

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, July 19, 2013

The Arkansas Legislative Council met at 9:00 a.m., Friday, July 19, 2013 in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair John Charles Edwards called the meeting to order.

Minutes of the Last Meeting

Co-Chair Edwards referred the members to the minutes of the last Legislative Council meeting on June 21, 2013 (Exhibit C) and asked if there were any questions. There were no questions. **The motion to adopt minutes of the June 21, 2013 meeting was passed by voice vote.**

Presentation of Revenue Report

Co-Chair Edwards recognized Richard Wilson, Assistant Director for Research Services with the Bureau of Legislative Research, to present the monthly revenue report for June 2013. Mr. Wilson reported that the Monthly Revenue Report for June 2013 (Exhibit D) represents year-end numbers for the fiscal year ending June 30, 2013. The report reflects that gross collections are \$ 288 million above last year for a growth rate of four point nine percent (4.9%) and the net revenue available is \$275.4 million ahead of the same period last year for a growth rate of five point eight percent (5.8%). Mr. Wilson noted that for the first time, the bottom line for net revenues passed the five billion dollar mark. Mr. Wilson referred to the graph and reported that the fiscal year ended with the net general revenue available for distribution being at \$162 million ahead of the official revenue forecast as revised on May 1, 2013. The spreadsheet reflects the fiscal year ended with a growth rate of nine-tenths of one percent (0.9%) for sales and use tax gross receipts and a growth rate of seven point four percent (7.4%) for income tax gross receipts. This concluded the report and Mr. Wilson responded to questions from the members.

Standing Subcommittees

Co-Chair Edwards referred members to the reports of the standing subcommittees and stated that reports from the subcommittees meeting during this month would be heard.

Administrative Rules and Regulations Subcommittee

Co-Chair Edwards recognized Representative Kelley Linck to present the report of the Administrative Rules and Regulations Subcommittee (Exhibit F.1). Representative Linck reported that the Administrative Rules and Regulations Subcommittee met on July 15, 2013 with many members present and heard several presentations. The subcommittee chose not to review the following rules: (1) the rule from the Department of Community Correction concerning the Prison

Alternative Transitional Housing (PATH) program, which was referred to the Senate and House Committees on Judiciary for review with a request that these committees report back to the subcommittee; (2) the rules from the Arkansas Board of Examiners in Counseling, which were referred to the Senate and House Committees on Public Health, Welfare and Labor with a request that these committees report back to the subcommittee; and (3) the rules from the Arkansas State Highway Commission on sign visibility policy, which were referred to the Senate Committee on Transportation, Technology and Legislative Affairs and the House Committee on Public Transportation with questions regarding the commission's authority to issue fines under these rules.

Co-Chair Edwards recognized Senator Flowers who asked if the rules from the Department of Community Correction could also be reviewed by the ALC Subcommittee on Charitable, Penal and Correctional Institutions of which she is a Co-Chair. Representative Linck responded that he understood the Legislative Council could move the rules to another committee and he did not object to this. Co-Chair Edwards recognized Senator Key who informed the members that the Department of Community Correction had informed him yesterday that the rule in question was being withdrawn at this time and he felt that it may be premature to refer the withdrawn rules to another committee. Senator Flowers asked that the ALC Subcommittee on Charitable, Penal and Correctional Institutions also have an opportunity to review the rules when they are re-submitted. There were no further questions.

Representative Kelley Linck moved that the report of the Administrative Rules and Regulations Subcommittee be adopted. The motion was seconded by Representative Greg Leding and was passed by voice vote.

Charitable, Penal and Correctional Institutions Subcommittee

Co-Chair Edwards recognized Senator Stephanie Flowers to present the report of the Charitable, Penal and Correctional Institutions Subcommittee. Senator Flowers reported that the Charitable, Penal and Correctional Institutions Subcommittee met on July 15, 2013 and discussed with Benny Magness, the Chairman of the Board of Correction, and Sheila Sharp, the Interim Director of the Department of Community Correction, the following topics: the transitional housing program and how it works; a transitional housing facility in Pine Bluff that is the first facility to be run by the Department of Community Correction; the technical violators program; the prison population; and the mandates of Act 570. Representative Flowers also reported that the Department of Community Correction plans to submit recommendations for evidence-based practices to the subcommittee at the next subcommittee meeting. There were no questions.

Senator Stephanie Flowers moved that the report of the Charitable, Penal and Correctional Institutions Subcommittee be adopted. The motion was seconded by Representative Tommy Thompson and was passed by voice vote.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Edwards recognized Representative Stephen Meeks to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee. Representative Meeks reported that the PEER Subcommittee met on July 11, 2013 and the subcommittee approved three items including: (1) the release of \$1.5 million from the general improvement set aside fund for higher education grants; (2) an appropriation transfer for the Department of Workforce Services;

and (3) an appropriation fund transfer for the Arkansas State Police. Representative Meeks reported that the subcommittee reviewed all items and that no items were held.

Representative Meeks offered to answer questions from the members and then moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted.

Co-Chair Edwards recognized Commissioner Jay Bradford, Chester Mizell, Manager of the Consumer Assistance Program, and Pam Looney, Financial Officer for the Arkansas Insurance Department, to respond to questions. The following information was provided in response to questions:

- The two positions requested by the Arkansas Insurance Department and listed as item B.1 on page one of the PEER Subcommittee Report, are a part of the Consumer Assistance Program which will help consumers by responding to consumer questions, by helping consumers to navigate the new healthcare law, and by resolving consumer complaints.
- These two positions are new additional positions needed to help the new consumers expected due to the roll out of the new advertisement campaign.
- The Insurance Department has seen 32,000 hits on the web site in the last three or four weeks since the television advertisements have aired.
- These positions are funded one hundred percent (100%) by the federal government and only exist as long as the funding is available.
- These positions will be filled by the more professional people, and are in addition to the 500 guides who will also be trained to assist consumers.
- The State of Arkansas will be reimbursed by the federal government at a rate that includes a labor burden percentage for the purpose of contributing to social security and unemployment insurance for these positions.

Representative Hendren raised the question of what will be the impact on the state unemployment insurance fund when the federal funding for these positions ceases. Mr Bradford responded that he did not have an answer to this question at this time, but he would get back to Representative Hendren with an answer.

Co-Chair Edwards asked if there were any further questions and seeing none called for the vote on the motion by Representative Stephen Meeks to adopt the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee. The motion was seconded by Representative Tommy Thompson and passed by voice vote.

Policy-Making Subcommittee

Co-Chair Edwards recognized Senator Linda Chesterfield to present the report of the Policy-Making Subcommittee (Exhibit F.9). Senator Chesterfield reported that the Policy-Making Subcommittee met on Friday, July 16, 2013 and voted to re-refer Interim Study Proposal 2013-027, by Senator Chesterfield, to the Joint Committee on Advanced Communications and Information Technology.

The subcommittee also discussed proposed policy on out-of-state meetings of interim committees, that would allow interim committees to hold meetings in contiguous states outside of Arkansas, subject to the same requirements and restrictions applicable to in-state committee meetings and travel and reimbursement in the same manner as for in-state meetings with the prior approval of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The proposed policy is attached to the report of the Policy-Making Subcommittee. The subcommittee passed a motion to recommend the adoption of the proposed policy on out-of-state committee meetings. Senator Chesterfield answered questions from the members.

Senator Linda Chesterfield moved that the report of the Policy-Making Subcommittee be adopted. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Edwards recognized Representative Jody Dickinson to present the report of the Review Subcommittee. Representative Dickinson reported that the Review Subcommittee met on July 10, 2013 and reviewed all items on the agenda and no items were held. There were no questions.

Representative Jody Dickinson moved that the report of the Review Subcommittee be adopted. The motion was seconded by Representative Greg Leding and was passed by voice vote.

Personnel Subcommittee

Co-Chair Edwards recognized Senator Uvalde Lindsey to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee. Senator Lindsey reported that the Personnel Subcommittee met on July 17, 2013 and reviewed the following: reports of grid movements and usage by multiple agencies; provisional position reports from the two-year and four-year institutions of higher education; reports from the Department of Finance and Administration on the usage and the approval of the exceptionally well-qualified. Senator Lindsey reported that the subcommittee approved requests for: growth pool positions for the Bail Bondsman Licensing Board; a Central Pool position for the University of Arkansas at Pine Bluff, North Arkansas College, and Cossatot Community College. Senator Lindsey reported that the subcommittee heard requests from the Department of Finance and Administration on the continuation of current salary grids of the department's tax auditors and accountants. The subcommittee also approved two new titles for miscellaneous federal grants for the Insurance Department that would support the Consumer Assistance Program, and a miscellaneous federal grants title for the Natural Resources Commission. Senator Lindsey reported that the subcommittee approved a request from the Public Defender Commission for a new Public Defender III position to serve as an appellant attorney. Senator Lindsey reported that the subcommittee reviewed the re-referral of the requested salary for the new director of the Board of Examiners in Counseling. After due and ample debate, the subcommittee passed a motion to recommend a salary of \$70,000.00, which is more than the entry rate, but less than the salary that was recommended at the last meeting. There were no questions.

Senator Uvalde Lindsey moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted. The motion was seconded and was passed by a voice vote.

Review of Communications

Co-Chair Edwards referred members to the communications listed as items H.1 through H.16 on the agenda and to the communications listed as items A.1 and A.2 on the supplemental agenda and stated that only item H.3c and item H.14 required action by the Legislative Council. Representative Edwards asked if there were questions on any of the other communications. There were no requests to discuss the other communications that did not require action by the Legislative Council.

Arkansas Building Authority

Co-Chair Edwards stated the first item requiring action is the request from the Arkansas Building Authority for the Legislative Council's review of the lease amendment between Judge Bill H. Walmsley and the Arkansas Department of Workforce Services (Exhibit H.3c) that was submitted by the Arkansas Building Authority pursuant to A.C.A. § 21-1-403(a)(2).

Co-Chair Edwards recognized Anne Laidlaw, Director of the Arkansas Building Authority and asked that she explain the request. Ms. Laidlaw introduced herself and introduced Chris Thomason, Administrator of Real Estate Services. Ms. Laidlaw explained that they are here asking for the approval of the disclosure of the lease renewal between the Department of Workforce Services with Judge Bill Walmsley, which requires the approval of the Legislative Council prior to proceeding with the lease renewal. Ms. Laidlaw reported that the Department of Workforce Services has been in this particular location in Batesville, Arkansas since 1981 and the lease has been renewed in one and two year renewals since that time, with the exception of one four-year lease to allow for a number of improvements to the property. The Department of Workforce Services has been happy in this location and would like to continue with that lease. The current lease rate is eight dollars and twenty-five cents (\$8.25) per square foot, which is an excellent rate in this market. Ms. Laidlaw answered questions from the committee.

Senator Linda Chesterfield moved that the Legislative Council file as reviewed the lease amendment between Judge Bill H. Walmsley and the Arkansas Department of Workforce Services. The motion was seconded by Senator Jane English and was passed by a voice vote.

Arkansas State Parks Division

Co-Chair Edwards stated the next item requiring action is the request for the Legislative Council's approval of fiscal year 2014 expenditures for the Special Maintenance Program (Exhibit H.14), submitted by the Division of State Parks pursuant to Section 23 of Act 116 of the 2012 Fiscal Session.

Co-Chair Edwards recognized Greg Butts, Director of the Division of State Parks, to explain the request. Mr. Butts introduced himself and John Brown, the Manager of Operations for the Division of State Parks. Mr. Butts explained that the request before the committee is the annual request for approval of expenditures for projects in state parks that are between the day-to-day maintenance projects and capital improvement projects. Mr. Butts explained that each year, the regional

supervisors and John Brown meet with all the park superintendents to look at priorities and to evaluate the needs in each state park to develop the list of special maintenance projects for the fiscal year, which is the list before the committee now. Mr. Butts and Mr. Brown answered questions from the committee.

Senator Linda Chesterfield moved that the expenditures for Special Maintenance Program for fiscal year 2014 submitted by the Division of State Parks be filed as reviewed. Senator Jason Rapert seconded the motion and the motion was passed by voice vote.

Business Carried Over from the Previous Council Meeting

Co-Chair Edwards asked the members to review the draft of the proposed revisions to the Legislative Council Rules (Exhibit I.1), which had been provided to the members earlier, and asked if there were any questions. There were no questions.

Co-Chair Edwards stated that a separate vote of the House members and the Senate members of the Legislative Council would be required to adopt the proposed revisions.

Senator Linda Chesterfield moved that the proposed revisions to the Legislative Council Rules be adopted and the motion was seconded by Representative John Walker. The motion was passed by a voice vote of the Senate members of the Legislative Council. The motion was passed by a voice vote of the House members of the Legislative Council.

Adjournment

Co-Chair Edwards stated that this concluded the business on the agenda and the meeting was adjourned at 10:00 a.m. as there was no other business to come before the Legislative Council. Co-Chair Edwards reminded the members that the Legislative Council would not meet during the month of August 2013.

Respectfully submitted,

ATTEST:

Representative John Charles Edwards
Co-Chair, House

Marty Garrity
Executive Secretary