

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, May 19, 2017

The Arkansas Legislative Council met at 9:00 a.m., Friday, May 19, 2017 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.

Selection of Seat Assignments

Co-Chair Branscum stated the first order of business was the selection of seat assignments and asked that the roll be called for the purpose of allowing members of the Legislative Council to select a seat assignment for Committee Room A. The complete list of seat assignments is Exhibit B.1.

Minutes of the Last Meeting

Co-Chair Branscum referred the members to the minutes of the previous Legislative Council meeting on December 16, 2016 (Exhibit C) and asked if there was a motion to approve the minutes.

Co-Chair Bill Sample moved that the minutes of the December 16, 2016 meeting of the Legislative Council 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 April 2017 revenue report (Exhibit D) prepared by the Bureau of Legislative Research. Mr. Wilson reported that the revenue report for April 2017 reflects that after ten (10) months of this fiscal year, gross revenue collections are \$24 million ahead of last year's gross collections for a growth rate four-tenths of one percent (0.4%), and that net general revenue available for distribution is \$51 million less than last year for a negative growth rate of one point one percent (-1.1%). Mr. Wilson reported that the graph reflects net general revenues available for distribution are \$54 million below the official forecast and the graph for next month will show the revision in the forecast. Mr. Wilson reported that the spreadsheet reflects that collections of gross receipts are plus \$23 million, the individual income tax receipts are plus \$71 million, but the corporate income tax receipts are down \$61 million after ten (10) months. This concluded the report and Mr. Wilson responded to a question.

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 since the last report, the Executive Subcommittee met on February 22, 2017, March 31, 2017, May 1, 2017, May 3, 2017, and May 10, 2017 and reviewed and approved emergency rules. Co-Chair Sample reported that the Executive Subcommittee met at 8:15 a.m. today, May 19, 2017, and reviewed and approved the Arkansas Insurance Department Emergency Rule 117 regarding the provider-led organized care act. Co-Chair Sample stated that this report serves as notice to the Legislative Council of this action and of the review and approval of Emergency Rule 117, which will be effective upon adjournment of today's meeting.

Co-Chair Bill Sample moved that the report of the Executive Subcommittee be adopted. The motion was seconded and passed by voice vote.

Co-Chair Branscum recognized Jill Thayer, Legal Counsel to the Director of the Bureau of Legislative Research, to explain the proposed changes to the Legislative Council Rules (Exhibit E Attachment) as recommended by the Executive Subcommittee. Ms. Thayer explained each of the proposed changes and answered questions from the members.

Co-Chair Branscum stated that adoption of the proposed rule changes would require a separate vote of the House members and the Senate members. Co-Chair Branscum asked if there was a motion from the House members.

Representative Jim Dotson moved that the proposed changes to the Legislative Council Rules be adopted. The motion was seconded and passed by voice vote.

Co-Chair Branscum asked if there was a motion from the Senate members. **Senator Cecile Bledsoe moved that the proposed changes to the Legislative Council Rules 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 recognized Senator David Sanders to present the report of the Administrative Rules and Regulations Subcommittee (Exhibit F.1). Senator Sanders reported that the Administrative Rules and Regulations Subcommittee met on May 16, 2017, and adopted the subcommittee rules for the 2017-2018 biennium. Senator Sanders reported that the subcommittee also adopted the reports from the Executive Subcommittee concerning approval of emergency rules.

Senator Sanders reported that the subcommittee reviewed and filed the quarterly reports submitted by the Arkansas Department of Correction and the Arkansas Parole Board in accordance with Act 1258 of 2015. Senator Sanders reported that the subcommittee reviewed all rules on the agenda with the exception of the rule from the Appraiser Licensing and Certification Board concerning fees for background checks, which will be reconsidered at the next subcommittee meeting in June 2017.

Senator David Sanders moved that the report of the Administrative Rules and Regulations Subcommittee be adopted.

Co-Chair Branscum recognized Representative Deborah Ferguson who asked that the State Board of Dental Examiners rule that amends Article XIV, listed on page two of the subcommittee report, be referred back to the subcommittee. Co-Chair Branscum stated that this would require a substitute motion.

Representative Deborah Ferguson made a substitute motion that the report of the Administrative Rules and Regulations Subcommittee be adopted with the exception of the State Board of Dental Examiners rule amending Article XIV and that this rule be referred back to the Administrative Rules and Regulations Subcommittee. The substitute motion was seconded.

Co-Chair Branscum asked if there was any discussion or questions regarding the substitute motion. **Seeing no questions, Co-Chair Branscum called for a voice vote on the substitute motion and the motion passed.**

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 May 18, 2017, and heard a presentation from Dr. Maria Markham, Director of the Arkansas Department of Higher Education, reviewing the 2017 Regular Session legislation affecting higher education. Dr. Markham's presentation included a review of Act 562 of 2017, changes to the funding formula, and other issues that the subcommittee plans to consider in more detail in the future. The officials representing the institutions of higher education were also introduced and discussed with the subcommittee those issues of importance to the institutions of higher education. Representative Leding concluded by stating that the next subcommittee meeting will be in August 2017, unless there is a change of plans. This concluded the report and there were no questions.

Representative Greg Leding moved that the report of the Higher Education Subcommittee 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 Performance Evaluation and Expenditure Review (PEER) Subcommittee met on May 17, 2017, and approved the following items: five set-aside releases; an appropriation transfer for the Arkansas Education Department; and a reallocation of resources from the Department of Human Services (Attachment 1 to the report). Representative Meeks reported the subcommittee did not review a request from the Treasurer of State for an appropriation transfer request, which is listed as item C.3 on page one (1) of the subcommittee report. Representative Meeks reported that all other agenda items were reviewed. Representative Meeks stated he would make a motion to adopt the report and then he would present an additional item listed on the Supplemental Agenda as Exhibit A.1.

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.

Co-Chair Branscum recognized Representative David Meeks to present the additional item.

Representative David Meeks moved that the rules be suspended to allow consideration of the request from the Arkansas School for the Deaf listed on the Supplemental Agenda. The motion was seconded and passed by voice vote.

Representative Meeks explained that the Arkansas School for the Deaf is requesting \$15,000.00 in overtime appropriation in order to meet next week's payroll.

Representative David Meeks moved that the request from the Arkansas School for the Deaf for \$15,000.00 in overtime appropriation be filed as reviewed. The motion was seconded and passed by voice vote.

Policy-Making Subcommittee

Co-Chair Branscum 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 May 18, 2017, and discussed the interim committee allocations from the Bureau of Legislative Research for the fiscal year beginning July 1, 2017 (see Exhibit B attached to this report). Senator Chesterfield reported that the subcommittee passed a motion to make one revision to the proposed starting amounts for committee allocations set forth in Exhibit B to increase the allocation for the Joint Committee on Economic and Tax Policy and to set the committee allocations as revised.

Senator Chesterfield reported the subcommittee also discussed the renewal of the contract with Osborn, Carreiro & Associates to provide actuarial services for the Joint Committee on Public Retirement and Social Security Programs. The subcommittee passed a motion to recommend the renewal of the contract with Osborn, Carreiro & Associates to provide actuarial services for the Joint Committee on Public Retirement and Social Security Programs. This concluded the report and there were no questions.

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 Branscum recognized Representative Jon S. Eubanks to present the report of the Review Subcommittee (Exhibit F.10). Representative Eubanks reported that the Review Subcommittee met on May 17, 2017, and reviewed methods of finance, grants, and alternative delivery construction projects. Representative Eubanks reported that the subcommittee also approved a motor vehicle lease. Representative Eubanks reported that the subcommittee passed a motion to not review a contract between the Arkansas Department of Health and the University of Arkansas at Little Rock (UALR), which is listed on page 26 of this report. Representative Eubanks reported that the subcommittee chose to hold for additional information, the contracts between the Arkansas Department of Health and Cumberland Consulting Group, which are shown on pages 2 through 4 of this report; however,

following the subcommittee meeting the hold on these contracts had been released. This concluded the report, and there were no questions.

Representative Jon S. Eubanks moved to ratify the contract and the expenses of the Arkansas Health Department in the contract with Cumberland Consulting Group and 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 Les Eaves to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Representative Eaves reported that the Uniform Personnel Classification and Compensation Plan Subcommittee met on May 16, 2017, and established a rule requiring all requests be provided to the subcommittee staff ten (10) days prior to the meeting of the subcommittee.

Representative Eaves reported that the subcommittee then reviewed the following: the fiscal year 2017 third quarter employment reports detailing the number of employees in each agency and institution; a report from the Department of Finance and Administration detailing the approval of special entry rates for exceptionally well-qualified candidates and labor markets rates approved by the Chief Financial Officer; a report on grid movements based on the previously-approved grid plans; a report on provisional positions for the Department of Higher Education detailing new provisional positions for institutions of higher education; a report from the Arkansas Public Employees Retirement System (APERS) detailing the use of temporary positions for implementation of the new pension administration system; a request for a special entry rate for the Department of Education for a senior transportation manager; a request from the Department of Higher Education to obtain pool positions from the central pool for a total of eight (8) positions at Rich Mountain and Cossatot Community Colleges; a request for a swap-pool position from the Arkansas Commission Law Enforcement Standards and Training; a request from the Arkansas State Police to give up two positions for one swap-pool position; a request for classification titles for miscellaneous federal grants for the Arkansas Department of Community Correction.

Representative Eaves reported that the subcommittee discussed, but chose to not review a request that included authorization for sixty (68) new classifications, many of the new classifications would be used through the cross-gate process, and establishment of one hundred forty-two (142) swap-pool positions.

Representative Eaves stated that the staff is handing out additional information from the Department of Finance and Administration concerning the request that was held by the subcommittee, which includes the information originally presented to the subcommittee and the information that was requested by the subcommittee (see Exhibit F.11 Handout). This concluded the report and there were no questions.

Representative Les Eaves moved that the held request for authorization for sixty (68) new classifications and establishing one hundred forty-two (142) swap-pool positions, listed as item 10 on the subcommittee report, be filed as reviewed. The motion was seconded and passed by voice vote.

Representative Les Eaves moved that the Uniform Personnel Classification and Compensation Plan Subcommittee report be adopted, including the request for authorization for sixty (68) new

classifications and establishing one hundred forty-two (142) swap-pool positions, listed as item 10 on the subcommittee report. The motion was seconded and passed by voice vote.

Lottery Oversight Subcommittee

Co-Chair Branscum recognized Representative Chris Richey to present the report of the Lottery Oversight Subcommittee (Exhibit F.12). Representative Richey reported that the subcommittee met on May 18, 2017 and heard testimony on the following: the activities and operations of the Office of the Arkansas Lottery from Bishop Woosley, Director of the Office of Arkansas Lottery; and an update on the business plan and consulting services with Camelot Global. Representative Richey reported that the subcommittee passed a motion to reaffirm the process for submission of licensing agreements. Representative Richey also reported that the subcommittee reviewed and submits the following reports to the Legislative Council: (1) proposed fiscal year 2018 annual budget; and (2) to authorize an increase in the Camelot Global contract. This concluded the report and there were no questions.

Representative Chris Richey moved adoption of the report of the Lottery Oversight Subcommittee. The motion was seconded and passed by voice vote.

Highway Commission Review and Advisory Subcommittee

Co-Chair Branscum recognized Representative Andy Davis to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit F.13). Representative Davis reported that the Highway Commission Review and Advisory Subcommittee met May 18, 2017 and discussed the responsibilities of the subcommittee and the Arkansas State Highway and Transportation Department pursuant to the Arkansas Highway Improvement Plan of 2016, and also discussed the legislative intent of creating the subcommittee to facilitate communication between the department and the legislature. Representative Davis reported that the subcommittee requested that the Arkansas State Highway and Transportation Department submit to the subcommittee a report comparing the use among the states surrounding Arkansas of panel walls as opposed to the use of segment-block walls during construction. This concluded the report and there were no questions.

Representative Andy Davis moved that the report of the Highway Commission Review and Advisory Subcommittee be adopted. 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.22 on the agenda and noted that action by the Legislative Council was needed for the request from Arkansas Teacher Retirement System (Exhibit H.5) and the request from the Department of Parks and Tourism, Division of State Parks (Exhibit H.14).

Arkansas Teacher Retirement System

Co-Chair Branscum asked if there were any questions regarding the Arkansas Teacher Retirement System request for the Legislative Council's retrospective review of the following imminent need partial equity ownership investments, submitted pursuant to A.C.A § 19-11-1303: LaSalle Income & Growth Fund VII, L.P.; BVIP Fund IX, L.P.; and One Rock Capital Partners II, L.P. (Exhibit H.5a).

Co-Chair Branscum recognized Senator Linda Chesterfield who asked if she could be provided information explaining the pay scale that was provided by the Department of Finance and Administration, Office of Personnel Management and the range of salaries in each of the pay scales. Co-Chair Branscum instructed staff to provide this information to Senator Chesterfield.

Co-Chair Branscum asked if there were any questions concerning the Arkansas Teacher Retirement System request for the Legislative Council's retrospective review of the following imminent need partial equity ownership investments, submitted pursuant to A.C.A § 19-11-1303: LaSalle Income & Growth Fund VII, L.P.; BVIP Fund IX, L.P.; and One Rock Capital Partners II, L.P. (Exhibit H.5b), and seeing none, asked if there was a motion.

Co-Chair Sample moved that the Arkansas Teacher Retirement System partial equity ownership investments in LaSalle Income & Growth Fund VII, L.P.; BVIP Fund IX, L.P.; and One Rock Capital Partners II, L.P. be filed as reviewed. The motion was seconded and passed by voice vote.

Co-Chair Branscum asked if there were any questions concerning the Arkansas Teacher Retirement System request for the Legislative Council's review of the following partial equity ownership investments, submitted pursuant to A.C.A § 19-11-1302: Halderman Real Asset Management, L.L.C.; Clarion Ventures 4, L.P.; Parametric Global Defensive Equity Fund, L.L.C. (Exhibit H.5b). Seeing none, Co-Chair Branscum asked if there was a motion.

Co-Chair Sample moved that the Arkansas Teacher Retirement System partial equity ownership investments in Halderman Real Asset Management, L.L.C.; Clarion Ventures 4, L.P.; and Parametric Global Defensive Equity Fund, L.L.C. be filed as reviewed. The motion was seconded and passed by voice vote.

Department of Parks and Tourism, Division of State Parks

Co-Chair Branscum asked if there were any questions concerning the Department of Parks and Tourism, Division of State Parks request for the Legislative Council's approval of fiscal year 2018 expenditures for the Special Maintenance Program (Exhibit H.14), submitted pursuant to Section 21 of Act 510 of the 2017. Seeing none, Co-Chair Branscum asked if there was a motion.

Co-Chair Sample moved that the Legislative Council approve Department of Parks and Tourism, Division of State Parks fiscal year 2018 expenditures for the Special Maintenance Program. The motion was seconded and passed by voice vote.

New Business

The report to the Legislative Council of the emergency review of a technical and general services contract between the Department of Finance and Administration Employee Benefits Division and DataPath Administrative Services (Exhibit I.1) to provide for the administration and management of Health Savings Accounts (HSA) for the state was presented without discussion.

New Interim Study Proposals and Interim Resolutions

Co-Chair Branscum referred the members to the following new interim study proposals in their packets and asked if there were any questions or discussion:

- 1) Interim Study Proposal 2017-021 (Exhibit J.1) by Representative Fredrick J. Love, which is an act to amend the law concerning voting registration to allow felons who are on parole or serving a probationary sentence to vote and to amend Amendment 51 of the Arkansas Constitution; and
- 2) Interim Study Proposal 2017-033 (Exhibit J.2), by Representative Clarke Tucker, requesting that the Arkansas Legislative Council refer to the House Committee on Education a study to evaluate the need for school-level nutrition data, the impact of providing Breakfast-after-the-Bell programs, and the impact of the Community Eligibility Provision and other United States Department of Agriculture nutrition models on school breakfast participation among high-need Arkansas students.

Seeing no questions, Co-Chair Branscum asked if there was a motion.

Co-Chair Bill Sample moved that Interim Study Proposal 2017-021 and Interim Study Proposal 2017-033 be referred to the appropriate committees. The motion was seconded and passed by a voice vote.

Pursuant to the passage of this motion, Interim Study Proposal 2017-021, by Representative Fredrick J. Love, was referred to the House Committee on State Agencies and Governmental Affairs and Interim Study Proposal 2017-033, by Representative Clarke Tucker, was referred to the House Committee on Education.

Adjournment

At 9:40 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 of Representatives

Marty Garrity
Executive Secretary