

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, January 17, 2014

The Arkansas Legislative Council met at 9:00 a.m., Friday, January 17, 2014 in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair John Charles Edwards called the meeting to order and recognized a quorum of members present.

Minutes of the Last Meeting

Co-Chair Edwards referred the members to the minutes of the last Legislative Council meeting on December 20, 2013 (Exhibit C) and asked if there was a motion to approve the minutes. **Senator David Johnson moved the adoption of the minutes of the Legislative Council meeting on December 20, 2013. The motion was seconded by Representative Edwards and passed by voice vote.**

Presentation of December 2013 Revenue Report

Co-Chair Edwards recognized Richard Wilson, Assistant Director for Research Services with the Bureau of Legislative Research, to present the December 2013 monthly revenue report (Exhibit D). Mr. Wilson reported that after six months of fiscal year 2014, gross collections were \$94 million dollars ahead of collections for the same period last year. The net revenue is \$ 85.2 million dollars ahead of the same period last year for a growth rate of three point five percent (3.5%). The graph shows that collections were about \$32 million dollars ahead of the official forecast after six months. Mr. Wilson reported that the spreadsheet reflects that the gross receipts are growing four percent (4%) and the income tax collections are growing at a little under three percent (3%). There were no questions regarding the revenue report.

February 2014 Legislative Council Meeting

Co-Chair Edwards recognized Senator David Johnson. **Senator David Johnson moved that consistent with past practice since the Legislative Council will not meet in February 2014 due to the convening of the 2014 Fiscal Session, that the Legislative Council subcommittees are authorized to act on behalf of the Legislative Council prior to the Fiscal Session and that their actions are final, and the subcommittees will report their actions to the Legislative Council during its next meeting following adjournment of the 2014 Fiscal Session. The motion was seconded by Representative Edwards and passed by voice vote.**

Standing Subcommittees

Co-Chair Edwards referred members to the reports of the standing subcommittees and stated that reports from the subcommittees meeting since the last meeting 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 January 8, 2014 and accepted the report from the Senate and House Interim Committees on Agriculture, Forestry and Economic Development regarding the Livestock and Poultry Commission rule on the regulatory fee schedule and reviewed this rule. The subcommittee also referred a proposed Livestock and Poultry Commission rule on swine to the Senate and House Interim Committees on Agriculture, Forestry and Economic Development. At the conclusion of his report, Representative Linck offered to answer questions.

Representative Linck moved that the report of the Subcommittee on Administrative Rules and Regulations be adopted. The motion was seconded.

Co-Chair Edwards recognized Representative Debra Hobbs who asked if the subcommittee had reviewed a rule regarding the method for qualification for food stamps based on income that differentiates between children who are born here to undocumented parents and children who are born to American citizens. Representative Linck responded that the subcommittee had reviewed some SNAP rules pursuant to federal regulations. Representative Hobbs stated that she understood this rule concerned state programs and not federal programs.

Co-Chair Edwards recognized Senator Joyce Elliott who stated that the subcommittee did review a rule that would have made all of the income a consideration so that children of undocumented parents would not have an advantage.

Co-Chair Edwards recognized Senator King who asked if someone from the Department of Environmental Quality was in the audience. Co-Chair Edwards asked that Teresa Marks, Director of the Department of Environmental Quality come forward and she was recognized. Senator King asked if there was anything in the subcommittee report that pertains to the issue of dissolved minerals in the water in the Berryville and Huntsville areas. Ms. Marks responded that there was not a rule on this issue in the report and that the department will go back before the interim committees on public health on January 23rd with some compromise language in the rule that they feel will be acceptable. Senator King requested that the department contact the mayors of Huntsville and Berryville and keep them updated on this rule prior to the meeting on January 23. Ms. Marks agreed to do so. There were no further questions.

Co-Chair Edwards called for a voice vote on the motion that the report of the Subcommittee on Administrative Rules and Regulations be adopted and the motion was passed.

Hospital and Medicaid Study Subcommittee

Co-Chair Edwards recognized Representative Andy Davis to present the report of the Hospital and Medicaid Study Subcommittee (Exhibit F.6). Representative Davis reported that the Hospital and Medicaid Study Subcommittee met on January 8, 2014 and discussed the needs of Arkansas' five human development centers and concerns about their future funding. The subcommittee heard comments from parents concerned about the need for funding for maintenance and repairs at the centers and their concerns regarding federal mandates designed to push clients from the centers into community settings. The subcommittee also heard comments from Tom Masseau with the Disability Rights Center of Arkansas who stated that in his opinion the human development centers in Arkansas have no positive long-term value. Representative Davis reported that Senator Rapert objected to the Disability Rights Center being a part of the Developmental Disability Services Task Force, which is developing a long-range plan for the human development centers. Representative Davis stated that John Selig, Director of the Department of Human Services, and Charlie Green, Director of the Division of Developmental Disability Services, were in attendance and answered questions from the subcommittee. At the conclusion of his report, Representative Davis offered to answer questions and there were none.

Representative Andy Davis moved that the report of the Hospital and Medicaid Study Subcommittee be adopted. The motion was seconded and was passed by voice vote.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Edwards recognized Senator Bruce Maloch to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Senator Maloch reported that the PEER Subcommittee met on January 9, 2014 and approved two items: (1) a GIF Set-Aside request from the Department of Career Education in the amount of \$450,000 to bring the cost down for G.E.D. testing; and (2) a GIF Set-Side request from the State Crime Laboratory in the amount of \$217,000. Senator Maloch reported that all the other agenda items were reviewed and that none were held. At the conclusion of his report, Senator Maloch offered to answer questions.

Senator Bruce Maloch moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted and the motion was seconded.

Co-Chair Edwards recognized Representative Debra Hobbs who asked if \$450,000 approved by the subcommittee for the Department of Career Education was for the cost of GED testing. Senator Maloch responded that it was and explained that there was discussion during the session about the cost of a GED test going to about \$120.00. Senator Maloch commented that this funding request would be enough to bring the cost down to \$16.00. Representative Hobbs asked how many people took this test during a year. Senator Maloch asked if a representative of the department could be recognized to respond.

Co-Chair Edwards recognized the following officials who introduced themselves as James Smith, the Deputy Director of Adult Education with the Arkansas Department of Career Education, and Janice Hamlin with the GED Testing Program with the Arkansas Department of Career Education. Mr. Smith and Ms. Hamlin provided the following in response to questions:

- There are between 8,000 and 9,000 people who normally take the GED exam, which is for people who do not have an Arkansas high school diploma or GED.
- The number of people taking the test in 2013 is not yet available, but the department is projecting the number to be about 8,000.
- The department has looked into other testing companies that offer tests for high school equivalency for a cost of \$50.00 and that these companies are new companies with no track record.
- The department plans to review the two major assessments, called HiSET and TASC, offered by test producers to see how they compare with the GED.
- The GED test has two levels; one is high-school ready and one is college ready.
- The department will have to do a Request for Information “RFI” to see which of the test producers offer the best test.
- The department does track the people in the GED program, pursuant to the federal requirement, to determine how many or what percentage attend college, how many become employed, and how many retain employment.
- The department is data matching that data now and it is a part of the state funding formula and it will also be part of the federal report.
- In 2012, the department tested 1,200 seventeen-year old people and tested 991 eighteen-year old people and the majority of these students passed the test.
- In 2012, there were 279 Hispanic people who took the GED test in Spanish, as well as, 577 Spanish-speaking people who took the test in English.
- For every student in Arkansas who earns a GED on average, their income goes up over their lifetime by \$8,000 a year.
- Students with learning challenges have a right to a public education up through age twenty-one.
- There are approximately 11,000 individuals in adult education who are ages sixteen to twenty-one.

- The department has looked at the cost of developing an in-house test, which would have three different versions, and found that the test would be cost prohibitive.
- The pencil-paper version of the GED was discontinued on January 1, 2014.
- The current GED test is a seven-hour test with four parts; one each in language arts, science, social studies, and math.
- The producers of the GED test are developing a test that would test the common core with the goal of having the test ready by January 1, 2015.
- The people who take the new GED test also get two free retakes in every part.

There were no further questions and Co-Chair Edwards called for a voice vote on motion that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted and the motion passed.

Policy-Making Subcommittee

Co-Chair Edwards recognized Representative James Word to present the report of the Policy-Making Subcommittee (Exhibit F.9). Representative Word reported that the Policy-Making Subcommittee met at 8:30 a.m. on January 17, 2014 and discussed the consultant contract between the Bureau of Legislative Research and Collier Insurance Company. The subcommittee chose Collier Insurance Company based on the cost and the experience that Collier has already rendered to the State of Arkansas. The subcommittee passed a motion to approve the contract between Bureau of Legislative Research and Collier Insurance Company. There were no questions.

Representative James Word moved that the report of the Policy-Making Subcommittee be adopted. The motion was seconded and was passed by a voice vote.

Review Subcommittee

Co-Chair Edwards recognized Senator David Sanders to present the report of the Review Subcommittee. Senator Sanders reported that the Review Subcommittee met on January 8, 2014 and reviewed various methods of finance, discretionary grants, professional consultant services contracts, and technical services contracts. Senator Sanders reported that the subcommittee held two contracts; (1) the contract between the Insurance Department and First Data Government Solutions; and (2) the contract between the Department of Human Services and PALCO, Incorporated.

Senator Sanders moved that the report of the Review Subcommittee be adopted with exception of two contracts held by the subcommittee, which were the contract between the Insurance Department and First Data Government Solutions and the contract between the Department of Human Services and PALCO, Incorporated, and that those

contracts be referred back to the Review Subcommittee for consideration at a special meeting scheduled for February 5, 2014. The motion was seconded.

Co-Chair Edwards asked if there were questions and then recognized Representative Terry Rice. Representative Rice asked for clarification that the contracts would be considered by the Review Subcommittee on February 5, 2014 and asked if the subcommittee action during that meeting would be the final action on the contracts since there would not be another Legislative Council meeting before the convening of the 2014 Fiscal Session.

Senator Sanders responded that was correct and then noted that there are two other items that require action by the committee on the agenda under New Business. Representative Rice asked if his understanding is correct that anything that is held today will go to the Review Subcommittee at the end of today's agenda. Senator Sanders responded that was correct and that he intended to make that motion.

Co-Chair Edwards recognized Representative Debra Hobbs who asked that when the subcommittee reviews out-of-state contracts, does the subcommittee consider whether or not there are Arkansas companies that could provide these services. Senator Sanders responded that it has been the practice for many years to look at both in-state and out-of-state contracts and that question is often raised. Senator Sanders stated that there are technical contracts that can only be performed by large firms, many of which are national firms. Senator Sanders commented that there are provisions in the procurement process that take this into consideration and then invited members to come to the Review Subcommittee meetings.

Co-Chair Edwards called for a voice vote on the motion by Senator David Sanders to adopt the report and the motion passed by voice vote.

Review of Communications

Co-Chair Edwards referred members to the communications listed as items H.1 through H.15 on the agenda and stated that none of these communications require action by the Legislative Council. Co-Chair Edwards asked if there were any questions regarding these communications.

Co-Chair Edwards recognized Representative Stephen Meeks who asked if officials from the Arkansas Department of Environmental Quality could be recognized to answer questions regarding the reports listed as items H.11a and H.11b.

Co-Chair Edwards recognized Teresa Marks, who introduced herself as the Director of the Arkansas Department of Environmental Quality. Representative Meeks referred to Exhibit H.11a, the quarterly report of regulatory and enforcement actions or activities involving the Fayetteville Shale for the period ending December 31, 2013 and stated he had two questions. Representative Meeks asked if the department had seen any decline or increase in enforcement issues in the Fayetteville Shale area. Ms. Marks responded that over the past year or so there has been a decline in activity and the department has seen a decline in those type of complaints. Representative Meeks also asked if there were similar requirements

for the department to make quarterly reports for other areas of the state. Ms. Marks responded there are no similar requirements for other areas of the state at this point and that this report was required by special language in the department's budget bill. Representative Meeks asked if Ms. Marks had an opinion regarding whether there is a need to continue these reports to the Legislative Council for the Fayetteville Shale area due to the decline in enforcement issues and that reports are not required for other areas of the state. Ms. Marks responded that she did not have an opinion and that the department would continue to present the report while it was required by the special language in the department's budget bill. There were no further questions.

New Business

Co-Chair Edwards referred members to Exhibit I.1, which is the request for a suspension-of-the-rules review of two contracts to provide non-emergency medical transportation services: DHS Division of Medical Services with Southeastrans, Inc.; and DHS Division of Medical Services with Mid-Delta Community Services, Incorporated.

Co-Chair Edwards recognized Senator David Sanders who explained that these two contracts did not make the cut to be reviewed by the Review Subcommittee and he recommended that these two contracts be referred to the Review Subcommittee for consideration at the meeting scheduled for 1:30 p.m. on February 5, 2013.

Co-Chair Edwards asked Senator Sanders if his motion was to refer the contracts back to the Review Subcommittee for final passage. Senator Sanders stated that was correct.

Senator Sanders moved that the contract with the DHS Division of Medical Services and Southeastrans, Inc. and the contract with the DHS Division of Medical Services and Mid-Delta Community Services, Inc. be referred back to the Review Subcommittee for consideration for final passage. The motion was seconded.

Co-Chair Edwards stated because the contracts are being referred back to the Review Subcommittee that there is no need for a separate motion to suspend the rules. **Co-Chair Edwards called for a voice vote on the motion to refer the contracts back to the Review Subcommittee and the motion passed.**

Adjournment

At 9:40 a.m., Co-Chair Edwards stated there is no further business before the Legislative Council and the meeting was adjourned.

Respectfully submitted,

ATTEST:

Representative John Charles Edwards
Co-Chair, House of Representatives

Marty Garrity
Executive Secretary