

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, February 19, 2016

The Arkansas Legislative Council met at 9:00 a.m., Friday, February 19, in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Vice Co-Chair Terry Rice 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

Vice Co-Chair Rice referred the members to the minutes of the January 15, 2016 meeting (Exhibit C) of the Legislative Council and asked if there was a motion to approve the minutes. **Co-Chair Branscum moved that the minutes of the January 15, 2016 Legislative Council meeting be adopted. The motion was seconded and passed by voice vote.**

Presentation of Revenue Report

Vice Co-Chair Rice recognized Richard Wilson, Assistant Director for Research Services with the Bureau of Legislative Research, to present the January 2016 revenue report prepared by the Bureau of Legislative Research (Exhibit D). Mr. Wilson reported that after seven (7) months of this fiscal year, gross revenue collections are currently \$10.7 million ahead of the same period last year and the growth rate is three-tenths of one percent (0.3%) while net general revenue available for distribution are \$12.8 million ahead of the same period last year for a growth rate of four-tenths of one percent (0.4%). Mr. Wilson reported that the graph indicates revenues are currently \$98 million above the official forecast as of January 31, 2016. Mr. Wilson stated that revenues were at \$31 million in January 2016; \$6.4 million of which was expected to be collected in December 2015 but was not collected then. Mr. Wilson reported that on February 1, 2016, the official forecast was revised and this will make the graph for the next month look very different. Mr. Wilson reported that the spreadsheet shows a growth rate of four point two percent (4.2%) for gross receipts, while income tax collections show a negative growth rate. This concluded the presentation of the January 2016 revenue report and there were no questions.

Reports of the Standing Subcommittees

Vice Co-Chair Rice noted that the Executive Subcommittee does not have a report to present because the subcommittee did not meet this month.

Administrative Rules and Regulations Subcommittee

Vice Co-Chair Rice recognized Representative Lane Jean to present the report of the Administrative Rules and Regulations Subcommittee (Exhibit F.1). Representative Jean reported that the Administrative Rules and Regulations Subcommittee met on February 16, 2016 and reviewed and filed the quarterly reports submitted by the Department of Correction and the Parole

Board. Representative Jean reported that the subcommittee adopted the report of the House Select Rules Committee and the Senate Interim Committee on State Agencies and Governmental Affairs concerning the review and approval of the rule referred to those committees at the last Legislative Council meeting. Representative Jean reported that the subcommittee also adopted a report from the Senate and House Interim Committees on Education concerning the review and approval of the rule referred to those committees at the last Legislative Council meeting.

Representative Jean reported that the subcommittee deferred review of a rule from the Department of Human Services on child care and early childhood education until the March subcommittee meeting, but that all other rules on the agenda were reviewed and approved. This concluded the report and there were no questions.

Representative Lane Jean moved that the report of the Subcommittee on Administrative Rules and Regulations be adopted. The motion was seconded and passed by a voice vote.

Higher Education Subcommittee

Vice Co-Chair Rice recognized Senator Jimmy Hickey to present the report of the Higher Education Subcommittee (Exhibit F.5). Senator Hickey reported that the Higher Education Subcommittee met on February 18, 2016 and heard testimony and discussed the policy and response to reported incidents of sexual assault by Campus Law Enforcement from the University of Central Arkansas (UCA) and the University of Arkansas at Little Rock (UALR). Senator Hickey reported this was a very informative meeting. This concluded the report and there were no questions regarding the report.

Senator Jimmy Hickey 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

Vice Co-Chair Rice 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 February 16, 2016 and approved a request for release of set-aside funding in the amount of \$122,084 for the Arkansas Parole Board.

The subcommittee reviewed the following: cash appropriation requests, appropriation or fund transfer requests, miscellaneous federal grant requests, one contract between state agencies, and a pay plan request. This concluded the report 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

Vice Co-Chair Rice recognized Senator Bart Hester to present the report of the Review Subcommittee (Exhibit F.10). Senator Hester reported that the Review Subcommittee met on February 16, 2016 and reviewed methods of finance, grants, and contracts. Senator Hester

reported that the subcommittee held a Department of Finance and Administration, Division of Employee Benefits (EBD) contract with American Health Holding, Inc., which is listed as item 4 on page 14 of the subcommittee report. Senator Hester reported that after a meeting with EBD and legislators yesterday, the hold on this contract has been released. This concluded the report and there were no questions.

Senator Bart Hester moved that the contract between the Department of Finance and Administration, Division of Employee Benefits (EBD) and American Health Holding, Inc. be referred to the Joint Performance Review (JPR) Committee for the committee to look into the process surrounding the RFP and other EBD contracts as part of the JPR Committee's total review on contracts and procurement procedures and this item be included as reviewed in the report of the Review Subcommittee and that the report be adopted. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Vice Co-Chair Rice 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 February 17, 2016 and reviewed the following reports and requests: the quarterly employment report; the report on special-entry rates; the provisional positions for institutions of higher education; the filling of temporary positions by the Arkansas Public Employees Retirement System (APERS) in the second quarter.

Senator Lindsey reported that the subcommittee also reviewed and approved a request from Governor's Office for pay above a line-item maximum for one position that is allowed by special language for the Governor's Office. Senator Lindsey reported that the subcommittee reviewed the following: growth-pool positions for the Department of Veterans Affairs and Arkansas State University-Mountain Home; swap-pool positions for the Arkansas Law Enforcement Training Academy (ALETA), the Department of Health, and the Arkansas Department of Career Education; and reviewed a request from the Arkansas Teacher Retirement System for establishment of a salary administration grid for positions with accounting degrees. This concluded the report and there were no questions.

Senator Uvalde 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

Vice Co-Chair Rice 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 February 18, 2016, and heard testimony concerning the following items: 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; an update on the business plan and consulting services from Larry Walther, Director of the Department of Finance and Administration, Bishop Woosley, Director of the Office of the Arkansas Lottery, and John Skrimshire, Vice President of Commercial Operations with Camelot Global; and an update on the Arkansas Academic Challenge Scholarship Program

from Dr. Brett Powell, Director of the Arkansas Department of Higher Education and Harold Criswell, Senior Associate Director with the Arkansas Department of Higher Education. This concluded the report and there were no questions.

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

Review of Communications

Vice Co-Chair Rice referred members to the communications listed as Exhibit H.1 through Exhibit H.20 on the agenda and asked the members to take a moment to review these communications. Vice Co-Chair Rice noted that action by the Legislative Council was required for the following communications: the Annual Report, ending December 31, 2015 on the Arkansas Infant and Child Death Review Program, submitted pursuant to A.C.A. § 20-27-1707 (Exhibit H.2); the request from the Arkansas Development Finance Authority for the Legislative Council's review of the Program Fact Sheets, submitted pursuant to A.C.A. § 15-5-212(b) (Exhibit H.3); the request from the Arkansas Teacher Retirement System for the Legislative Council's review of the partial equity ownership investments, submitted pursuant to A.C.A. § 19-11-1302 (Exhibit H.7); and the request from the Department of Workforce Services for the Legislative Council's review of the sale of an office building for less than the appraised amount, submitted pursuant to A.C.A. § 22-6-601 (Exhibit H.17a).

Arkansas Infant and Child Death Review Program

Vice Co-Chair Rice asked if there were any questions regarding the Annual Report, ending December 31, 2015, on the Arkansas Infant and Child Death Review Program, submitted pursuant to A.C.A. § 20-27-1707 (Exhibit H.2). Vice Co-Chair Rice recognized Representative Nate Bell, who asked if this was the appropriate time to ask questions and if someone was in attendance to respond to questions.

Vice Co-Chair Rice recognized Ms. Sherry Williamson, Child Abuse Project Coordinator with the Arkansas Commission on Child Abuse, Rape & Domestic Violence, Mr. Max Snowden, Executive Director of the Arkansas Commission on Child Abuse, Rape & Domestic Violence, and Dr. Pamela D. Tabor, the Director of Arkansas Infant and Child Death Review Program, who introduced themselves and responded to questions.

Vice Co-Chair Rice asked that members indicate by a show of hands if they wished to receive the additional information requested in regard to this report. When several members raised their hand, Vice Co-Chair Rice asked that this information be provided to the Legislative Council staff and that the staff transmit the information to the members of the Legislative Council. The following is a summary of the information requested.

ATV Deaths Information:

- Demographic data for ATV deaths and trends in Arkansas to determine the effectiveness of policies and programs.
- A comparison of ATV death data among the counties in Arkansas and with national ATV death data.
- What efforts are being made to address the issue and how successful have these been.

Firearm Deaths Information:

- A comparison of gun death rates and trends in Arkansas compared with other states to determine the effectiveness of policies and programs.
- A breakdown of the cause of gun deaths, including whether death was due to a hunting accident, suicide, et cetera.
- What firearm safety programs are recommended and should firearm safety be taught in schools.

Deaths Involving the Department of Human Services:

- Deaths that occurred while in the custody of the Department of Human Services Division of Children and Family Services (DCFS) or when the family was involved with the Department of Human Services.
- A comparison of norms and trends in Arkansas with such norms and trends in other states to determine the effectiveness of policies and programs.

Undetermined Deaths:

- What causes a death to be listed as undetermined or what is lacking in order to make a determination of the cause of death.
- Does the lack of a determination of an unsafe sleeping environment contribute to the rate of deaths listed as undetermined.
- Why are all deaths not currently reported to the CACD hotline and what percentage are not reported because of discussions elsewhere about the CACD hotlines.

Vice Co-Chair Rice noted there were no further questions and asked if there was a motion to refer the report to the appropriate committees.

Co-Chair David L. Branscum moved that the Legislative Council refer the Annual Report, ending December 31, 2015, on the Arkansas Infant and Child Death Review Program to the Senate Interim Committee on Children and Youth and the House Interim Committee on Aging, Children and Youth, Legislative and Military Affairs. The motion was seconded and passed by voice vote.

Communications Requiring Review by the Legislative Council

Vice Co-Chair Rice asked if there were any questions regarding the Arkansas Development Finance Authority's request for the Legislative Council's review of the following Program Fact Sheets, which are submitted pursuant to A.C.A. § 15-5-212(b): (1) Program Fact Sheet CY2015DF008 - Taxable Economic Development Revenue Bonds, ADFA/AEDC Guaranty Programs, Series 2015, SW Steel Processing LLC & Global Food Group, Inc. in the amount of \$13,700,000; (2) Program Fact Sheet CY2015DF009 - State Agencies Facilities Revenue Refunding Bonds, Arkansas Department of Correction Project in the amount of \$7,305,000; and (3) Program Fact Sheet CY2015DF010 - State Agencies Facilities Revenue Refunding Bonds, Justice Building Project in the amount of \$2,735,000 (Exhibit H.3).

Vice Co-Chair Rice recognized Representative Nate Bell who asked for a more detailed explanation of the information provided in the Program Fact Sheets that would include information on the origin of the fees and an explanation of how the money is distributed. Vice

Co-Chair Rice asked that the Legislative Council staff request this information and to provide it to the members of the Legislative Council.

Vice Co-Chair Rice asked if there were any other questions in regard to the communications that require the review of the Legislative Council, which are as follows: (1) Exhibit H.3, Arkansas Development Finance Authority's request for the Legislative Council's review of the following Program Fact Sheets, submitted pursuant to A.C.A. § 15-5-212(b); (2) Exhibit H.7, the Arkansas Teacher Retirement System's request for the Legislative Council's review of the partial equity ownership investments, submitted pursuant to A.C.A. § 19-11-1302; and (3) Exhibit H.17a, the Department of Workforce Services' request for the Legislative Council's review of the sale of an office building for less than the appraised amount, submitted pursuant to A.C.A. § 22-6-601. Vice Co-Chair Rice noted that there were no more questions and asked for a motion on all of these items.

Co-Chair David L. Branscum moved that the Legislative Council file as reviewed the following: Exhibit H.3, the Arkansas Development Finance Authority's Program Fact Sheets, submitted pursuant to A.C.A. § 15-5-212(b); Exhibit H.7, the Arkansas Teacher Retirement System's partial equity ownership investments, submitted pursuant to A.C.A. § 19-11-1302; and Exhibit H.17a, the Department of Workforce Services' sale of an office building for less than the appraised amount, submitted pursuant to A.C.A. § 22-6-601. The motion was seconded and passed by voice vote.

New Interim Study Proposals and Interim Resolutions

Vice Co-Chair Rice referred the members to Interim Study Proposal 2015-162 (Exhibit J.1), by Representative Justin Boyd, and asked if there were any questions and there were none. Vice Co-Chair Rice stated that Interim Study Proposal 2015-162 requests the Arkansas Legislative Council refer to the Joint Committee on Economic and Tax Policy this request to study the potential savings that could result by eliminating or reducing the paper tax forms provided by the Department of Finance and Administration and asked if there was a motion.

Co-Chair David L. Branscum moved that Interim Study Proposal 2015-162 be referred to the Joint Committee on Economic and Tax Policy. The motion was seconded and passed by voice vote.

New Business

Vice Co-Chair Rice referred the members to the item of new business on the agenda, which is the consideration of an amendment to the Legislative Council Rules (Exhibit I.1) proposed by Senator Jimmy Hickey and concerning a dress code for members and alternates of the Legislative Council.

Vice Co-Chair Rice asked Senator Jimmy Hickey to come forward to present his proposed amendment to the Legislative Council Rules. Senator Hickey explained that the proposed rule change is brought to the Legislative Council by the chairs of the Legislative Council and the Legislative Audit Committee and he hopes to have this passed in both committees to provide some consistency and eliminate confusion.

Senator Hickey stated this proposal does not single out any one person and that over the past year he has heard multiple comments on the need for a dress code for the committees. Senator Hickey

commented that sometimes the South is unfairly labeled as unpolished or otherwise and, with the media in attendance during the meetings and the invention of cell phones, an image can be around the state, nation, or the world in a matter of seconds. Senator Hickey commented that the committee staff are asked to present themselves in a professional manner, and he has always been very attentive of asking an employee to perform a duty that he was not willing to do. Senator Hickey stated that the committee members are the face of Arkansas, and the State deserves the utmost of respect.

Senator Hickey explained that the proposed rule provides that members and alternates wear business casual attire when attending meetings of the Legislative Council, and also provides that business professional attire would be required when making a presentation or giving testimony before the committee. Senator Hickey explained that the proposed rule provides that the presiding chair can revoke membership privileges if he determines a member is in violation of this rule; however, the chair can be overruled by the committee. Senator Hickey explained that the proposed rule also provides an exemption to the dress code if a meeting is held away from the State Capitol Building and alternative type clothing is dictated. This concluded Senator Hickey's presentation and he responded to several questions and comments from the members.

Vice Co-Chair Rice recognized Representative Jeremy Gillam who moved for the immediate consideration and the motion passed by voice vote.

Vice Co-Chair Rice called for a voice vote on the question to amend the Legislative Council Rules to add Rule 26, and stated that this will be a separate vote of House and Senate members with two-thirds of each house as required by the Legislative Council Rules. Vice Co-Chair Rice called for a voice vote by the Senate members only and he ruled that the motion passed.

Upon a call for a roll call, Vice Co-Chair Rice asked for a show of hands and then called for a roll call vote by the Senate members only. The motion failed to pass for lack of two-thirds of the Senate members voting in the affirmative. With this motion failing to pass, a vote by the House members was unnecessary.

Adjournment

At 9:50 a.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

Senator Terry Rice
Vice Co-Chair, Senate

Marty Garrity
Executive Secretary