

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, August 21, 2015

The Arkansas Legislative Council met at 9:00 a.m., Friday, August 21, 2015 in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair David L. Branscum called the meeting to order and recognized a quorum of members present. The members present are listed on the sign-in sheets.

Minutes of the Last Meeting

Co-Chair Branscum referred the members to the minutes of the June 12, 2015 meeting (Exhibit C) of the Legislative Council and asked if there was a motion to approve the minutes. **Senator Bill Sample moved that the minutes of the June 12, 2015 Legislative Council meeting be adopted. The motion was seconded and passed by voice vote.**

Presentation of Revenue Reports

Co-Chair Branscum recognized Richard Wilson, Assistant Director for Research Services with the Bureau of Legislative Research, to present the following revenue reports from the Bureau of Legislative Research: (1) the monthly revenue report for June 2015 (Exhibit D.1); the Annual Revenue Report for Fiscal Year 2015 (Exhibit D.2); and (3) the monthly revenue report for July 2015 (Exhibit D.3).

June 2015 Monthly Revenue Report

Mr. Wilson stated that June 2015 is the final month of the 2015 fiscal year and that the June 2015 revenue report (Exhibit D.1) reflects that after twelve (12) months, gross revenue collections are \$269.5 million ahead of the same period last year for a growth rate of four point three percent (4.3%) while net collections are \$228.1 million ahead of last year for a growth rate of four and one-half percent (4.5%).

Mr. Wilson stated the graph page shows revenues at zero at the point that the official forecast was revised on May 6, 2015 and the graph shows revenues at the end of fiscal year 2015 were \$99 million ahead of the revised official forecast. Mr. Wilson reported that included in the revised forecast was a surplus of \$92.4 million and that there was a total surplus of \$191.6 million at the end of the fiscal year. This figure includes two one-time injections: \$14.4 million from the Attorney General from a litigation settlement agreement; and \$51 million from the Insurance Department due to a change in the distribution of premium tax revenue. Mr. Wilson reported that the first page of the spreadsheet indicates that the fiscal year ended with one point two percent (1.2%) in gross receipts with an overall weighted average of four

point eight percent (4.8%) in income tax receipts. This concluded the presentation of the June 2015 report and there were no questions.

Annual Revenue Report for Fiscal Year 2015

Mr. Wilson reported the Annual Revenue Report for Fiscal Year 2015 (Exhibit D.2), is dated August 12, 2015. Mr. Wilson reported that the first page of the report includes a comparison of gross collections for the last ten years with the amount of increase or decrease in the middle column and the percentage of increase or decrease listed in the right-hand column. Mr. Wilson reported that this shows the final amount on gross collections growing at four point thirty-one percent (4.31%) and he noted that the recession in Arkansas is indicated by the negative figures for fiscal year 2009 and fiscal year 2010. Mr. Wilson reported that also on the first page of the annual report is a list of the last thirty (30) years for general revenue income tax collections and the general revenue sales and use tax collections, each with the percentage of increases, and the dollar amount collected for each one cent (1¢) of sales and use tax. Mr. Wilson reported that the final year shows almost a half a billion dollars as the amount collected for one cent (1¢) of sales and use tax. Mr. Wilson noted that this list shows the recession years reflected in three years of back-to-back negative numbers for sales and use tax and two years of back-to-back negative numbers for income tax.

Mr. Wilson explained that pages 2 through 4 of the annual report reflect the gross collections for fiscal year 2015 for all general and special revenue with the total gross collections for the year shown at the end of page four in the amount of \$ 6.52 billion for general revenues and the amount of \$1.88 billion for special revenues. Mr. Wilson explained that page 5 of the annual report lists the deductions with the total net available in the amount of \$5.25 billion for general revenues and with the total net available in the amount of \$1.83 billion for special revenues.

Mr. Wilson explained that pages 6 through 8 lists the amount distributed among the state agencies for all general and special revenue with totals listed on page 8. Mr. Wilson explained that page 9 is a simple distribution comparison of fiscal year 2015 with fiscal year 2014, with a growth rate of three point sixty-five percent (3.65%) for the Net General Revenues line item that reflects the economic improvements. Mr. Wilson explained that pages 10 and 11 of the annual report list the net general revenue distributions among the state agencies comparing fiscal year 2015 with fiscal year 2014, with the far right column reflecting the percentage of increase or decrease for each agency. Mr. Wilson explained the last page of the annual revenue report shows the Educational Excellence Trust Fund distributions comparing fiscal year 2015 with fiscal year 2014 with the far right column reflecting a two point four percent (2.4%) increase across the board. This concluded his presentation of the Annual Revenue Report for fiscal year 2015 and Mr. Wilson responded to questions.

July 2015 Monthly Revenue Report

Mr. Wilson continued with the presentation of the July 2015 monthly revenue report (Exhibit D.3). Mr. Wilson reported that July 2015 is the first month of fiscal year 2016 and reflects that after one (1) month, gross revenue collections are \$2.8 million below the same period last year for a negative growth rate of point six percent (-0.6%) while net collections

are \$3.9 million below the previous year for a growth rate of negative one percent (-1%). Mr. Wilson reported that because the official forecast reflects decreases, revenues are about \$7 million above the official forecast for the first month of fiscal year 2016. Mr. Wilson reported that the spreadsheet indicates that gross receipts increased by four and one-half percent (4.5%) and income tax receipts reflected with a negative amount for the first month. This concluded the presentation of the July 2015 report and there were no questions.

Report of the Executive Subcommittee

Co-Chair Branscum recognized Co-Chair Bill Sample to present the report of the Executive Subcommittee (Exhibit E.1). Senator Sample reported that the Executive Subcommittee of the Legislative Council met on July 16, 2015 to hear a request from Senator Cecile Bledsoe regarding a proposed amendment to the Legislative Council Rules (Exhibit E.3) concerning the emergency rules for controlled substances. Senator Sample reported that the Executive Subcommittee recommended adoption of the amendment and notice was given to all members and alternates of the Legislative Council.

Senator Sample asked Senator Bledsoe to explain the amendment to the Legislative Council rules. Senator Bledsoe explained that she was concerned that the current process for review of rules concerning controlled substances could cause a delay in the ability of the state Health Department to expeditiously remove certain substances. Senator Bledsoe stated that her proposed amendment would address this concern and she asked that Robert Brech be recognized to provide examples of why the amendment is necessary.

Co-Chair Branscum recognized Mr. Brech who identified himself as the Chief Financial Officer with the Arkansas Health Department, and explained that the Health Department had situations with controlled substances and have gone through many rule changes in order to add the designer drugs to the schedule, which are not illegal for sale until they are scheduled. Mr. Brech stated that sometimes it becomes critical to do this in a very quick way. Mr. Brech stated that the law was changed in 2011 to expedite this process by giving the director the ability to implement an emergency rule for one hundred eighty (180) days with only his signature. Mr. Brech stated the current emergency rule procedure could create a delay that may be very detrimental to the health of the citizens. Mr. Brech offered as an example the incident of two teenagers who arrived at the emergency room on a Friday and, when asked, the teenagers reported what substance they had used. The Health Department was contacted by the prosecutor's office and the sheriff's office about taking the substance off the streets and the rule was implemented and the substance was off the streets by that afternoon. Mr. Brech stated that under the current procedure, this rule could have been delayed several days and that the proposed amendment would allow this one rule to be reviewed by the Executive Subcommittee so that these substances could be removed from the street in a timely manner. Mr. Brech then responded to questions.

Senator Cecile Bledsoe moved that the amendment to the Legislative Council Rules concerning adoption of emergency rules for controlled substances be adopted.

Co-Chair Branscum stated that a separate vote by the House members and the Senate members would be needed to pass Senator Bledsoe's motion. **Co-Chair Branscum called for a voice vote by the House members of the Legislative Council on the motion to adopt**

amendment to the Legislative Council rules and the motion passed. Co-Chair Sample called for a voice vote by the Senate members of the Legislative Council on the motion to adopt the amendment to the Legislative Council rules and the motion passed.

Co-Chair Branscum recognized Co-Chair Sample to continue with the report of the Executive Subcommittee. Senator Sample reported that on August 10, 2015, the Executive Subcommittee met and reviewed and approved an emergency rule to Reduce Weight Cutting in the Amateur Class of Combative Sports as requested by the Arkansas Department of Health, Arkansas State Athletic Commission.

Co-Chair Sample reported that the Executive Subcommittee also met at 8:00 a.m. on August 21, 2015 to consider a request by the Department of Finance and Administration's Office of Arkansas Lottery to immediately implement an emergency rule regarding bonding of Lottery retailers. Senator Sample stated that the report of August 21, 2015 meeting of the Executive Subcommittee (Exhibit E.2) serves as the notice to the members of the Legislative Council under Rule 23 that the Executive Subcommittee approved and reviewed the proposed rule. Senator Sample stated that this report also serves as notice to the Legislative Council members and alternates that the September meeting of the Legislative Council will be held on September 25, 2015 rather than the third Friday of the month (September 18th). This concluded the report of the Executive Subcommittee and there were no questions.

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

Reports of the Standing Subcommittees

Administrative Rules and Regulations Subcommittee

Co-Chair Branscum referred members to the report of the Administrative Rules and Regulations Subcommittee (Exhibit F.1) and recognized Representative Andy Davis to present the report. Representative Davis reported that the Administrative Rules and Regulations Subcommittee met on July 15, 2015 and reviewed all rules on the agenda, with the exception of two rules that were deferred until the August 19, 2015 meeting. Representative Davis reported that also during the July 15, 2015 meeting, the subcommittee adopted the attached subcommittee rules outlining the process for review and approval of state agency rules in accordance with Act 1258 of 2015, which were effective on July 22, 2015.

Representative Davis reported that the Administrative Rules and Regulations Subcommittee also met on August 19, 2015 and adopted the report from the Executive Subcommittee concerning the approval of the emergency rule of the Arkansas State Athletic Commission. The subcommittee also reviewed and approved all rules on the agenda, including the two rules that had been deferred from the July 15, 2015 meeting. This concluded the report of the Administrative Rules and Regulations Subcommittee.

Co-Chair Branscum asked if there were any questions and recognized Representative Nate Bell who stated that he objected to two rules by the Arkansas Department of Environmental Quality, which are listed on page 5 of the subcommittee report as item 4.a. (Regulation No. 5,

Liquid Animal Waste Management Systems) and item 4.b. (Regulation No. 6, for Administration of the National Pollutant Discharge Elimination System). Representative Bell stated he had also objected to these rules during the subcommittee meeting and his objection to the rules is based on the fact that, as currently written, the rules do not allow a property owner an opportunity for scientific review. Representative Bell stated that no scientific reason has been found that would bar the property owner from operating this type of farm in the area and he believes that the regulations, as written, constitute an unconstitutional taking of a property owner's rights because there is no provision for review on a scientific basis and the rules are purely arbitrary and emotional.

Co-Chair Branscum asked if there were any other comments on Representative Bell's objection. In response to the request from a Legislative Council member, Co-Chair Branscum recognized Becky Keogh, Director of the Department of Environmental Quality, and Tammy Harrelson, Deputy Director, of the Department of Environmental Quality, who responded to questions regarding these rules. After several questions and discussion among the committee members, Co-Chair Branscum asked Representative Bell if he wished to make a motion.

Representative Nate Bell moved the disapproval of the regulations (Arkansas Department of Environmental Quality Rule No. 5 and Rule No. 6) because the Arkansas Constitution expressly provides that no private property shall be taken without compensation and the land owners in this water shed are specifically deprived by these regulations of full use of their property without opportunity for scientific review, which expressly violates the Constitution and the rights of the property owner. The motion was seconded by Representative Jim Dotson.

Representative Bell asked to be allowed to explain the reason for his motion. **Co-Chair Branscum stated that before a vote can be taken on the motion to disapprove the regulations, a majority of the members present must request that a vote on motion be allowed. Co-Chair Branscum called for a voice vote on whether to allow the vote on the motion by Representative Bell and he then ruled the motion passed. Upon the request of five members for a roll call vote, Co-Chair Branscum called for a roll call vote on whether to allow the vote on the motion by Representative Bell.**

Before the roll call vote was taken, Co-Chair Branscum recognized Senator Elliott for a point of order and Senator Elliott asked if it was not proper for a the discussion of a motion to begin after the motion is seconded unless there is a call for immediate consideration of the motion. Co-Chair Branscum asked Marty Garrity to clarify the procedure. Ms. Garrity explained that this is a two-fold process, which requires that a vote is first taken to determine whether or not to allow a vote on the motion to disapprove a specific rule and that any discussion needed to be related to the motion and not the substance of the rule itself. Ms. Garrity provided further clarification that this process is contained in the law and in the Legislative Council rules in accordance with Senate Bill 2 (Act 1258 of 2015). In response to a question, Co-Chair Branscum stated that a "yes" vote would be to allow a vote on the motion by Representative Bell and that a "no" vote would not allow a vote on Representative Bell's motion.

Co-Chair Branscum called for the roll call vote on whether to allow a vote to be taken on the motion by Representative Bell and vote passed with 29 "Yes" votes and 11 "No" votes.

Co-Chair Branscum opened the meeting to the discussion of the motion by Representative Bell and recognized Representative Bell to speak on his motion. There followed further comments from the committee members and Ms. Keogh and Ms. Harrelson answered additional questions.

Co-Chair Branscum recognized Senator Chesterfield who asked if the number of members needed for a quorum is reduced when a member is present but chooses not to vote. She also asked if a member does not vote, then is the number needed for a majority to pass a motion also reduced. Marty Garrity was recognized and stated there only has to be a quorum to take action and that a quorum for the Legislative Council is at least thirty-one (31) members who vote. Ms. Garrity explained that the vote would not be valid if less than a quorum voted. There followed further comments from the committee members and Ms. Keogh and Ms. Harrelson answered additional questions.

Co-Chair Branscum stated as there are no further questions, the committee will vote on Representative Bell's motion to disapprove the regulations and that a "yes" vote is to not allow the rule and a "no" vote is to allow the rule. Co-Chair Branscum also stated that under this section of the Legislative Council rules, the committee may vote to not approve a rule only if the rule is inconsistent with a state or federal law or legislative intent and that the grounds must be stated by the committee or subcommittee.

Co-Chair Branscum stated that the committee has stated the grounds for not approving the Arkansas Department of Environmental Quality Rule 5 (see item 4.a on page 5 of the subcommittee report) and Rule 6 (see item 4.b on page 5 of the subcommittee report) and he called for a voice vote on the motion by Representative Nate Bell that these regulations not be approved. Co-Chair Branscum stated that the voice vote was too close to determine and that a roll call vote would be needed to determine the results of the motion.

Co-Chair Branscum also clarified that if a member is present and chooses not to vote, then that member's alternate will not be allowed to vote. Co-Chair Branscum asked for a roll call vote on the motion by Representative Nate Bell to disapprove Regulation 5 and Regulation 6 by the Arkansas Department of Environmental Quality. The motion failed to pass by twenty (20) "yes" votes and twenty-one (21) "no" votes.

Co-Chair Branscum recognized Representative Andy Davis for a motion. **Representative Andy Davis moved that the report of the Subcommittee on Administrative Rules and Regulations be adopted. The motion was seconded and was passed by voice vote.**

Charitable, Penal & Correctional Institutions Subcommittee

Co-Chair Branscum referred members to the report of the Charitable, Penal and Correctional Institutions Subcommittee (Exhibit F.2) and recognized Senator Bill Sample to present the report. Senator Bill Sample reported that the Charitable, Penal and Correctional Institutions Subcommittee met with representatives of the Arkansas Department of Correction and representatives of the Arkansas Department of Community Correction on August 20, 2015. Senator Sample reported that the subcommittee heard presentations from the directors of both

institutions on the current statewide population reports, heard an overview of the Pay for Success Program, and an update on the Transitional Reentry Program. There were no questions.

Co-Chair Sample moved that the report of the Charitable, Penal and Correctional Institutions Subcommittee be adopted. The motion was seconded and passed by voice vote.

Game and Fish/State Police Subcommittee

Co-Chair Branscum referred members to the report of the Game and Fish/State Police Subcommittee (Exhibit F.4) and recognized Representative Josh Miller to present the report. Representative Miller reported that the Game and Fish/State Police Subcommittee met on August 17, 2015 with representatives of the Arkansas Game and Fish Commission and heard an overview and then discussed the Arkansas Court of Appeals Opinion in the case of *Jimmy Paul Pickle vs. State of Arkansas*. The subcommittee also heard a presentation from Brad Carner on the Arkansas turkey population and the 2015 turkey season. The subcommittee also held a discussion with Mike Knoedl, Director of the Arkansas Game and Fish Commission, regarding nuisance animals such as raccoons, squirrels, and feral hogs and heard a report from the commission on the liberalization of the seasons and limits on raccoons and nuisance animals. There were no questions.

Representative Josh Miller moved that the report of the Game and Fish/State Police Subcommittee be adopted. The motion was seconded and passed by voice vote.

Higher Education Subcommittee

Co-Chair Branscum recognized Representative Greg Leding to present the report of the Higher Education Subcommittee (Exhibit F.5). Representative Leding reported that the Higher Education Subcommittee met on August 18, 2015 and discussed Interim Study Proposal 2015-139. He stated that Interim Study Proposal 2015-139 requests the Higher Education Subcommittee of the Legislative Council to conduct a study of student debt from higher education, which would include the amount of student debt, the impact of student debt on graduates, and possible solutions to reduce the student debt burden. Representative Leding stated in the last seventy minutes, student debt had grown by about \$13 million. The subcommittee passed a motion to adopt the study with a target completion date of the end of next year.

Representative Leding reported that the Higher Education Subcommittee also heard an update from Dr. Brett Powell, Director of the Department of Higher Education, and Mr. Tony Williams, Executive Director of the Arkansas Student Loan Authority on the issue of student debt. The subcommittee also heard from Dr. Brett Powell, Director of the Department of Higher Education, on the Annual Faculty Performance Report prepared by the Department of Higher Education. This concluded the report and there were no questions.

Representative Greg Leding moved that the report of the Subcommittee on Higher Education be adopted. The motion was seconded and passed by voice vote.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Branscum recognized Representative David Meeks to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Representative Meeks reported that the PEER Subcommittee met on August 18, 2015 and approved an appropriation transfer request from the Department of Workforce Services. The subcommittee also approved six (6) requests for set-aside funding that totaled \$13.8 million and all other items were reviewed. Representative Meeks reported that, at the request of the Department of Finance and Administration, the subcommittee re-referred back to the subcommittee a request from the Arkansas Economic Development Commission for set-aside funding in the amount of \$800,000, which is listed as item B.2.f. on the first page of the August subcommittee report.

Representative Meeks reported that the subcommittee also met on July 14, 2015 and the actions of the subcommittee during this meeting were final and the report of this meeting is attached behind the report of the August subcommittee meeting. This concluded the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee and there were no questions.

Representative David Meeks moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Branscum referred members to the report of the Review Subcommittee (Exhibit F.10) and recognized Senator Bart Hester to present the report. Senator Hester reported that the Review Subcommittee has met twice since the last report and there are two reports from the subcommittee to present today. Senator Hester reported that the Review Subcommittee met on July 14, 2015 and that no items were held at this meeting and the items reviewed are detailed in the report.

Senator Hester reported that the subcommittee met on August 18, 2015 and held for more information, thirteen (13) technical and general services contracts for exhibit design fabrication from the Arkansas Department of Heritage, which are listed on the last page of the August subcommittee report. Senator Hester reported that the agency has now provided the information on these contracts.

Senator Bart Hester moved that the report of the Review Subcommittee meeting on August 18, 2015 be adopted and include the review of the thirteen contracts for the Arkansas Department of Heritage that had been held for more information. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Branscum recognized Senator Uvalde Lindsey to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Senator Lindsey reported that the Uniform Personnel Classification and Compensation Plan

Subcommittee met on August 19, 2015 and reviewed the following reports and requests: the standard quarterly employment report; the Special Entry Rate Report; Provisional Positions Report for the institutions of higher education; the notifications from the Department of Information Systems and Pulaski Technical College of their reduction in force; requests from the Arkansas School for the Deaf and the State Crime Laboratory for special entry rates for well-qualified applicants; requests from the Department of Agriculture and the Department of Veterans Affairs for swap pool positions; a request from the Black River Technical College for two growth pool positions; requests from the Department of Agriculture, the Department of Community Correction, and the Military Department for certification of hazardous duty differentials; and requests for titles for Miscellaneous Federal Grant (MFG) positions that had been approved by the Performance Evaluation and Expenditure Review (PEER) Subcommittee.

Senator Lindsey reported that the Personnel Subcommittee also passed a motion to request the Department of Finance and Administration review and study the existing pay plan and structure and to study options for updating and/or changing the pay plan that might be necessary going forward. This concluded the report and there were no questions.

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

Lottery Oversight Subcommittee

Co-Chair Branscum referred members to the report of the Lottery Oversight Subcommittee (Exhibit F.12) and recognized Senator Jimmy Hickey, Jr. to present the report. Senator Hickey reported that the Lottery Oversight Subcommittee met on August 20, 2015 and reviewed the following items: activities and operations of the Office of the Arkansas Lottery as presented by Larry Walther, Director of the Department of Finance and Administration, and Bishop Woosley, Director of the Office of Arkansas Lottery; a status update on the Arkansas Lottery's Request for Qualifications Business Plan and Consulting services with testimony from Bishop Woosley and Carlton Saffa, Policy Advisor for the Office of the Governor; and a status update on the Arkansas Academic Challenge Scholarship Program with testimony from Harold Criswell, Senior Associate Director with the Department of Higher Education.

Senator Hickey noted the subcommittee discussed, but did not take action on a proposed contract between the Office of Arkansas Lottery and Camelot Global.

Senator Jimmy Hickey moved that the report of the Lottery Oversight Subcommittee be adopted and that the action by the Lottery Oversight Subcommittee at the next subcommittee meeting be deemed the final action in regard to a consultant contract between the Office of Arkansas Lottery and Camelot Global. The motion was seconded by Senator Sample.

Co-Chair Branscum asked if there questions and Senator Hickey responded to questions from the committee. Co-Chair Branscum also recognized Bishop Woosley, Director of the Office of Arkansas Lottery, who responded to questions from the committee.

At one point, Senator Stephanie Flowers asked to see a copy of the contract between the Office of Arkansas Lottery and Camelot Global and then further questions and discussion followed.

Co-Chair Branscum called for a voice vote on Senator Hickey's motion that the report of the Lottery Oversight Subcommittee be adopted and that the action by the Lottery Oversight Subcommittee at the next subcommittee meeting is final in regard to the consultant contract between the Office of Arkansas Lottery and Camelot Global. The motion was seconded and passed by voice vote.

Review of Communications

Co-Chair Branscum referred members to the communications listed as Exhibit H.1 through Exhibit H.25 and stated that no action by the Legislative Council was required on these items with the exception of Exhibit H.9 and Exhibit H.23.

Arkansas Natural Resources Commission

Co-Chair Branscum referred members to the request from the Arkansas Natural Resources Commission (Exhibit H.9) for the Legislative Council's favorable advice on the 2016-2017 Biennium Plan of Work for the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program. Co-Chair Branscum noted that Randy Young, Executive Director of the Arkansas Natural Resources Commission was in attendance to respond to questions. Co-Chair Branscum asked if there were any questions, and seeing none, asked if there was a motion.

Senator Bill Sample moved that the Legislative Council give favorable advice to the 2016-2017 Biennium Plan of Work for the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program as submitted. The motion was seconded and passed by voice vote.

Specialty Court Advisory Committee

Co-Chair Branscum referred members to the request from the Specialty Court Advisory Committee for the Legislative Council's approval of the formula for the allocation of grant funds from the Accountability Court Fund (Exhibit H.23) and recognized Judge John Dan Kemp, Chairman of the Specialty Court Advisory Committee, to explain the request.

Judge John Dan Kemp identified himself as the Circuit Judge in the 16th Judicial District and the Chairman of the Specialty Court Advisory Committee. Judge Kemp explained that under Act 895 of 2015, the Arkansas Judicial Council has formulated a proposal for distribution of Accountability Court funds, which was submitted to the Specialty Court Advisory Committee for their recommendation to the Legislative Council. Judge Kemp explained that there is \$2.8 million available in this fund and the formula as set-out by the Arkansas Judicial Council (see Exhibit H.23) establishes base specialty court funding for the specialty court programs in the State of Arkansas. Judge Kemp explained that the formula includes any additional

funding that may not be addressed in the base specialty court funding, as well as the factors to be considered in the grant application process.

Judge Kemp stated that the Department of Community Correction will administer the grant program and Director Sharp has formulated some grant application documents. Judge Kemp stated that the Arkansas Judicial Council wished to submit the formula to the Legislative Council for approval at the August meeting to allow the Specialty Court Advisory Committee to proceed with plans to review the forms at their next meeting scheduled for August 28, 2015 and to hopefully begin the grant process this month instead of waiting another month. Judge Kemp stated that the formula sets out the proposed maximum amounts for each of the eight different specialty courts in Arkansas that each court may apply to receive. Judge Kemp stated that the maximum amount may not be granted for each court project, which would result in the additional funding that the courts could also apply to receive. Judge Kemp concluded his presentation by offering to answer questions and asking that the Legislative Council approve the formula before them. Judge Kemp responded to questions from the committee members.

Co-Chair Branscum stated there appears to be some confusion among the committee and that he would entertain a motion to postpone consideration of this request.

Senator Bill Sample moved that consideration of Specialty Court Advisory Committee request for approval of the grant allocation formula be moved to the Legislative Council meeting in September. There was not a second for the motion and Co-Chair Branscum recognized Connie Hickman Tanner, the Juvenile Division Director with the Administrative Office of the Courts, to respond to additional questions from the committee.

Co-Chair Branscum recognized Senator Linda Chesterfield who moved that the Legislative Council approve the formula submitted by the Specialty Court Advisory Committee for the allocation of grant funds from the Accountability Court Fund. The motion was seconded by Senator Elliott and passed by voice vote.

New Business

Co-Chair Branscum recognized Representative Andy Davis. **Representative Andy Davis moved that the rules be suspended to allow a motion for the creation of a Legislative Council subcommittee.**

Co-Chair Branscum asked Representative Davis to explain his motion. Representative Davis stated he wished to make a motion to create an ALC subcommittee to conduct a feasibility study of electronic filing of campaign contribution reports. Representative Davis stated this is part of Act 1280 of 2015 (see Section 14 of Act 1280 of 2015), which states that the Legislative Council shall conduct a feasibility study of campaign contribution reports.

Co-Chair Branscum asked if there were questions and then recognized Senator Linda Chesterfield. Senator Chesterfield asked how much will it cost and from where will the money come. Senator Chesterfield also asked if it is urgent to create the subcommittee and asked that action be deferred if it is not urgent. Co-Chair Branscum stated this action would be postponed and then he recognized Representative Davis. Representative Davis asked that

the staff address these questions and asked that the subcommittee be created today if the questions are answered. Co-Chair Branscum recognized Marty Garrity, Director of the Bureau of Legislative Research, to respond to the questions. Ms. Garrity stated the funds would come from the pool of money allocated for the Legislative Council and the Legislative Council subcommittees for payment of per diem and mileage. Ms. Garrity stated that the Bureau staff would provide research and legal services for this subcommittee as is done for all other subcommittees. In response to another question, Ms. Garrity stated that in accordance with the Legislative Council Rules, each subcommittee is made up of eight (8) House members and eight (8) Senate members, plus the two Legislative Council co-chairs and the two Legislative Council vice co-chairs who would serve as ex officio members, for a total of twenty (20) members on the subcommittee. Ms. Garrity stated that this subcommittee does have a report and recommendations that are due to be submitted to the Speaker of the House and the President Pro Tempore of Senate in 2016 (see Section 14, subdivision (d) of Act 1280 of 2015).

Representative Davis stated that the act requires the creation of the subcommittee and that the subcommittee has a report that is due by January 2016 and that the subcommittee would expire in December 2016.

Co Chair Branscum asked if there was a second on the motion to suspend the rules and the motion was seconded. Co-Chair Branscum recognized Senator Terry Rice who stated he would like the chair to consider that the number of members present has dwindled and offers this observation for the chair's thought. Senator Elliott was recognized and stated she ordinarily has the same concerns as expressed by Senator Rice, but that because this subcommittee was in the statute after the passage of Act 1280, that it would not be poor form to continue if there were enough members present to do business and that it would be proper to move ahead to let the work get done since there is not much time before the report is due. Co-Chair Branscum recognized Representative Dotson who stated he did not see this as an item on the agenda and he asked if there was a handout. Co-Chair Branscum stated that the report listed as Exhibit I.1 does not require action by the committee and that creation of this subcommittee is an additional item of new business that does not have a handout.

Co-Chair Branscum called for a voice vote on the motion by Representative Andy Davis to suspend the rules for the purpose of considering a motion to create a subcommittee of the Legislative Council and the motion seconded and passed by voice vote.

Co-Chair Branscum recognized Representative Andy Davis who moved that as required by Act 1280 requiring the Legislative Council to conduct a feasibility study of electronic filing of campaign and election reports as well as the implementation of a system of the review of the electronic forms, that the Legislative Council create the Electronic Filing Subcommittee and that this subcommittee expire on December 31, 2016. The motion was seconded and passed by voice vote.

New Interim Study Proposals and Interim Resolutions

Co-Chair Branscum referred the members to the new interim study proposals listed as Exhibit J.1 through Exhibit J.3 on the agenda and the interim study proposal listed as Exhibit A.1 on the supplemental agenda.

Co-Chair Branscum recognized Senator Linda Chesterfield who moved that the rules be suspended to consider Interim Study Proposal 2015-147 on the Supplemental Agenda. The motion was seconded and passed by voice vote.

Co-Chair Branscum recognized Representative Greg Leding who moved that the Legislative Council refer all four interim study proposals to the appropriate committee for study. The motion was seconded and passed by voice vote.

The interim study proposals were referred as follows:

- 1) Interim Study Proposal 2015-144, referred to the Senate Committee on Public, Health, Welfare and Labor;
- 2) Interim Study Proposal 2015-145, referred to the House Committee on Aging, Children and Youth, and Legislative and Military Affairs;
- 3) Interim Study Proposal 2015-146, referred to the Higher Education Subcommittee of the Legislative Council; and
- 4) Interim Study Proposal 2015-147, referred to the House Committee on Judiciary.

Adjournment

At 11:30 a.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

Representative David L. Branscum
Co-Chair, House

Marty Garrity
Executive Secretary