

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

Time of meeting: The special meeting of the Administrative Rules Review Committee (ARRC) was held Monday, October 11, 1999, in the Willow Room, Botanical Center, Des Moines, Iowa.

Members present: Representative Janet Metcalf, temporary chair; Senators Merlin E. Bartz, Patricia M. Harper, H. Kay Hedge, John P. Kibbie, and Sheldon Rittmer; Representatives Clyde Bradley, Danny Carroll, Minnette Doderer, and Geri Huser.

Also present: Joseph A. Royce, Legal Counsel; Stephanie Pickens, Office of Administrative Rules Coordinator; Kathleen K. Bates, Administrative Code Editor, and Teresa Vander Linden, Assistant; caucus staff and other interested persons.

Convened •Chair Metcalf convened the meeting at 9:03 a.m.

**PERSONNEL DEPARTMENT** Gregg Schochenmaier represented the department.

ARC 9299A No action on various amendments resulting from departmental review.

ARC 9298A No questions on emergency amendments to ch 15 concerning benefits.

ARC 9364A Proposed 15.13 pertains to health flexible spending accounts.

- Rittmer was informed that initially departments will be charged on a per-employee basis for the costs of administering the program, which will become self-funded through forfeiture of unspent reserves.
- Schochenmaier reported to Carroll that the third-party administrator is a Missouri bidder that currently provides similar services to 11 other states. Carroll was also informed that the department is requesting that the Executive Council extend this benefit to noncontract persons.
- Hedge was advised that employees determine the amount they want withheld in pretax dollars to cover medical expenses not paid by their insurance plans, such as deductibles, co-pays and eyeglasses.
- In response to Bartz, Schochenmaier explained that based on other states, a forfeiture of between 10% and 15% per year is anticipated.
- Huser was told that two of the four bidders were in state.
- In response to Kibbie, Schochenmaier estimated that 1200 participants would commit approximately \$3.5 million and forfeit about \$37,000. The contract cost for administration is \$34,000.

**INSURANCE DIVISION** Susan Voss and Craig Goettsch represented the division.

ARC 9358A No questions on health insurance rules which implement SF 276.

ARC 9344A No questions on ch 43 concerning annuity mortality tables.

ARC 9345A Proposed ch 47, based on an NAIC model being adopted by all states, pertains to reserves for term life policies.

ARC 9347A No questions on termination of Notice for 50.81 to 50.88.

ARC 9365A No questions on proposed examination requirements for investment advisors and investment advisor representatives, 50.109 and 50.110.

ARC 9356A Proposed ch 76 provides for external review of decisions denying coverage based on medical necessity when internal review and appeal procedures have been exhausted. Voss outlined steps taken by the division to receive input from stakeholders prior to drafting the proposed rule making.

- Voss told Rittmer that costs of a review are borne by the carrier and added that an annual report of reviews will be made to the legislature.
- Metcalf advised Voss to notify the committee in advance if significant changes are made in the adopted rules.

**HUMAN SERVICES DEPARTMENT** Mary Ann Walker, Andrea Hoffman, Nancy Thoma and Terri Pollard represented DHS.

ARC 9292A No questions on correction of references in 29.3 and 30.2.

ARC 9295A No questions on amendments which result in Medicaid eligibility for 280 children.

ARC 9296A Amendments to chs 41, 49, 93 implement a system of seamless childcare.

- Walker responded to Huser that eligibility for FIP and PROMISE JOBS differs, but the child care provider procedures are the same. Huser reported that day care providers have a problem collecting copayments from participants.

ARC 9300A The subsidized guardianship program provides assistance to guardians of children that are not eligible for adoption and not able to return home.

- Walker assured Carroll that the guardian would most likely be the foster family.
- Bartz asked Walker to find out if a subsidized guardianship might adversely affect a potential adoption.

ARC 9301A Walker indicated that the Iowa Medical Society opposes 78.14, which allows for waiver of medical evaluation by a physician prior to receipt of a hearing aid.

Human Services Department (continued)

- Doderer, noting the wide range of hearing aid prices, asked about coverage; Walker agreed to check on the basis for payment.
- ARC 9302A No questions on Medicaid payments to nursing facilities.
- ARC 9349A No questions on proposed skilled nursing facility rates.
- ARC 9352A Proposed amendments to ch 110 pertain to family and group day care homes.
- Bartz called attention to language in 110.7(3) regarding record checks for anyone "14 years of age or older" living in the home and voiced concern that younger offenders may also reside in the home.
- ARC 9303A No action on amendments pertaining to child care services.
- ARC 9304A No questions on amendments to chs 150 and 185.
- ARC 9305A No questions on payment rates for foster family care and adoption, 156.6(1).
- ARC 9306A No questions on 158.1 and 158.2 concerning the foster home insurance fund.
- ARC 9307A No questions on the rescission of ch 164.
- ARC 9308A No questions on amendments to ch 169, funding for empowerment areas.
- ARC 9309A No questions on amendments to ch 202 pertaining to foster care services.
- ARC 9238A At the September 15, 1999, meeting a 70-day delay was imposed on 95.1, definition of "date of collection," and 95.3. Thoma reviewed the history of the child support collections services center and explained that although the rules specify the date of receipt at the collections services center as the date of payment, in the relatively few cases where there is a small threshold of tolerance for delinquency or undue hardship would result, the department could, on a case-by-case basis, grant a waiver. Thoma added that the majority of employers do not report the date of withholding, even though the department requests that information. Emphasizing the difficulty of enforcing a requirement for employers to report the date of withholding, Thoma stated that the center receives payments from 82,000 employers in Iowa as well as out-of-state employers.

Nesbit repeated his opposition to the rule and stated that a waiver would not be an acceptable solution.

Motion to delay Metcalf made a motion to delay until the end of the next legislative session the definition in 95.1 and rule 95.3.

Motion carried The session delay was unanimously approved.

**EDUCATION DEPARTMENT** Leland Tack, Su McCurdy, Mary Beth Schroeder Fracek and Ann McCarthy represented the department. Other interested parties included Ben Norman of Ankeny Community Schools and Mike Baethke of Indianola Community Schools.

- ARC 9315A Ch 83 pertains to the beginning teacher induction program.
- Metcalf suggested that the evaluation criteria, point system and weighting be set out in the rules.
- Harper was informed that applications are due October 22 and funds will be awarded in November.
- In response to Bartz, Fracek confirmed that mentors and beginning teachers could be in different school districts.

ARC 9314A No questions on 84.1 to 84.4 concerning national board certification.

- ARC 9318A Ch 97 pertains to supplementary weighting.
- In response to Huser's inquiry about the economic impact on school districts, Tack distributed a summary prepared by the department. Under these rules, 419 full-time equivalent students previously included in enrollments of districts with alternative high schools provided by community colleges are excluded from enrollment figures in accordance with an opinion of the attorney general's office. The fiscal impact amounts to \$6.2 million for the 2000-2001 year.
- Tack responded to Kibbie that between 40 and 50 comments have been received pertaining to support for alternative high schools, requests for additional weighting for students in vocational programs, and support of weighting for districts jointly employing a teacher.
- Tack explained to Bradley that the rules were filed emergency to be in place by the third week of September when districts must report enrollments.
- Bartz, noting that six districts account for one-half of the \$6.2 million, requested the department to provide the ratio of students in alternative schools to the enrollment in each of the districts.
- Norman and Baethke voiced their support for the alternative programs provided by community colleges for at-risk students and urged legislative action to enable districts to count the students.

Motion to refer Huser moved a referral of supplementary weighting to the general assembly.

Motion carried The motion to refer carried.

**SCHOOL BUDGET REVIEW COMMITTEE** LeLand Tack represented the committee.

ARC 9311A No questions on proposed ch 7 pertaining to on-time funding for increased enrollment.

**ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF** Mary Lawyer, Rose Wazny and Nancy Landess represented the department.

ARC 9340A No questions on the amendment to the certified school to career program.

ARC 9341A No action on ch 20, ACE PIAP program.

ARC 9342A No questions on amendments to the CDBG program.

ARC 9343A No action on ch 65, REACH—community attraction and tourism development program.

**INSPECTIONS AND APPEALS DEPARTMENT** Robert Haxton represented the department.

ARC 9353A Haxton summarized changes made in response to comments on the proposed food code amendments. Due to minimal risk in the existing practice, the department granted a variance to the Storm Lake hospital that sold homemade cookies in the coffee shop.

**LAW ENFORCEMENT ACADEMY** Gene Shepard represented the academy.

ARC 9354A The amendments to ch 2 are identical to the Notice.

•Rittmer expressed concern about the exception to the residency requirement.

•Bartz questioned the allowance of exceptions only for proximate housing within a metropolitan area.

Motion to refer Bartz moved referral of Items 1 and 2 of ARC 9354A to the general assembly.

Motion carried The motion to refer passed.

**Committee business** The minutes of the September meetings were approved.**CITY DEVELOPMENT BOARD** Chris Scase and Steve McCann represented the board.

Annexation The special review was requested by Huser. Scase summarized pending litigation and appeal proceedings. Until the Supreme Court renders a decision, the board will continue current practices. Scase indicated that the current statute requires cities to show the capacity to supply services, but there is no time limit as to when services must be supplied. The board would prefer statutory accountability provisions.

**NATURAL RESOURCE COMMISSION** Mike Carrier, Steve Dermand, Marion Conover and Richard Bishop represented the commission.

ARC 9331A No action on ch 24, blufflands protection program and revolving loan fund.

ARC 9333A No questions on allowing bonus points for local recreation infrastructure grant applications with public-private partnerships.

ARC 9334A •Carrier reported to Hedge that lake dredging will begin within the next 6 to 8 months.

ARC 9329A No questions on zoning of Mississippi River, 40.47.

ARC 9328A No action on proposed 42.2 pertaining to reporting of boating accidents.

ARC 9327A No action on proposed 51.3(1) regarding shooting ranges in game management areas.

ARC 9332A No questions on boat storage fees and limitation on number of consecutive days of camping in state parks and recreations areas.

ARC 9330A No questions on sale of nursery stock, 71.3.

ARC 9326A No action on proposed amendments to ch 81 concerning fishing regulations.

ARC 9325A No action on amendments to ch 91 pertaining to waterfowl and coot hunting seasons.

ARC 9324A No questions on nonresident deer hunting.

ARC 9322A Proposed amendments to ch 98 pertain to wild turkey hunting.

Bishop responded to Pickens that no felony check is made prior to issuance of licenses.

•Bradley was informed that #4 shot is the largest allowed for wild turkey hunting.

ARC 9323A No questions on 106.11(4) pertaining to deer shooting permits.

•Kibbie would like a report at a future meeting about contamination of Iowa lakes.

**SECRETARY OF STATE** Dean Lerner, Bob Galbraith and Sandy Steinbach represented the office.

ARC 9348A No questions on annual agricultural landholding report, 4.2(4).

ARC 9357A The proposed amendment reinstates the 150-day requirement for publication of the public notice for constitutional amendments.

ARC 9294A No questions on amendments to implement SF 469.

**REVENUE AND FINANCE DEPARTMENT** Carl Castelda represented the department.

ARC 9360A No questions on replacement tax and statewide property tax.

ARC 9359A No action on proposed corporation income tax amendments.

ARC 9346A No action on proposed amendments to motor vehicle fuel tax.

•Castelda informed Bartz that federal and state tax are paid at the terminal when fuel comes into the state and then included in the purchase price of the fuel at the pump.

**LIBRARIES AND INFORMATION SERVICES DIVISION** Sharman Smith represented the division.

ARC 9350A Smith noted that ch 8 rules for the regional library system reflect current practice.

OCTOBER 11, 1999

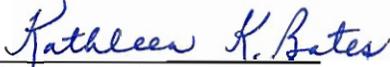
IOWA FINANCE AUTHORITY Dennis Dietz and Libby Nelson represented the authority.

ARC 9361A No questions on administrative procedure amendments.

ARC 9362A Dietz reported that an emergency after notice adoption of 9.20 is anticipated to allow for implementation of the mortgage release certificate rule in November. Dietz outlined agency plans for notification, payment of costs of publication, reimbursement of recording fees, and direction of claimants to the state tort claims Act.

Adjourn The meeting was adjourned at 2:48 p.m.

Respectfully submitted,

  
Kathleen K. Bates

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APPROVED:

  
Janet Metcalf  
Chair Janet Metcalf