

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, October 17, 2008

The Arkansas Legislative Council met at 9:00 a.m., Friday, October 17, 2008, in Room 171 of the State Capitol, Little Rock, Arkansas. Co-Chair Sullivan called the meeting to order and dispensed with the calling of the roll. The members who attended are listed on the sign-in sheets.

The minutes of the Legislative Council meeting on September 19, 2008 were approved without objection.

Monthly Revenue Report

Co-Chair Sullivan recognized Richard Wilson, Assistant Director, Bureau of Legislative Research, to present the monthly revenue report for September 2008. Mr. Wilson reported that the September 2008 revenue report reflects that for first three months of this fiscal year, gross collections were \$ 63.8 million ahead of collections for the same period last year, for a growth rate of 4.8 percent. The net available for distribution is \$64.2 million ahead of the same period last year for a growth rate of 5.6 percent. The graph page reflects that the collections are \$63 million ahead of the official forecast, of which \$14 million is unclaimed property leaving \$49 million in general revenues. Individual income taxes are \$31 million or 63 percent of the \$49 million dollars. Mr. Wilson answered questions from the committee members.

Report of the Executive Subcommittee

Co-Chair Sullivan recognized Senator Faris to present the report of the Executive Subcommittee. Senator Faris reported that the Executive Subcommittee met on October 16, 2008 and reviewed a proposal by the House Management Committee on the use of committee rooms, discussed when to present the State Pay Plan recommendations to the Joint Budget Committee and agreed to make that presentation on Wednesday, October 22, 2008, and heard a progress report on legislative space needs. There were no questions concerning this report.

Senator Faris moved that the report of the Executive Subcommittee be adopted and the motion passed without objection.

Reports of Standing Committees

Administrative Rules and Regulations Subcommittee

Co-Chair Sullivan recognized Senator John Paul Capps to present the report of the Administrative Rules and Regulations Subcommittee. Senator Capps reported the Administrative Rules and Regulations Subcommittee met on October 1, 2008 and the meeting was a routine. The subcommittee also heard a report from Representative Eddie Cooper, Chair of the House Committee on Public, Health, Welfare, and Labor, that the Committees on Public, Health, Welfare, and Labor had met to review the rules proposed by the State Medical Board concerning Collaborative Practice Regulations for Physicians and decided to table further discussion until the Arkansas Medical Board and the State Board of Nursing could reach an agreement.

Senator Capps moved that the report of the Administrative Rules and Regulations Subcommittee be adopted and the motion passed without objection.

Charitable, Penal, and Correctional Institutions Subcommittee

Co-Chair Sullivan recognized Tammy Williams, staff person for the Charitable, Penal, and Correctional Institutions Subcommittee, to present the report to the Legislative Council. Ms. Williams reported that the Charitable, Penal, and Correctional Institutions Subcommittee met on October 16, 2008 and adopted Interim Study Proposal 2007-236 for study and plans to meet on November 6 and November 20. Interim Study Proposal 2007-236 by Representatives Hoyt, George, Reynolds, and Overbey concerns a study of the possible privatization of correctional facilities in the State of Arkansas. There were no questions regarding the report.

Representative Pennartz moved that the report of the Charitable, Penal, and Correctional Institutions Subcommittee be adopted and the motion passed without objection.

Higher Education Subcommittee

Co-Chair Sullivan recognized Senator Jimmy Jeffress to present the report of the Higher Education Subcommittee. Senator Jeffress reported that the Higher Education Subcommittee met on October 3, 2008 and October 6, 2008. The meeting on October 3 was in Conway in conjunction with the Shale Summit and the subcommittee heard the report entitled "Access to Success, Increasing Arkansas's College Graduates Promotes Economic Development." The meeting on October 6, 2008 was in Little Rock in conjunction with the Arkansas Association of Public Universities and the Arkansas Science and Technology Authority Conference. There were no questions concerning this report.

Senator Jimmy Jeffress moved the adoption of the Higher Education Subcommittee report and the motion passed without objection.

Hospital and Medicaid Study Subcommittee

Co-Chair Sullivan recognized Senator Steele to present the report of the Hospital and Medicaid Study Subcommittee. Senator Steele reported the Hospital and Medicaid Study Subcommittee had met on September 29, 2008 and heard from most of the CEOs of the major hospitals

concerning their opinion of the progress with the Trauma System. Senator Steele reported that the subcommittee discussed some potential funding methods, which are listed on the last page of the report. There were no questions regarding this report.

Senator Steele moved that the report of the Hospital and Medicaid Study Subcommittee be adopted and the motion passed without objection.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Sullivan recognized Senator Altes to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee. Senator Altes reported that the PEER Subcommittee met on October 6, 2008 and reviewed all items on the agenda. Senator Altes reported that the discussion mostly concerned the contract with UAMS for a trauma center advisor and the release of \$100,000 of the Governor's Emergency Fund for this purpose. There were no questions concerning this report.

Senator Altes moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted and the motion passed without objection.

Policy-Making Subcommittee

Co-Chair Sullivan recognized Representative Ragland to present the report of the Policy-Making Subcommittee. Representative Ragland reported that the Policy-Making Subcommittee met on October 14, 2008 and discussed interim committee balances and interim study proposals filed directly with committees and found no action to be necessary. The Policy-Making Subcommittee also discussed the payment of mileage and per diem to members-elect for attending interim committee meetings.

The Policy-Making Subcommittee passed a motion that a member-elect of the General Assembly may receive mileage and per diem for attending an interim committee of the General Assembly or a legislative task force for which members of the General Assembly are entitled to mileage and per diem. However, a member-elect who resides 50 miles or less from the State Capitol or meeting site is not entitled to per diem and mileage for attending the meeting. The mileage and per diem shall be payable from unallocated funds from the appropriation for interim committee expenses. A person is not considered a member-elect until after the general election or special election in which that person successfully ran for office. Representative Ragland and David Ferguson, Director of the Bureau of Legislative Research, answered questions regarding the motion.

Representative Anderson moved the report of the Policy-Making Subcommittee be amended to reflect that per diem to members-elect will not be paid prior to the certification of election results, but will accrue and will be paid after election results are certified. The motion received a second and was passed by voice vote.

Representative Anderson moved the adoption of the Policy-Making report as amended and the motion was passed by voice vote.

Review Subcommittee

Co-Chair Sullivan recognized Senator Horn to present the Review Subcommittee report. Senator Horn reported that the subcommittee met on October 1, 2008 and reviewed two items held over from previous meetings: the contract for the Dental Examiners Board with William Trice; and the contract between the Teacher Retirement System and Ennis Knupp and Associates. The Review Subcommittee also reviewed all other items on the agenda.

Co-Chair Sullivan recognized Senator Madison who asked whether or not the additional information had been received concerning the contract the Arkansas Forestry Commission and the State Police and the reason why a provision was included in the contract to require liability insurance for the communications tower. Senator Horn responded that the staff for the Review Subcommittee understood that this information would be provided for the next Review Subcommittee meeting. Co-Chair Sullivan asked Senator Madison if this was acceptable to her and she responded that it was acceptable.

Co-Chair Sullivan recognized Kathy Schmidt, the Review Subcommittee staff person, to respond to a question from Representative Hyde. Ms. Schmidt responded that the contract between Baldwin & Shell Construction Company and the Phillips Community College was submitted to the Review Subcommittee because the contract exceeded \$5 million and because it was from the alternative delivery method instead of being competitively bid.

Senator Horn moved the adoption of the report of the Review Subcommittee and the motion passed by voice vote.

Senator Horn moved that the rules be suspended to allow the consideration of a contract submitted too late to be considered by the Review Subcommittee at the October meeting. The motion was passed by voice vote.

Co-Chair recognized John Kunkel with the Arkansas Department of Education and asked that he explain the contract. Mr. Kunkel identified himself and explained this contract is a continuation of a contract with the College Board, which is a sole-source provider for the testing of advanced placement students. Mr. Kunkel stated that a change in staffing at the College Board and necessity of obtaining a signature had caused the delay in submitting the contract to the Review Subcommittee.

Co-Chair Sullivan recognized Senator Jimmy Jeffress who asked that Mr. Kunkel relay to the College Board that the Legislative Council would not be tolerant of delays that may occur in the future and Mr. Kunkel agreed to relay that message.

Co-Chair Sullivan recognized Representative Pace who moved that the contract between the College Board and the Department of Education be referred to the Review Subcommittee and to allow the process to work as it was designed.

Co-Chair Sullivan recognized Senator Altes who asked how many advanced placement students there are and how much does each test cost? Mr. Kunkel referred the question to Ms. Ann

Biggers, the Program Coordinator for the Gifted and Talented and Advanced Placement Program with the Department of Education. Co-Chair Sullivan recognized Ms. Biggers to respond to the question. Ms. Biggers identified herself and stated that this year there were 27,967 exams were taken and the amount of money in the contract was for over 27,000 exams. The cost for exams for students under the free and reduced lunches program is \$54.00 per exam and the cost for other students is \$76.00 per exam. In response to other questions, Ms. Biggers explained that if the contract is delayed and is not extended, then the College Board may not extend the contract to the Department of Education for next year's exams.

Mr. Kunkel further explained that if the contract is not approved today, the Department of Education would have to begin the contract process again, which would delay the preliminary work for next year's exams that should begin in November 2008. Mr. Kunkel stated that the Department of Education would submit a request for a one-month date extension only on this contract to the Office of Procurement in the Department of Finance and then come back before the Review Subcommittee next month and follow all the proper procedures.

Senator Malone made a substitute motion that the contract between the College Board and the Department of Education stand reviewed and the motion failed to pass by a voice vote.

Co-Chair Sullivan called for the vote on the motion to refer to the Review Subcommittee the contract between the College Board and the Department of Education and the motion passed by a voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Sullivan recognized Senator Faris to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee. Senator Faris reported that the subcommittee met on October 13, 2008 and reviewed two routine reports from the Public Service Commission and the Department of Education. The subcommittee also reviewed the following: requests for special entry rates for exceptionally well-qualified applicants for the School for the Deaf, the Arkansas Building Authority, and the Livestock and Poultry Commission; one new title request from the Department of Health; requests for higher education growth pool positions from Mid-South Community College, National Park Community College, and the University of Arkansas at Fayetteville; a request from the Game and Fish Commission for pay for professional certification; and six requests for circuit court staff salary adjustments.

Senator Faris referred members to item 11 on the report and explained that the listing for Department of Health should be changed to the Department of Education. There were no questions concerning this report.

Senator Faris moved that the report be amended to reflect the correction of item 11 to change Department of Health to Department of Education and the motion passed by voice vote.

Senator Faris moved that the report be adopted as amended and the motion passed by voice vote.

Report of Interim or Special Committees

Co-Chair Sullivan recognized Senator Jimmy Jeffress to present the report of the Joint Interim Committee on Public Retirement and Social Security Programs. Senator Jeffress reported that the Arkansas Teacher Retirement System model Qualified Domestic Relations Order (QDRO) that was revised to reflect the current IRS laws had been reviewed and approved by the Joint Committee on Public Retirement and Social Security Programs. There were no questions concerning this report.

Senator Jimmy Jeffress moved that the report be adopted and the motion passed without objection.

Review of Communications

Co-Chair Sullivan asked members to review the communications in there packets and stated that no action was required by the Legislative Council. Co-Chair Sullivan stated that at the request of the Arkansas State Highway Commission the study of increasing speed limits, Item H-9a, would be deferred for consideration until the next meeting of the Legislative Council. Co-Chair Sullivan asked if there were questions concerning the other communications.

There were questions concerning the report from the Department of Human Services concerning psychiatric placements of Medicaid clients in facilities within Arkansas and outside of Arkansas. John Selig the Director of the Department of Human Services and Anita Castleberry with the DHS Office of Medical Services were recognized and responded to questions. In response to a question regarding whether there is an accounting of the educational cost to local schools of the students who are placed in out-of-state facilities, Mr. Selig stated he did not have those figures, but they would contact the Department of Education and attempt to get that information.

Business Carried Over from Previous Meeting

The additional information requested at the September 19, 2008 meeting of the Legislative Council from the Arkansas Game and Fish Commission was discussed. Loren Hitchcock, the Deputy Director of the Arkansas Game and Fish Commission was recognized and he presented the information provided as Exhibit I.1. Mr. Hitchcock also answered questions from committee members.

The additional information requested at the September 19, 2008 meeting of the Legislative Council from the College of Medicine at the University of Arkansas for Medical Sciences was discussed. Dick Wheeler, the Executive Associate Dean for Academic Affairs for the College of Medicine, and Tom South, the Assistant Dean for Admissions and Financial Aid for the College of Medicine were recognized to present the information provided as Exhibit I-2. Mr. Wheeler and Mr. South also answered questions from the committee members.

New Business

There was no new business to come before the committee at this meeting.

Consideration of New Interim Study Proposals

There were no new interim study proposals to come before the committee at this meeting.

Adjournment

There being no further business to come before the committee the meeting was adjourned at 10:55 a.m.

Respectfully submitted,

ATTEST:

Senator Henry “Hank” Wilkins, IV
Co-Chair, Senate

David Ferguson
Executive Secretary