

3/2/98 do Pass

3/24/98 Rereferred To: Human Res.

FEB 24 1998

HUMAN RESOURCES

HOUSE FILE **2425**
BY FALLON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the provision of a dispute resolution process
2 applicable to controversies and to final decisions in
3 contested cases to which the department of human services is a
4 party.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 2425

H-8459

1 Amend House File 2425 as follows:

2 1. Page 1, by inserting after line 19, the
3 following:

4 "3. This section does not apply to final
5 decisions, or to decisions or actions of the
6 department relating to the child support recovery
7 unit."

8 2. Page 1, line 23, by inserting after the figure
9 "217.44." the following: "Notwithstanding section
10 679.12, when the department of human services is a
11 party to a dispute which has been scheduled for a
12 mediation session, the facts and circumstances
13 surrounding the dispute and any other information
14 provided by the department of human services are
15 confidential to the extent provided pursuant to
16 chapter 217."

By FALLON of Polk
BODDICKER of Cedar

H-8459 FILED MARCH 17, 1998

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HF 2425

1 Section 1. NEW SECTION. 217.44 DISPUTE RESOLUTION
2 PROCESS -- CONTROVERSIES -- CONTESTED CASE FINAL DECISIONS.

3 1. Notwithstanding the contested case proceedings provided
4 in chapter 17A, a person who is aggrieved or adversely
5 affected by a final decision of the department may, prior to
6 seeking judicial review, request that the person's case be
7 referred to a dispute resolution center established pursuant
8 to chapter 679 for dispute resolution. The provisions of
9 chapter 679 relating to disputes shall apply to a dispute
10 referred under this section. If a party is not satisfied with
11 the outcome of the dispute resolution process, the party may
12 seek judicial review under chapter 17A.

13 2. A person who is a client of the department who is
14 aggrieved or adversely affected by a decision or action of the
15 department may request that the controversy be referred to a
16 dispute resolution center established pursuant to chapter 679
17 for dispute resolution. The provisions of chapter 679
18 relating to disputes shall apply to a dispute referred under
19 this section.

20 Sec. 2. NEW SECTION. 679.15 DEPARTMENT OF HUMAN SERVICES
21 -- DISPUTES.

22 This chapter shall apply to disputes referred pursuant to
23 section 217.44.

24 EXPLANATION

25 This bill provides that the existing informal dispute
26 resolution process under Code chapter 679 which is
27 administered by the office of prosecuting attorneys training
28 coordinator of the department of justice, applies to final
29 decisions of contested cases in which the department of human
30 services is involved if a party requests such referral of the
31 case prior to seeking judicial review, and to controversies
32 between the department and clients of the department.

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**HOUSE FILE 2425
FISCAL NOTE**

A fiscal note for House File 2425 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2425 provides for a dispute resolution process for controversies and final decisions in contested cases to which the Department of Human Services (DHS) is a party, prior to seeking judicial review.

ASSUMPTIONS

1. The Child Support Recovery Unit estimates 37,500 cases may be eligible for mediation. Approximately 25.0% of eligible clients will request the mediation process, resulting in 9,375 estimated child support recovery cases requiring mediation. The 25.0% participation rate is based on current referrals to Field Staff for additional problem resolution from the Child Support Recovery Unit.
2. Department staff time to prepare for and attend each child support mediation is four hours.
3. In FY 1997, all other divisions of the DHS received 4,450 requests for appeal of decisions from various programs. Staff time for each grievance procedure is estimated to be three hours per case. Staff time for preparation of mediation would offset staff time for preparation of appeals no longer required. It is unknown how many appeals would be prevented by the mediation process.
4. An average mediation session costs from \$75 to \$100 per hour. The average dispute resolution mediation session is estimated to require two hours of mediation time.
5. Required manual changes and printing of revised forms will cost approximately \$13,000 in FY 1999.
6. The Prosecuting Attorneys Training Council may require additional staff to process applications from mediation centers applying to participate in the process, if there is a significant increase in the number of mediations to be processed. An additional 0.5 FTE support position at an estimated cost of \$20,000 may be required. There are currently no mediation centers with an up-to-date application to participate in the dispute resolution process established in Chapter 679, Code of Iowa.
7. Chapter 679.12, Code of Iowa, requires that a dispute resolution process that a governmental entity is a party of is not a confidential proceeding. There may be some conflict for the DHS in participating due to DHS confidentiality requirements.

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8. It is unclear in HF 2425 if the dispute resolution process is a mediation, which would help the parties understand each other, or an arbitration, which would have the authority to overturn the DHS decision.

FISCAL IMPACT

House File 2425 is expected to increase General Fund expenditures for the Department of Human Services by approximately \$2.6 million in FY 1999 and FY 2000.

Fiscal Impact of HF 2425
(dollars in thousand)

	<u>FY 1999</u>	<u>FY 2000</u>
<u>REVENUE</u>		
Federal Funds	\$ 714	\$ 706
<u>EXPENDITURES</u>		
Field Staff Salaries (FTE's)	\$ 622 (16.0)	\$ 622 (16.0)
CSRU Contract Staff	799	799
CSRU Mediation Fees	1,876	1,876
Other Case Mediation Fees	890	890
Other Case Appeals Savings	-890	-890
Manuals and Printing	13	0
Total Expenditure	<u>\$ 3,310</u>	<u>\$ 3,297</u>
NET COST	<u>\$ 2,596</u>	<u>\$ 2,591</u>

SOURCES

Department of Human Services
Iowa Mediation Services
Prosecuting Attorneys Training Council

(LSB 4043hh, MMB)

FILED MARCH 18, 1998

BY DENNIS PROUTY, FISCAL DIRECTOR