

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, September 23, 2016

The Arkansas Legislative Council met at 9:00 a.m., Friday, September 23, 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 August 19, 2016, meeting (Exhibit C) of the Legislative Council and asked if there was a motion to approve the minutes.

Co-Chair Bill Sample moved that the minutes of the August 19, 2016 meeting of the 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 revenue reports prepared by the Bureau of Legislative Research. Mr. Wilson reported that he would be presenting two reports today; the Annual Revenue Report for Fiscal Year 2015-2016 (Exhibit D.1) and the August 2016 Monthly Revenue Report (Exhibit D.2)

Annual Revenue Report

Mr. Wilson reported that the Annual Revenue Report for Fiscal Year 2015-2016 (Exhibit D.1) reflects the collection and distribution of all general and special revenues for fiscal year 2016 that ended on June 30, 2016. Mr. Wilson reported that the first page includes a comparison of gross general revenue collections for the last ten years including the percentage of increase or decrease per year. Mr. Wilson reported that also on the first page is a comparison of gross income tax collections with gross sales and use tax collections from 1987-1988 through 2015-2016, including the percentage of increase or decrease per year. This comparison reflects that income tax collections for 2015-2016 were a negative two point three percent (-2.3%) while sales and use tax collections were four point one percent (4.1%).

Mr. Wilson reported that on pages 2 through 4 of the annual report is a list of all general and special revenue collections with totals for the year listed on page 4 and reflecting a total of \$8.6 billion dollars. Mr. Wilson reported that on page 5 is a list of distributions for the year reflecting a total adjusted net revenue available for distribution at \$7.4 billion dollars. Mr. Wilson reported that on pages 6 through 8 is a detailed list showing the distribution of general and special revenues for fiscal year 2015-2016. Mr. Wilson reported that on page 9, the gross general revenue distributions and the net general revenue distributions for fiscal year 2015-2016 are compared to those distributions for fiscal year 2014-2015 with the percentage of increase or decrease shown for each item. Mr. Wilson reported that on pages 10

and 11 is a list of distributions made to individual state entities during fiscal year 2015-2016 compared to the distributions made to individual state entities during fiscal year 2014-2015 with the percentage of increase or decrease shown for each entity. Mr. Wilson reported that on page 12, the last page of the annual report, is a list of Educational Excellence Trust Fund distributions to individual institutions for fiscal year 2015-2016 compared to Educational Excellence Trust Fund distributions to individual institutions for fiscal year 2014-2015 with the percentage of increase or decrease over the last year shown for each institution. This concluded the annual revenue report for fiscal year 2015-2016 and there were no questions.

August 2016 Revenue Report

Mr. Wilson referred to the revenue report for August 2016 (Exhibit D.2) and reported that after two months of fiscal year 2017, the gross revenue collections are approximately \$18 million below the same period last year and the net available for distribution is negative one-half of one percent (-0.5%). Mr. Wilson reported that gross receipts tax collections for August 2016 are a negative one point five percent (-1.5%) while income tax collections for August 2016 are a negative one percent (-1.0%). This concluded the August 2016 monthly revenue report and there were no questions.

Supplemental Agenda

Co-Chair Branscum recognized Co-Chair Bill Sample. **Co-Chair Bill Sample moved that the rules be suspended to allow the consideration of items on the Supplemental Agenda at this time. The motion was seconded and passed by voice vote.**

Arkansas Economic Development Commission, Division of Rural Services

Co-Chair Branscum referred the committee to the first item on the Supplemental Agenda, which is the request for the Legislative Council's review and approval of the Rural Community Development Grants and Fire Protection Grants for Cycle 1 of Fiscal Year 2017 (Exhibit A.1), submitted by the Arkansas Economic Development Commission, Division of Rural Services pursuant to Section 54 of Act 226 of the 2016 Fiscal Session. Co-Chair Branscum asked if there were any questions regarding this item, and hearing none, asked for a motion.

Co-Chair Bill Sample moved that the Legislative Council approve the disbursement of the Rural Community Development Grants and Fire Protection Grants for Cycle 1 of Fiscal Year 2017 as submitted by the Arkansas Economic Development Commission, Division of Rural Services. The motion was seconded and passed by a voice vote.

Department Arkansas of Heritage

Co-Chair Branscum referred the committee to the second item on the Supplemental Agenda, which is the request by the Department of Arkansas Heritage for the Legislative Council's emergency review and approval of a special entry rate for an exceptionally well-qualified applicant for the classification Administrative Services Manager (Exhibit A.2).

Co-Chair Bill Sample moved that the Legislative Council approve the special entry rate for an exceptionally well-qualified applicant for the classification Administrative Services Manager for the Department of Arkansas Heritage. The motion was seconded by Representative Bell.

Co-Chair Branscum recognized Senator Joyce Elliott who asked that an explanation be given on each supplemental agenda item. Co-Chair Branscum asked that the representatives of the Department of Arkansas Heritage come forward and he recognized the following officials: Stacy Hurst, Director, and Rebecca Burkes, Deputy Director. Ms. Hurst explained the request is for emergency review of a special entry rate for the position of Administrative Services Manager, who will serve as the Chief Fiscal Officer for the department and will oversee accounting, budgeting, and procurement, as well as being responsible for managing the new property. Ms. Hurst explained that the requested rate has been paid to the Administrative Services Manager for the past three years and the department wants to offer this amount as an entry rate for an exceptionally well-qualified applicant.

Ms. Hurst and Ms. Burkes responded to questions from committee members concerning the impact of delaying approval until the next subcommittee meeting, the qualifications of the applicant, and when this applicant would next be eligible for an increase in salary.

Seeing no further questions, Co-Chair Branscum called for a voice vote on the motion that the Legislative Council approve the special entry rate for an exceptionally well-qualified applicant for the position of Administrative Services Manager for the Department of Arkansas Heritage and the motion passed.

Arkansas Department of Career Education

Co-Chair Branscum referred the committee to the third item on the Supplemental Agenda, which is the request by the Department of Career Education for the Legislative Council's emergency review and approval of a special entry rate for two exceptionally well-qualified applicants for the classification ADCE Program Coordinator (Exhibit A.3).

Co-Chair Bill Sample moved that the Legislative Council approve a special entry rate for two exceptionally well-qualified applicants for the classification ADCE Program Coordinator for the Arkansas Department of Career Education and the motion was seconded.

Co-Chair Branscum asked if there were any questions and then asked that the representatives of the Department of Career Education come forward and be recognized. Kathi Turner, Deputy Director, and Dr. Cheryl Wiedmaier, Associate Director, introduced themselves and responded to questions regarding the need for an emergency review of these positions, the amount of the salary requested, the qualifications applicants must have for these positions, and when a salary increase would next be available.

Seeing no further questions, Co-Chair Branscum called for a voice vote on the motion that the Legislative Council approve the special entry rate for two exceptionally well-qualified applicants for the classification ADCE Program Coordinator for the Arkansas Department of Career Education and the motion passed.

Arkansas Department of Environmental Quality

Co-Chair Branscum referred the committee to the fourth item on the Supplemental Agenda, which is the request by the Arkansas Department of Environmental Quality for the emergency review and approval of a Central Growth Pool position for the position of ADEQ Chief Fiscal Officer (Exhibit A.4).

Co-Chair Bill Sample moved that the Legislative Council approve a Central Growth Pool position for the position of ADEQ Chief Fiscal Officer for the Department of Environmental Quality and the motion was seconded. Co-Chair Branscum asked if there were any questions. Seeing no questions, Co-Chair Branscum called for a voice vote and the motion passed.

Arkansas Department of Human Services

Co-Chair Branscum referred the committee to the fifth item on the Supplemental Agenda, which is the request by the Arkansas Department of Human Services for the emergency review and approval of the following three positions from the Central Growth Pool: DHS General Counsel, DHS Fairness Officer, and DHS Senior Technical Writer (Exhibit A.5).

Co-Chair Bill Sample moved that the Legislative Council approve three Central Growth Pool positions for the Department of Human Services for the positions of DHS General Counsel, DHS Fairness Officer, and DHS Senior Technical Writer and the motion was seconded.

Co-Chair Branscum asked if there were any questions and then asked that the representatives of the Department of Human Services come forward and be recognized. Keesa Smith, Deputy Director, Misty Eubanks, Chief Procurement Officer, and Kelley Linck, with the Office of Legislative and Intergovernmental Affairs, introduced themselves and responded to several questions. Representative Fredrick Love was recognized and asked staff to explain what the criteria is for an emergency review. Marty Garrity, Executive Secretary of the Legislative Council, responded that the Legislative Council Rules provide that in order to bypass review by the subcommittee, the agency must show imminent need for a certain action. She stated that the agency requests on the Supplemental Agenda have an imminent need for the personnel positions and that the approval cannot wait until the next regular meeting of the subcommittee. Representative Love asked when the Personnel Subcommittee met and Co-Chair Branscum responded that these requests would probably not be on the Supplemental Agenda if there had been a quorum present in the subcommittee meetings.

Seeing no further questions, Co-Chair Branscum called for a voice vote on the motion that the Legislative Council approve three positions from the Central Growth Pool for the Arkansas Department of Human Services for the positions of DHS General Counsel, DHS Fairness Officer, and DHS Senior Technical Writer and the motion passed.

Report of the Standing Subcommittees

Co-Chair Branscum stated that the Executive Subcommittee has not met since the last report and there is no report in the meeting packet. He also stated that the report of the Administrative Rules and Regulations Subcommittee would be taken up later in the meeting.

Game and Fish/State Police Subcommittee

Co-Chair Branscum recognized Representative Josh Miller to present the report of the Game and Fish/State Police Subcommittee (Exhibit F.4). Representative Miller reported that the Game and Fish/State Police Subcommittee met on September 22, 2016 and heard testimony on regulations for dog hunting, regulations for feral hogs, and also heard an update on the chronic wasting disease among the Arkansas deer herds. Representative Miller reported that the subcommittee will meet again next month. This concluded the report and there were no questions.

Co-Chair Branscum asked if there was a motion and recognized Co-Chair Sample. Co-Chair Bill Sample 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 Senator John Cooper to present the report of the Higher Education Subcommittee (Exhibit F.5). Senator Cooper reported that the Higher Education Subcommittee met on September 21, 2016, and heard an update on Interim Study Proposal 2015-139, concerning student debt. This concluded the report and there were no questions.

Senator John Cooper 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 PEER Subcommittee met on September 20, 2016, and approved two requests for release of set-aside funding for \$1.5 million each for the School for the Blind and the School for the Deaf for building repairs. Representative Meeks reported that the subcommittee reviewed all other items on the agenda. This concluded the report and there were no questions.

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

Review Subcommittee

Co-Chair Branscum recognized Senator Bart Hester to present the report of the Review Subcommittee (Exhibit F.10). Senator Hester reported that the subcommittee met on September 20, 2016 and reviewed a contract for the Crime Information Center. Senator Hester reported that the subcommittee took no action on the remaining agenda items as there was not a quorum present at the meeting; however, the subcommittee did engage in a full discussion of all items which are detailed in the report. This concluded the report and there were no questions.

Senator Bart Hester moved that the report of the Review Subcommittee be adopted including the Arkansas Crime Information Center contract reviewed by the subcommittee, and that all other agenda items not reviewed by the subcommittee be filed as reviewed, which includes methods of finance, an alternative delivery construction contract, and discretionary grants and contracts. The motion was seconded and passed by a 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 September 21, 2016, and reviewed the following reports: report from the Chief Fiscal Officer of the State concerning special-entry rates, labor-market rates, and movements; a report of grid movements and usage; and a report from the Department of Higher Education on provisional positions including four

new positions for four-year institutions and two new positions for two-year institutions. Representative Fite reported that following the review of these reports, a quorum call was made and no other action was taken by the subcommittee on the remaining agenda items.

Representative Fite reported that the subcommittee heard a short presentation of the proposed Pay Plan for state employees for fiscal year 2018 from Kay Barnhill, with the Office of the Personnel Management. This concluded the report.

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

In response to questions, Representative Fite clarified that he is moving for the adoption of the report and the items reviewed by the subcommittee, which were the first three "B" items that only need to be reviewed and which does not include any action items.

Co-Chair Branscum called for a voice vote on the motion to adopt the report of the Uniform Personnel Classification and Compensation Plan Subcommittee and the motion passed.

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 Lottery Oversight Subcommittee met on September 22, 2016, and that the subcommittee heard testimony on the activities and operations of the Office of Arkansas Lottery from Bishop Woosley, Director, and also heard an update on the Business Plan and Consulting Services from Bishop Woosley, Director, and John Skrimshire, Vice President of Operations with Camelot Global. This concluded the report and there were no questions.

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

Highway Commission Review and Advisory Subcommittee

Co-Chair Branscum recognized Senator Bruce Maloch to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit F.13). Senator Maloch reported that the Highway Commission Review and Advisory Subcommittee met jointly with the House and Senate Committees on Transportation on September 12, 2016. Senator Maloch reported that the committees heard an overview from Scott Bennett, Director of the State Highway and Transportation Department on each of the following: (1) the draft report on Public Road Construction Projects of \$10 million or more, which is required by Act 1 of the Third Extraordinary Session of 2016; and (2) the Statewide Transportation Improvement Program report.

Senator Maloch also informed the committee that more reports are due to be filed in accordance with the statute, one of which is due at the end of next year. Senator Maloch stated this was the initial meeting of the subcommittee and the subcommittee expects to meet on a quarterly basis. This concluded the report and there were no questions.

Senator Bruce Maloch moved that the report of the Highway Commission Review and Advisory Subcommittee be adopted. The motion was seconded and passed by voice vote.

Administrative Rules and Regulations Subcommittee

Co-Chair Branscum recognized Senator Terry Rice to present the report of the Administrative Rules and Regulations Subcommittee (Exhibit F.1). Senator Rice stated that, in the absence of the subcommittee co-chairmen, he would present the report of the Administrative Rules and Regulations Subcommittee. Senator Rice reported that the Administrative Rules and Regulations Subcommittee met on September 20, 2016 and adopted the reports of the Executive Subcommittee concerning its approval of two emergency rules filed by the Department of Human Services since the last meeting and also reviewed and filed the quarterly report that was submitted by the Department of Correction in accordance with Act 1258 of 2015. Senator Rice reported that one Department of Human Services rule on behavioral health would be re-scheduled for consideration at a later subcommittee meeting per the agency's request. Senator Rice reported that all other rules were reviewed and approved. This concluded the report.

Senator Terry Rice moved that the report of the Subcommittee on Administrative Rules and Regulations be adopted and the motion was seconded. Co-Chair Branscum asked if there was any discussion and hearing none, called for a voice vote by which the motion passed.

Reports of Interim or Special Committees

Co-Chair Branscum referred the committee to the report of the Arkansas Legislative Task Force on Autism (Exhibit G.1), and recognized Representative Mary Broadaway to present the report. Representative Broadaway reported that the Arkansas Legislative Task Force on Autism is a very active committee and she commends Senator Lindsey for his extremely hard work on the task force.

Representative Broadaway reported that the accomplishments of the task force were in the report and she would highlight a few, which are the following:

- Expansion of insurance coverage by one major Arkansas employer through its self-insurance plan (ERISA) to cover Applied Behavioral Analysis (ABA);
- Endorsed the enactment of the Arkansas Works program for the delivery of an enhanced Medicaid program; and
- Worked with Partners for Inclusive Communities, the Department of Human Services, and Arkansas Blue Cross and Blue Shield to coordinate the level of benefits provided by both the public and private sector insurance providers.

Representative Broadaway reported that the 2017 goals of the Arkansas Legislative Task Force on Autism and the legislative priorities that will be presented to the Ninety-First General Assembly are as follows:

- Increase research funding to the University of Arkansas for Medical Sciences;
- Improve training programs offered to developmental professionals and school personnel;

- Improve the manner by which law enforcement and the community, through the Criminal Justice Institute, respond to people experiencing a mental health crisis; and
- Revise drivers' licenses to identify drivers with autism.

Representative Broadway concluded her report by asking members to give some attention to the legislation that is proposed by the task force and offered to answer questions. There were no questions.

Review of Communications

Co-Chair Branscum referred members to the communications listed as Exhibit H.1 through Exhibit H.11 on the agenda and noted that one item requires action by the Legislative Council.

Arkansas Development Finance Authority

Co-Chair Branscum referred members to the request from the Arkansas Development Finance Authority (Exhibit H.2) for the Legislative Council's review of the following Program Fact Sheets, submitted pursuant to A.C.A. § 15-5-212(b): Program Fact Sheet - Academic Plus Charter School Project Series 2016 in the amount of \$17,275,000; and Program Fact Sheet - Higher Education General Obligation Bonds Taxable Refunding Series 2016 in the amount of \$83,235,000.

Co-Chair Branscum asked if there were any questions regarding this request, and seeing none, he asked if there was a motion.

Senator Joyce Elliott moved that the Legislative Council file as reviewed the following Program Fact Sheets: Program Fact Sheet - Academic Plus Charter School Project Series 2016 in the amount of \$17,275,000; and Program Fact Sheet - Higher Education General Obligation Bonds Taxable Refunding Series 2016 in the amount of \$83,235,000. The motion was seconded and passed by voice vote.

New Interim Study Proposals and Interim Resolutions

Co-Chair Branscum referred members to the new interim study proposals on the agenda and then recognized Co-Chair Sample.

Co-Chair Bill Sample moved that the rules be suspended to allow the Legislative Council to consider Interim Study Proposal 2015-182 and Interim Study Proposal 2015-183. The motion was seconded and passed by voice vote.

Co-Chair Branscum explained that it was necessary to suspend the rules because the Legislative Council Rules state that new interim study proposals may not be accepted by the Legislative Council after August, and that these interim study proposals were filed after August.

Co-Chair Branscum referred the members to the Interim Study Proposal 2015-182 (Exhibit I.1), by Representative Karilyn Brown, and Interim Study Proposal 2015-183 (Exhibit I.2) by Senator Bryan King and asked if any member wished to discuss either one. Seeing no questions, Co-Chair Branscum asked if there was a motion.

Co-Chair Sample moved that Interim Study Proposal 2015-182 and Interim Study Proposal 2015-183 be referred to the appropriate committee. The motion was seconded and passed by a voice vote.

Pursuant to the passage of this motion, Interim Study Proposal 2015-182 was referred to the House Committee on Public Health, Welfare and Labor and Interim Study Proposal 2015-183 was referred to the Senate Committee on Education.

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:

Representative David L. Branscum
Co-Chair, House

Marty Garrity
Executive Secretary