

**MINUTES OF THE MEETING**  
**OF THE**  
**ARKANSAS LEGISLATIVE COUNCIL**

**Friday, January 15, 2016**

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The Arkansas Legislative Council met at 9:00 a.m., Friday, January 15, 2016, 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 December 18, 2015 meeting (Exhibit C) of the Legislative Council and asked if there was a motion to approve the minutes. **Representative Greg Leding moved that the minutes of the December 18, 2015 Legislative Council meeting be adopted. The motion was seconded and passed by voice vote.**

**Presentation of Revenue Report**

Co-Chair Branscum recognized Richard Wilson, Assistant Director for Research Services with the Bureau of Legislative Research, to present the December 2015 revenue report prepared by the Bureau of Legislative Research (Exhibit D). Mr. Wilson reported that after six (6) months of this fiscal year, gross revenue collections have decreased by \$1.6 million for a negative growth rate of one-tenth of one percent (-0.1%) while net general revenue available for distribution decreased \$18.7 million for a negative growth rate of seven-tenths of one percent (-0.7%). Mr. Wilson reported that the graph indicates revenues are about \$67 million above the official forecast after six (6) months. Mr. Wilson reported that the spreadsheet shows a positive growth rate of four point six percent (4.6%) for gross receipts, while income tax collections show a negative three point two percent (-3.2%) change. Mr. Wilson reported that collections are flat with gross receipts gaining by \$52 million and income tax declining \$52 million for this six-month period. This concluded the presentation of the December 2015 revenue 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). Co-Chair Sample reported that the Executive Subcommittee met on January 4, 2016 and voted to review and approve a Department of Human Services emergency rule regarding the 2015 Healthcare Common Procedural Coding System and the 2015 Current Procedural Code. This concluded the report and there were no questions.

**Co-Chair Branscum noted that no action is needed for this report as the subcommittee action is final.**

## Reports of the Standing Subcommittees

### Litigation Reports Oversight Subcommittee

Co-Chair Branscum recognized Representative Marshall Wright to present the report of the Litigation Reports Oversight Subcommittee (Exhibit F.7). Representative Wright reported that the Litigation Reports Oversight Subcommittee met on January 11, 2016 and heard and reviewed an update and status report on litigation cases from David Curran and Cory Cox from the Office of the Attorney General.

Representative Wright reported that the subcommittee also heard from Paul Gehring, Joel DiPippa, and Tim Howell with the Department of Finance and Administration and reviewed the recommendations on two (2) settlement agreements: (1) *H & S Maintenance, Inc. v. Walther*, Pulaski Circuit 60 CV 2011-4268 and 60 CV-15-2379; and (2) *New Cingular Wireless PCS LLC and AT&T Mobility Wireless Operations Holding, Inc., successor to Pine Bluff Cellular, Inc. v. Weiss*, Pulaski Circuit No. 60 CV 2014-1722. This concluded the report and there were no questions.

**Representative Marshall Wright moved that the report of the Litigation Reports Oversight Subcommittee be adopted and the motion was seconded and passed by voice vote.**

### Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Branscum 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 12, 2016 and reviewed the following: cash appropriation requests, miscellaneous federal grant requests, and contracts between state agencies. Senator Maloch reported that all items on the agenda were reviewed with the exception of the request from the Office of the Treasurer, listed as item E.1 on the subcommittee report, to transfer an appropriation of \$50,000 from capital outlay to professional fees. This request was held for review at the February subcommittee meeting. This concluded the report and there were no questions.

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

### Policy-Making Subcommittee

Co-Chair Branscum recognized Representative George B. McGill to present the report of the Policy-Making Subcommittee (Exhibit F.9). Representative McGill reported that the Policy-Making Subcommittee met on January 14, 2016 to review interim committee fund balances and heard from Representative Kim Hammer, Co-Chair of the Joint Performance Review (JPR) Committee, regarding a request for an additional allocation of funds for per diem and mileage.

Representative McGill reported that following discussion of the request, the Policy-Making Subcommittee passed a motion to transfer \$50,000 from the Unallocated Interim Committee funds to the JPR Committee. This concluded the report and there were no questions.

**Representative George B. McGill moved that the report of the Policy-Making Subcommittee be adopted. The motion was seconded and passed by voice vote.**

#### Review Subcommittee

Co-Chair Branscum recognized Representative Jeff Wardlaw to present the report of the Review Subcommittee (Exhibit F.10). Representative Wardlaw reported that the Review Subcommittee met on January 12, 2016 and reviewed a University of Arkansas for Medical Sciences (UAMS) contract with the Academy for Academic Leadership, listed on page two of the subcommittee report, that was referred back to the subcommittee during the December 2015 Legislative Council meeting. Representative Wardlaw reported that the subcommittee passed a motion to verbally amend this contract to reduce the funding to \$50,000.00 for Phase 1, which is the feasibility study for a dental school that will be funded by private donations only. Representative Wardlaw reported that all items on the agenda were reviewed. This concluded the report and there were no questions.

**Representative Jeff Wardlaw moved that the report of the Review Subcommittee be adopted. The motion was seconded and passed by voice vote.**

#### Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Branscum recognized Representative Lanny Fite to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Representative Fite reported that the Uniform Personnel Classification and Compensation Plan Subcommittee met on January 13, 2016 and reviewed the following reports and requests: the report from the Department of Finance and Administration on special-entry rates for exceptionally well-qualified candidates; labor-market rates by the Chief Financial Officer for December 2015; the report of grid movements based on previously-approved grid plans; the provisional positions for two and four-year institutions detailing nine (9) new positions for fiscal year 2019; the request for growth-pool positions for the Department of Veterans Affairs; the request for swap-pool positions from the Department of Emergency Management; the staff recommendations regarding the request from the Department of Finance and Administration for continuation of salary for employees moving into the Employee Benefits Division from the Department of Health; a request from the Natural Resources Commission for the classification of Environmental Program Coordinator for which three (3) positions were approved; a request from the Department of Education for a special entry rate for an exceptionally-well qualified applicant for the classification of Director of Public School Facilities and Transportation. This concluded the report and there were no questions.

**Representative Lanny Fite moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted and the motion was seconded and passed by voice vote.**

#### Lottery Oversight Subcommittee

Co-Chair Branscum recognized Senator Jimmy Hickey to present the report of the Lottery Oversight Subcommittee (Exhibit F.12). Senator Hickey reported that the Lottery Oversight Subcommittee met on January 14, 2016, and reviewed the following items: testimony on the activities and operations of the Office of the Arkansas Lottery from Larry Walther, Director of the

Department of Finance and Administration, and Bishop Woosley, Director of the Office of the Arkansas Lottery; and an update on the business plan and consulting services from Camelot Global representatives John Skrimshire, Matt Osgood, and Steve Davidson. This concluded the report and there were no questions.

**Senator Jimmy Hickey moved that the report of the Lottery Oversight Subcommittee be adopted and the motion was seconded and passed by voice vote.**

#### Administrative Rules and Regulations Subcommittee

Co-Chair Branscum recognized Representative Andy Davis to present the report of the Administrative Rules and Regulations Subcommittee (Exhibit F.1). Representative Davis reported that the Administrative Rules and Regulations Subcommittee met on January 12, 2016, and adopted the report of the Executive Subcommittee regarding the Executive Subcommittee's approval since the last meeting of an emergency rule by the Department of Human Services. Representative Davis reported that the subcommittee also reviewed and filed the quarterly report submitted by the Department of Community Correction pursuant to Act 1258 of 2015.

Representative Davis reported that the subcommittee referred a rule by the Alcoholic Beverage Control Division to the House Rules Committee and the Senate Committee on State Agencies and Governmental Affairs. The subcommittee deferred review of a rule from the Arkansas Insurance Department and a rule from the State Medical Board until the February subcommittee meeting. Representative Davis reported that all other rules on the agenda were reviewed and approved. This concluded the report.

**Representative Andy Davis moved that the report of the Subcommittee on Administrative Rules and Regulations be adopted with the exception of the Department of Education rule on Schools of Innovation and that this rule be referred to the House and Senate Interim Committees on Education, and that upon completion of their review of the rule, these committees report their views and opinions to the Subcommittee on Administrative Rules and Regulations.**

Following the motion, Representative Branscum asked if there were any questions concerning the report and recognized Representative Davis who responded to questions from the committee members.

**Co-Chair Branscum asked for a second on Representative Davis' motion. The motion was seconded and passed by voice vote.**

#### **Reports of Interim or Special Committees**

Co-Chair Branscum referred members to the report of the Electronic Filing Systems for Campaign and Finance Reports Subcommittee of the Legislative Council (Exhibit G.1) and recognized Representative Jon Eubanks to present the report. Representative Eubanks reported that the Electronic Filing Systems for Campaign and Finance Reports Subcommittee met on Thursday, January 14, 2016, and the subcommittee recommends the following:

- All state and district candidates file campaign contribution and expenditure reports and carryover fund reports in electronic form;
- The cost and design of an electronic filing system shall be determined by the Request for Proposal (RFP) process;
- Implement a fully functional electronic filing system before the November 2018 election cycle and for training on the electronic filing system to begin in June 2017; and
- The Secretary of State's Office be directed to allocate funding for an electronic filing system similar to the systems reviewed by the Subcommittee for the Fiscal Year 2017.

**Representative Jon Eubanks moved that the report and the recommendations of the Electronic Filing Systems for Campaign and Finance Reports Subcommittee be adopted. The motion was seconded and passed by a voice vote.**

### **Review of Communications**

Co-Chair Branscum referred members to the communications listed as Exhibit H.1 through Exhibit H.13 on the agenda, and also listed as Exhibit A.1 on the supplemental agenda, and noted that there are two items that require action by the Legislative Council: the request from the Division of State Parks for review of the semi-annual revenue comparison (Exhibit H.9); and the request from the Division of Rural Services for review and approval of the Rural Community Development Grants and Fire Protection Grants for Cycle II of Fiscal Year 2016 (Exhibit A.1). Co-Chair Branscum asked the members to take a moment to review the communications.

#### Division of State Parks

Co-Chair Branscum asked if there were any questions regarding the semi-annual general revenue comparison of anticipated expenditures for FY 2016 with actual expenditures for FY 2015 and actual expenditures for first and second quarters of FY 2016, submitted by the Department of Parks and Tourism, Division of State Parks pursuant to Section 20 of Act 988 of the 2015 Regular Session (Exhibit H.9). There were no questions and Co-Chair Branscum asked for a motion on this item.

**Co-Chair Sample moved that the Legislative Council file as reviewed the semi-annual general revenue comparison of anticipated expenditures for FY 2016 with actual expenditures for FY 2015 and actual expenditures for first and second quarters of FY 2016, submitted by the Department of Parks and Tourism, Division of State Parks pursuant to Section 20 of Act 988 of the 2015 Regular Session. The motion was seconded and passed by voice vote.**

#### Division of Rural Services

Co-Chair Branscum asked if there were any questions regarding the request for the Legislative Council's review and approval of the Rural Community Development Grants and Fire Protection Grants for Cycle II of Fiscal Year 2016, submitted by the Arkansas Economic Development Commission Division of Rural Services pursuant to Section 11 of Act 35 of 2015 (Exhibit A.1 on the Supplemental Agenda). There were no questions and Co-Chair Branscum asked if there was a motion on this item.

**Co-Chair Sample moved that the Legislative Council approve the disbursement of the Rural Community Development and Fire Protection grant funds for Cycle II of Fiscal Year 2016 as submitted by the Arkansas Economic Development Commission Division of Rural Services. The motion was seconded and passed by voice vote.**

### **New Business**

Co-Chair Branscum referred the members to the item of new business on the agenda, which is the consideration of an amendment to the Legislative Council Rules proposed by Senator Bryan King, which would add Rule 26 that requires Legislative Council members and alternates to report contracts with Medicaid providers (Exhibit I.1). Co-Chair Branscum asked if there were questions and recognized Co-Chair Bill Sample. Co-Chair Sample asked if Senator Bryan King would come forward to discuss his proposed amendment to the Legislative Council Rules.

Co-Chair Branscum recognized Senator Bryan King who explained that the rule change he is proposing is similar to a Senate Bill he filed in the past session that passed out of the Senate, but did not pass out of the House Rules Committee. Senator King stated that currently Legislative Council members must report when they do business amounting to \$1,500.00 or more with a state government entity and he feels that the same rules should apply when members do business with a Medicaid provider since the Medicaid budget accounts for billions of dollars.

Senator King responded to several questions and comments from the members. Marty Garrity, Executive Secretary for the Legislative Council and Director of the Bureau of Legislative Research, was also called upon to respond to questions from the members.

Co-Chair Branscum asked Senator King if he wished to present at this time, his alternative amendments to the Legislative Council Rules; which are the Revised Rule 26 (Exhibit I.1a) and a new Rule 27 (Exhibit I.1b). Senator King responded that this would be a good time as it may help with his explanation and he asked that he be allowed to present the Revised Rule 26 first. Co-Chair Branscum asked staff to pass out copies of Revised Rule 26 to the members of the committee.

Senator King explained this revised Rule 26 changes the amount of a transaction that must be reported from \$10,000.00 for each transaction to a cumulative total of \$10,000.00 per calendar year. Senator King stated he believes this is a more lenient version of Rule 26 than his original Rule 26. Senator King responded to more questions.

Co-Chair Branscum stated that Senator King has made a motion to amend the Legislative Council Rules to add Rule 26 (Exhibit I.1), but Senator King is now offering a substitute motion to amend the Legislative Council Rules to add the Revised Rule 26 (Exhibit I.1a). Before the vote was taken, Co-Chair Branscum recognized Senator Gary Stubblefield for a question to which Senator King responded.

Co-Chair Branscum asked for a motion and **Senator King made a motion to amend the Legislative Council Rules to add the Revised Rule 26 (Exhibit I.1a) to the Legislative Council Rules. The motion was seconded by Representative Wright.**

Before the vote was taken, Co-Chair Branscum recognized Senator Stephanie Flowers for a question and there followed more questions and comments to which Senator King responded. Marty Garrity was also called upon to answer questions.

Co-Chair Branscum called for a voice vote on the motion by Senator King and explained that this motion would require a separate vote of the House and Senate members and would require affirmative votes from two-thirds (2/3) of each in order to pass. Co-Chair Branscum asked if there were any more questions on the motion and then he recognized Senator Joyce Elliott for a question to which Senator King responded. Co-Chair Branscum explained that a substitute motion is not necessary since Senator King is the author of both the original Rule 26 and the revised Rule 26; therefore, the meeting is still open to discussion of Senator King's proposed rule. There followed additional questions and comments from the committee members to which Senator King and Marty Garrity responded.

**Co-Chair Branscum recognized Representative Marshall Wright who moved for the immediate consideration of the motion to adopt the amendment to the Legislative Council Rules. The motion was seconded.**

Co-Chair Branscum recognized Representative Stephanie Flowers for a point of order. Representative Flowers stated that they were informed that Senator King had two amendments and she asked if the second amendment was to be voted on at this time. Co-Chair Branscum stated that the motion is on Senator King's first amendment to the Legislative Council Rules and then clarified that a vote would be taken first on the motion for immediate consideration.

**Co-Chair Branscum called for a voice vote on the motion for immediate consideration of the motion to adopt the amendment to the Legislative Council Rules and the motion passed.**

**Co-Chair Branscum called for a voice vote on the motion by Senator King to amend the Legislative Council Rules to add the revised Rule 26, which will be a separate vote of House and Senate members. Co-Chair Branscum called for a voice vote by the House members only and the motion failed to pass. A show of hands for a roll call vote was not sufficient for a roll call vote to be taken and a voice vote by the Senate members was not necessary.**

Co-Chair Branscum asked Senator King if he wished to present Rule 27, his second amendment to the Legislative Council Rules. Senator King responded that he would not present Rule 27 at this time.

### Adjournment

At 10:15 a.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

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Representative David L. Branscum  
Co-Chair, House

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Marty Garrity  
Executive Secretary