blasting personnel. The rules in no way usurp OSHA health and safety requirements, the fire marshal or the sheriff. O'Kane recalled constant changing at the federal level in this area. Gulliford recognized that the controversial area of mining regulation was constantly in litigation throughout the country. He could foresee no immediate relief. Clark pointed out punctuation problems in 26.40(3)b(1). The Department will rewrite the paragraph before it is adopted.

MERIT EMPLOYMENT

Clint Davis and Carol Swanson submitted miscellaneous amendments to rules of the Merit Employment Department enumerated on page 3106 of these minutes. The ARRC had imposed a 70-day delay on the amendments at their May 14 meeting.

Commission recommendation resulted in some changes since the Notice, principally in red-circled salaries. References were consolidated for distinct improvement. Tieden and Davis discussed compatability of the rules with Comparable Worth provisions and it was consensus that House File 753 ['85 Acts] would have to be studied before anyone is sure.

Chapter 3 of the rules included factors to be considered for job classification and those include factors in the Comparable Worth language in Code Chapter 79. Tieden recalled eight separate pay plans with variations in each.

Davis stated that 16.1(3) was rescinded upon advice of their attorney. Litigation involving an Agriculture Department employee prompted the action. O'Kane asked if less restrictive rules on the subject of political activity were contemplated and Davis said their counsel had advised that the law is clear, rules are unnecessary.

Motion

Doyle moved to lift the 70-day delay imposed on the miscellaneous Merit amendments published in IAB 4/19/85. Motion carried.

SECRETARY OF STATE No action was taken on proposed 11.2(3) of the Secretary of State. The provision was published in 4/10/85 IAB as ARC 5419.

ENERGY POLICY COUNCIL

Ronna Bury, Program Coordinator for Solar Energy Bank, presented the following:

Rules are being amended for program eligibility and maximum levels of assistance and cutting out nonprofit commercial eligibility for solar space heating. Funds from HUD have been cut from \$1.5 million in 1984-85 to \$300,000 to \$500,000. The chart in 16.9(1)a depicts cuts in amount of assistance. Bury estimated median income in Des Moines at \$28,900 for a family of four. It was noted that the last three entries in Columns 1 and 2 of the chart should have been stricken. They are applying the same requirements for landlords and homeowners. Landlords had attempted to abuse the program in the past.

CIVIL RIGHTS COMMISSION

The Civil Rights Commission was represented by Artis Reis and TaYu Yang for 1.4(3)a re rules of practice, published IAB 4/24/85 as ARC 5445. The Commission rescinded the rule which allowed them to close certain cases because of lack of agency resources. It was decided after two months that this was not the proper approach and the Commission preferred to seek more resources. Reis estimated there were approximately 1200 cases before the Commission at this time.

INSURANCE DEPARTMENT

Denise Horner explained the following:

Implementation of health data commission directives, 5.90 ARC 5447 F. 4/24/85 . Unfair discrimination - blindness, 15.83 ARC 5448 F. 4/24/85 . Workers' compensation group self-insurance, 56.1(1), 56.13(2), 56.19(8), filed emergency ARC 5427 F. F. 4/10/85 .

5.90 15.83 Horner said that the AG recommended rule 5.90. She continued that 15.83 differs from Notice in that interpretive notes developed by the National Association of Insurance Commissioners have been added. Only favorable comments were received.

ch 56

Re chapter 56 amendments, Horner indicated the Department would reassess the need for the amendments in view of legislation passed this year. It came to the attention of the Department in March that their rules were in conflict with an AG opinion re self-insured premium tax.

Horner discussed the lack of coverage against asbestos liability since companies are unwilling to assume this risk. It was her understanding that a federal proposal would create a trust fund of \$150 million per year--50 per cent coming from federal and the other 50 per cent, from defendants of asbestos-related law suits and their insurers. Victims of asbestos-related disease would present their claims to the Workers' Compensation Board in the state where they reside. If awarded benefits,

INSURANCE DEPARTMENT Continued

victims would be entitled to tap the trust fund. future of this legislation is uncertain since portions of it is violently opposed by the Insurance Industry, e.g., rights delegated away from the industry in making determination as to amount of settlement. Horner cited two reasons insurance companies do not want to offer Speculative damages are more and more unpredictable. Defense costs are skyrocketing for insurers. Horner discussed occurrence policy or claims made policy.

Royce Directive

O'Kane asked that Horner communicate with Royce re any developments in the area of asbestos coverage.

COUNTY FINANCE

Gary Meyer appeared for the following but no recommendations were offered:

COUNTY FINANCE COMMITTEE[292]

EXECUTIVE COUNCIL

In brief discussion of chapter 6, HMO's, ARC 5420, Doyle noted references which, in his opinion, should have dates certain. The Department will be notified and the rules will be placed on the June agenda. The delay imposed on May 14 was not lifted.

PUBLIC ch 12

Discussion of Public Instruction rules, chapter 12, special INSTRUCTION education, continued from yesterday. Those in attendance were Frank Vance and Joe Frielinger of the Department. [See also p. 3106] Vance told the Committee that revision of the rules had been in process for four years. public hearings were held with much input from the field and he felt this was a compromise.

> Vance summarized issues addressed in yesterday's testimony: Rules in general, teacher's right to appeal process and implementation or lack thereof of rules which he viewed as compliance issues and problems relating to implementation of the rules.

With respect to the right of appeal by the practitioner, the Department concurs but lacks authority to promulgate this issue by rule. Vance quoted from Code §281.6 upon which the Department relies for their appeal procedures. He recalled when they sought legislation to include an area education agency as one that can initiate an appeal, it did not pass. Rule 12.31(9) covers complaints to the Department.

Vance recalled that opposition was expressed yesterday to 12.5(2) and 12.5(3) a which deal with the 1/3 - 2/3rule referred to in the decision-making process. He referenced Code §281.9(1)b and c which addresses part of the instruction as it pertains to the weighting process. Vance made the point that the basis of the weighting plan and the determination of the model in which the child would be placed is a function of time--that the child is integrated or receiving general education instructional

PUBLIC Cont'd

services. Vance admitted there had been problems with INSTRUCTION various interpretations over the past ten years. is inconsistency among Districts and the rules were intended to to be a common denominator with the "1/3-2/3 approach They do not restrain the amount of integration, in his opinion. The third issue did not relate to validity of rules but demonstrated frustration between employers and employees in terms of interpretation. The Department plans in-service training with monitoring to ensure that liberties are not taken in terms of local interpretation. Local personnel must be the decision makers. In response to Clark, Vance that weighting decisions are made December 1 for the year.

> Frielinger told O'Kane that many nonsubstantive changes were made in the rules after Notice, including grammatical, clarification and suggestions from the hearings were incorporated. Royce advised that the thrust of the rules carried through and, in his judgment, they were legal! Renotice would delay implementation for one year.

Vance reiterated that Chapter 12 was rewritten to reconcile with federal law and regulations and to incorporate changes in Code Chapter 281.

Clark saw a problem in grouping Special Ed children and the apparent utilization of waiver provisions. Vance saw the problem as one of implementation and application. He discussed the "low incidence child" in rural areas. New rules provide that before a child is added to a given program, the Director must consider availability of additional support system instructional aids, problems of children in the program and resources.

Hove spoke of the funding issue and class quotas and the fact that professionals who testified yesterday were more concerned about traumatic impact on children. She favored a flexibility clause in the controversial "time" rules and guidelines.

Sutton agreed that would be a reasonable approach if intent is to deal with classification. He took the position that Special Ed weighting or funding should not be changed except by the Department [Code chapter 442].

Vance saw no fiscal impact and stressed that there was no intent on the part of the Department to circumvent or add a dimension to the finance issue. Their intent was guidance to Area Directors who make the final determination as to placement model and weighting in terms of the 1/3 - 2/3.

The Department favors rules over guidelines to provide and enforcement tool.

Delay

Parker moved to impose a 70-day delay for further study and that the rules be placed on the July agenda of this - 3121 -

PUBLIC Concluded

Committee. Doyle noted U. S. Code references in the INSTRUCTION rules which need dates certain.

Motion to delay carried.

Tieden informed the Committee he would be absent in June.

No agency Reps

No agency representatives were requested to appear for the following:

NURSING, BOARD OF [590] Continuing education, 5.2(27d." filed without not	ice ARC 5446 F.W.M	4/24/85
INDUSTRIAL COMMISSIONER[500] Contested cases, 4.2, 4.14, 4.17 ARC 5424	F	4/10/85
	RC 5443 <i>F.E</i>	

Adjourned

Meeting was adjourned at 4:00 p.m. Next regular meeting scheduled for June 11 and 12, 1985.

Respectfully submitted,

Phyllis Barry, Secretary Assisted by Vivian Haag

APPROVED:

CHAIRMAN