

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Wednesday, August 23, 2017

The Arkansas Legislative Council met at 9:00 a.m., Wednesday, August 23, 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.

Report of the Executive Subcommittee

Co-Chair Branscum recognized Co-Chair Bill Sample to present the report of the Executive Subcommittee (Exhibit C). Co-Chair Sample reported that since the last report, the Executive Subcommittee of the Arkansas Legislative Council met on the following dates: July 5, 2017, July 7, 2017, July 20, 2017, and August 17, 2017.

Co-Chair Sample reported that the Executive Subcommittee met on July 5, 2017 and July 7, 2017 regarding two proposed emergency rules from the State Plant Board. Co-Chair Sample reported that the subcommittee reviewed and approved the rule on pesticide enforcement through the use of civil penalties, and took no action on the rule to ban the sale and use of Dicamba. The actions of the subcommittee with regard to these two emergency rules are final.

Co-Chair Sample reported that the Executive Subcommittee met on July 20, 2017 and reviewed and approved two emergency rules for the Arkansas State Board of Election Commissioners and one emergency rule for the Arkansas Department of Health. The review and approval of these emergency rules are final.

Co-Chair Sample reported that the Executive Subcommittee met on August 17, 2017 and reviewed and approved the following emergency rules:

- Emergency Rule on verification of voter registration cards for the Arkansas Secretary of State;
- Emergency Rule 2017-2, concerning Money Management Trust Policy and Procedures Manual for the State Board of Finance and
- Emergency Rule 2017-3, concerning Investment Policy for the State Board of Finance.

The review and approval of these three emergency rules was effective at 12:01 a.m. on Tuesday, August 22, 2017.

Co-Chair Sample reported that also during the August 17, 2017 meeting, the subcommittee heard a preliminary status report from the State Plant Board on Dicamba-related claims, discussed a proposed amendment by Representative Jim Dotson to Legislative Council Rule 22(f)(3), and discussed updated security policy for the Big MAC Building and Bureau offices located there.

Representative Dotson's proposed amendment to the Legislative Council Rule 22(f)(3) is attached to the report and serves as written notice under Legislative Council Rule 17. The subcommittee recommends the amendment to the rules, which will be considered by the full Legislative Council at the September 2017 meeting. The subcommittee recommends the adoption of the security policy, which is also attached to the report. This concluded the report and there were no questions.

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

Reports of the Standing Subcommittees

Lottery Oversight Subcommittee

Co-Chair Branscum recognized Representative Chris Richey to present the report of the Lottery Oversight Subcommittee (Exhibit D.2). Representative Richey reported that the subcommittee met on August 17, 2017 and heard testimony and reviewed the following:

- Request for Amendment to the Agreement for Contractual Services for Online Lottery Game Services and Lottery Gaming System and Services, originally entered into on August 2009, as amended and renewed by and between the Office of the Arkansas Lottery and Intralot, Inc.;
- Report on the expenditures, deposits, and balances of Higher Education Grants fund and the Net Proceeds Trust fund; and
- Report on the status of Academic Challenge students for fiscal year 2017.

Representative Richey also reported that the Subcommittee also heard an update on the activities and operations of the Office of the Arkansas Lottery, and an update on the Business Plan and Consulting Services Contract with Camelot Global. 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.

Arkansas Health Insurance Marketplace (AHIM) Oversight Subcommittee

Co-Chair Branscum recognized Senator Ronald Caldwell to present the report of the Arkansas Health Insurance Marketplace (AHIM) Oversight Subcommittee (Exhibit D.3). Senator Caldwell reported that the Arkansas Health Insurance Marketplace (AHIM) Oversight Subcommittee met on July 20, 2017 and August 17, 2017. Senator Caldwell reported that during the August 17, 2017 meeting, the subcommittee reviewed several items and was provided a

written summary of the activities of the Arkansas Health Insurance Marketplace (AHIM) since it was established in 2013, prepared by Angela Lowther, Deputy Director of the Arkansas Health Insurance Marketplace. Senator Caldwell reported that the subcommittee also discussed the following: a four-year sustainability plan for the Arkansas Health Insurance Marketplace (AHIM) prepared by Ms. Lowther; and the testimony from Insurance Commissioner Allen Kerr regarding the possibility of the Arkansas Insurance Department assuming the responsibilities of the Arkansas Health Insurance Marketplace (AHIM). This concluded the report and there were no questions.

Senator Ronald Caldwell moved that the report of the Arkansas Health Insurance Marketplace (AHIM) Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Branscum recognized Senator Scott Flippo to present the report of the Review Subcommittee. Senator Flippo reported that the Review Subcommittee met on August 16, 2017 (Exhibit D.4, August 2017) and on August 22, 2017 (Exhibit D.4, 8-22-17).

Senator Flippo reported that the contract between the Arkansas Department of Environmental Quality and Windsor Solutions, Inc. (listed as item 16 on page 11 of the August 2017 report) was pulled by the agency and the contract will be re-submitted for review at the September subcommittee meeting.

Senator Scott Flippo moved that the report of the August 16, 2017 meeting of the Review Subcommittee be adopted. The motion was seconded and passed by voice vote.

Co-Chair Branscum recognized Senator Flippo to continue with the report of the August 22, 2017 meeting of the Review Subcommittee. Senator Flippo reported that the subcommittee met on August 22, 2017 to allow the subcommittee to hear additional testimony on the contract between the Arkansas Department of Human Services and Deloitte Consulting. Senator Flippo reported that after thorough discussion and with no objections from the subcommittee, Senator Flippo released the hold on this contract and recommended that the contract be referred to the Legislative Council for consideration by the full membership.

Senator Scott Flippo moved that the hold on the contract between the Arkansas Department of Human Services and Deloitte Consulting be released and that this contract be referred to the Legislative Council. The motion was seconded and passed by voice vote.

Co-Chair Branscum moved that the contract between the Arkansas Department of Human Services and Deloitte Consulting be reviewed. Before calling for a voice vote and upon seeing three (3) hands for a roll call and separation of the vote, Co-Chair Branscum called for a roll call. The motion failed to pass in the Senate by ten (10) no votes and six (6) yes votes. With the motion failing to pass in the Senate, no roll call was made for the House members of the Legislative Council.

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 D.1). Representative Les Eaves reported that the Uniform Personnel Classification and Compensation Plan Subcommittee met on August 15, 2017, and reviewed the following reports and requests for review by the Legislative Council: fourth quarter monthly employment reports along with reports for special entry rates, labor market rates, and pre-approved grid usage; provisional position reports from the Department of Higher Education detailing continued and new provisional positions at institutions of higher education; report from Arkansas Public Employees Retirement System (APERS) regarding the use of temporary positions for the implementation of the pension system in fiscal year 2017; report from the Arkansas Game and Fish Commission regarding salary adjustments based on tenure and differentials for certification and hazardous duty; a request from the Arkansas Department of Health to continue existing salaries of five (5) employees that were moved to different classifications due to program changes and a reduction in force action; a request from the Department of Human Services and the Department of Correction to utilize the OPM Swap Pool to surrender positions in return for other positions and classifications needed to support the agency's programs; a request for the establishment and continuation of second-language compensation certification and hazardous-duty differentials at the Arkansas State Police, the Department of Human Services, the Department of Veterans Affairs, Department of Health, Department of Community Correction, the Arkansas Military Department, and the Department of Correction; a request for the establishment of pool positions at East Arkansas Community College, Henderson State University, Arkansas State University-Jonesboro; requests for continuation of previously-approved positions at University of Central Arkansas, Arkansas State University-Newport, University of Arkansas-Rich Mountain, and Cossatot Community College; salary adjustments provided for in the Higher Education Classification and Compensation Act for various institutions, including North Arkansas College for adjustments just over two percent (2%) for some of the lowest-paid employees; and reviewed a disclosure request to hire Ms. Willie Murdock, wife of Representative Reginald Murdock, as the Department of Higher Education Career Pathways Director.

Representative Eaves reported that the subcommittee voted to suspend the rules and take up a supplemental agenda item, which is a request from the Arkansas Department of Environmental Quality to utilize the OPM Swap Pool to surrender nine (9) positions and receive nine (9) new positions to facilitate the new Arkansas Used Tire Recycling Program. This concluded the report and there were no questions.

Representative Les Eaves moved that the Uniform Personnel Classification and Compensation Plan Subcommittee report be adopted.

Co-Chair Branscum recognized Representative Mark Lowery. **Representative Mark Lowery made a substitute motion to accept the report of the Uniform Personnel Classification and Compensation Plan Subcommittee as reviewed, with the exception of item 16 on page 5 of the report and that review of this item be delayed for further review by the Uniform Personnel Classification and Compensation Plan Subcommittee.**

Co-Chair Branscum opened the meeting for questions or discussion of the substitute motion. **Seeing no further questions, Co-Chair Branscum called for a voice vote on the substitute motion. Co-Chair Branscum ruled that the motion failed to pass by voice vote.**

Upon seeing three hands, Co-Chair Branscum asked for a roll call vote on the a substitute motion to accept the report of the Uniform Personnel Classification and Compensation Plan Subcommittee as reviewed, with the exception of item 16 on page 5 of the report and that review of this item be delayed for further review by the Uniform Personnel Classification and Compensation Plan Subcommittee.

Co-Chair Branscum recognized Representative Lowery to explain his substitute motion. Co-Chair Branscum asked that the roll call vote proceed. **The substitute motion failed to pass by nine (9) yes votes and thirty (30) no votes, and one voting present.**

Co-Chair Branscum asked if there was a second to the original motion by Representative Les Eaves that the Uniform Personnel Classification and Compensation Plan Subcommittee report be adopted. The motion was seconded and passed by voice vote.

Motion to Expunge the Vote

Co-Chair Branscum recognized Senator Jonathan Dismang who moved to expunge the vote by which item D.4 on the agenda (August 22, 2017 Report of the Review Subcommittee) failed to be reviewed. Co-Chair Branscum stated that passage of the motion would require two-thirds of the membership voting in the affirmative and called for a voice vote. Co-Chair Branscum ruled that the motion passed by voice vote.

Co-Chair Branscum recognized Senator Dismang who asked for further discussion of the contract between the Arkansas Department of Human Services and Deloitte Consulting included in the Review Subcommittee Report. There followed a discussion of the contract and the concerns with the current state procurement process. Co-Chair Branscum recognized Representative Kim Hammer who stated that additional information in the form of a spreadsheet has been handed out to the committee members (see Exhibit D.4, Handout) and he asked that Co-Chair Branscum allow the agency to come forward and explain the spreadsheet information. Co-Chair Branscum commented that the spreadsheet is before the members and there have been three (3) meetings on this issue and asked what information could be provided that was not provided at the subcommittee meeting. There followed a continuation of the discussion among the members of the committee.

Seeing no further discussion, Co-Chair Branscum recognized Senator Jonathan Dismang who moved that the August 22, 2017 Report of the Review Subcommittee, Item D.4 on the agenda, be reviewed. The motion was seconded and Co-Chair Branscum ruled that the motion passed by voice vote. Upon seeing three hands, Co-Chair Branscum called for a roll call vote on the motion with a division of the houses. The roll call vote passed in the House with twenty-one (21) yes votes and two (2) no votes, but failed to pass in the Senate with six (6) yes votes and nine (9) no votes.

Review of Communications

Co-Chair Branscum referred members to the communications listed as Exhibit F.1 through Exhibit F.19 on the agenda and noted that action by the Legislative Council was needed for Exhibit F.14, which is the request from the Department of Parks and Tourism, Division of State Parks for the Legislative Council's favorable advice of state park property acquisitions, submitted pursuant to A.C.A. § 22-4-106.

Co-Chair Sample moved that the Legislative Council give favorable advice on the property acquisitions by the State Parks Division for the Petit Jean State Park and the Parkin Archeological State Park. The motion was seconded and passed by voice vote.

New Business

Co-Chair Branscum referred members to the New Business item on the agenda, which was the request by the Arkansas Economic Development Commission to exempt the professional consultant services contract (Exhibit H.1) from legislative review, pursuant to Arkansas Code Annotated § 19-11-1006(b).

Co-Chair Sample moved do pass on the request by the Arkansas Economic Development Commission to exempt the professional consultant services contract from legislative review. The motion was seconded and passed by voice vote.

Business Carried Over from Previous Legislative Council Meetings

Co-Chair Branscum stated that the discussion has been dismissed on the method of finance for the Northwest Arkansas Community College in the amount of \$5.5 million for the Integrated Design Lab that was held over from the June 16, 2017 Legislative Council meeting (Exhibit G.1).

New Interim Study Proposals and Interim Resolutions

Co-Chair Branscum referred the members to the new interim study proposals, Interim Study Proposal 2017-078 (Exhibit I.1) and Interim Study Proposal 2017-088 (Exhibit I.2), in their packets and asked if there were any questions or discussion. Seeing no questions, Co-Chair Branscum asked if there was a motion.

Co-Chair Sample moved that the Interim Study Proposal 2017-078 and Interim Study Proposal 2017-088 be referred to the appropriate interim committee. The motion was seconded and passed by voice vote.

Pursuant to this motion, the new interim study proposals were referred as follows:

Interim Study Proposal 2017-078, by Representative Justin Boyd, is referred to the House Committee on Public Transportation. Interim Study Proposal 2017-078 requests that the Arkansas Legislative Council refer to the House Committee on Public Transportation a study to

evaluate the need for and feasibility of using automated enforcement systems to reduce red light violations and speeding violations, including without limitation: (1) The implementation of automated enforcement system programs by municipalities; (2) The penalties imposed for a violation; and (3) Any privacy issues associated with the use of automated enforcement systems.

Interim Study Proposal 2017-088, by Representative Karilyn Brown, is referred to the House Committee on State Agencies and Governmental Affairs. Interim Study Proposal requests that the Arkansas Legislative Council refer to the House Committee on State Agencies and Governmental Affairs a request to study the opportunities, benefits, and challenges of initiating or expanding the use of the existing internet throughout state agencies, county offices, or municipal offices in the state.

Adjournment

At 10:10 a.m., the meeting of the Legislative Council 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