

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, November 20, 2009

The Arkansas Legislative Council met at 9:00 a.m., Friday, November 20, 2009 in Room 171 of the State Capitol, Little Rock, Arkansas. Co-Chair Maxwell called the meeting to order and dispensed with the calling of the roll. The members who attended are listed on the sign-in sheets.

Adoption of Minutes of the Last Meeting

The minutes of the October 16, 2009 Legislative Council meeting were adopted without objection.

Monthly Revenue Report

October 2009 Revenue Report

Co-Chair Maxwell recognized Richard Wilson, Assistant Director of the Bureau of Legislative Research, to present the monthly revenue report for October 2009. Mr. Wilson reported that after four months of fiscal year 2010, gross collections were down \$144.3 million compared to same four months of last year for a growth rate of negative eight percent (-8%). The adjusted net available for distribution is \$78.6 million dollars less than the previous year, for a negative growth rate of five point one percent (-5.1%). Without the transfer of \$61 million, the growth rate would be negative eight point eight percent (-8.8%).

The graph reflects that since the revision of the official forecast on October 20, 2009, net general revenues are 18 million below the revised official forecast. The weighted average for income tax collections is down about nine percent (9%) for the year and the gross receipts are at negative eleven percent (-11%). An update from the National Conference of State Legislatures (NCSL) that was received a few days ago indicates that thirty-eight other states and the District of Columbia have worse unemployment rates than Arkansas. The unemployment rate in Arkansas in September was seven point one percent (7.1%). The unemployment rate in the United States is ten point two percent (10.2%). Mr. Wilson responded to questions from Legislative Council members.

Report of the Executive Subcommittee

Co-Chair Maxwell recognized Senator Wilkins to present the report of the Executive Subcommittee. Senator Wilkins reported that the Executive Subcommittee met on November 19, 2009 and were introduced to four (4) new employees. The subcommittee also discussed monthly and quarterly reports that appear on the Legislative Council agenda and the possibility of referring those to subcommittees. The Executive Subcommittee asked the Policy-Making Subcommittee to advise the Legislative Council regarding this possibility.

Senator Wilkins moved the adoption of the report of the Executive Subcommittee and the motion was passed without objection.

Reports of Standing Subcommittees

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Maxwell stated that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee would be moved up on the agenda and he recognized Senator Faris to present the report.

Senator Faris reported that the subcommittee met on November 19, 2009 and it was a fairly routine meeting. The subcommittee reviewed four routine reports; two OPM position requests for the Department of Veteran Affairs and Arkansas State Police; two central growth pool positions by the Bank Department; a request from the Department of Workforce Services for a position for special language; requests from the Department of Economic Development and the Department of Finance and Administration for miscellaneous grant positions; and a request for compensation differential from the School for the Blind and the Department of Career Education. There were no questions regarding the report.

Senator Faris moved the adoption of the report from the Uniform Personnel Classification and Compensation Plan Subcommittee and the motion was passed without objection.

Administrative Rules and Regulations Subcommittee

Co-Chair Maxwell recognized Senator Malone to present the report of the Administrative Rules and Regulations Subcommittee. Senator Malone reported that the subcommittee met on November 16, 2009 and the meeting was routine. The subcommittee continues to see the submission of rules that implement fee increases without the general membership of the legislature being notified and the subcommittee plans to bring a resolution for this to the Legislative Council.

The Accountancy Board submitted a rule that implemented a fee increase and after considerable debate the Director of the Accountancy Board chose to withdraw the rule from consideration and to re-submit it at a later date. The subcommittee found there was conflicting testimony regarding whether or not the executive director did in fact comply with the Administrative Procedures Act or the FOI about members meeting to discuss the rule.

The Optometry Board also withdrew from consideration rules that would have taken oversight from optometrists and ophthalmologists on the prescribing or administering of steroids. The subcommittee is also working on recommendations for the Legislative Council regarding the submission of rules to the subcommittee that have already been implemented. There were no questions regarding this report.

Senator Malone moved the adoption of the report of the Administrative Rules and Regulations Subcommittee and the motion passed without objection.

Charitable, Penal, and Correctional Institutions Subcommittee

Co-Chair Maxwell recognized Senator Glover to present the report of the Charitable, Penal, and Correctional Institutions Subcommittee. Senator Glover reported that the subcommittee heard a presentation from Wendy Naro concerning reports entitled: (1) *Arkansas Department of Correction, Sentencing Commission, and Department of Community Correction Ten-Year Adult Secure Population Projection 2009-2010*; and (2) *Ten-Year Population Projections for the Arkansas Parole and Probation Populations Briefing Book*. Senator Glover reported that the Arkansas prison population had increased by ten percent (10%) in 2008. The subcommittee is collecting information regarding solutions for the growth in the prison population and is developing recommendations for the General Assembly. Senator Glover answered questions from the members.

Senator Glover moved the adoption of the report of the Charitable, Penal, and Correctional Institutions Subcommittee and the motion was passed without objection.

Claims Review Subcommittee

Co-Chair Maxwell recognized Senator Jimmy Jeffress to present the report of the Claims Review Subcommittee. Senator Jeffress reported that the Claims Review Subcommittee met November 16, 2009 and reviewed claims that had been before the subcommittee. The subcommittee affirmed the Claims Commission's ruling to deny claims in five (5) cases; approved the re-issuance of five out-dated warrants; affirmed the Claims Commission's award of \$15,000.00 in one negotiated settlement; and affirmed the Claims Commission's award in two other cases that totaled \$27,000.00. There were no questions concerning this report.

Senator Jeffress moved the adoption of the report of the Claims Review Subcommittee and the motion passed without objection.

Higher Education Subcommittee

Co-Chair Maxwell recognized Representative Roebuck to present the report of the Higher Education Subcommittee. Representative Roebuck reported that the subcommittee met on November 19, 2009 and heard a presentation from Dr. Jim Purcell, Director of the Department of Higher Education, regarding the career coaches that will be placed in two-year colleges through a federally-funded grant. Dr. Jim Purcell also presented a detailed report on remediation as required by Act 970 of 2009 and answered questions.

Ms. Sarah Slocum, Miss Arkansas 2009, addressed the subcommittee regarding her travels throughout the state encouraging students to attend college. The subcommittee heard from Dr. Stanley Williams, Deputy Director of the Department of Higher Education, regarding the higher education funding process and formula. Representative Roebuck answered questions from members.

Representative Roebuck moved the adoption of the report of the Higher Education Subcommittee and the motion passed without objection.

Hospital and Medicaid Study Subcommittee

Co-Chair Maxwell recognized Senator Steele to present the report of the Hospital and Medicaid Study Subcommittee. Senator Steele reported that the Hospital and Medicaid Study Subcommittee met on November 16, 2009 and reviewed current Medicaid contracts that are out for bid. The subcommittee also heard an update on the implementation of the trauma system and requested the Department of Health to notify legislators when grants will be let in their districts. The subcommittee also discussed the cuts in tobacco tax funding in some areas that have an indirect effect on the trauma system. Senator Steele stated one of the areas where funding was cut is the program to place automatic external defibrillators in public schools. Senator Steele answered questions from the members.

Senator Steele moved the adoption of the report of the Hospital and Medicaid Study Subcommittee and the motion was passed without objection.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Maxwell recognized Representative Maloch to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee. Representative Maloch reported that the PEER Subcommittee met on November 5, 2009 and reviewed and approved all items on the agenda. The subcommittee made one revision to the request from the Office of Child Support Enforcement whereby the subcommittee approved the request for emergency transfer of \$10.2 million and deferred approval of the transfer of \$8.1 million until additional information is presented at the next subcommittee meeting. There were no questions concerning this report.

Representative Maloch moved the adoption of the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee and the motion passed without objection.

Policy-Making Subcommittee

Co-Chair Maxwell recognized Representative George to give an oral report from the Policy-Making Subcommittee. Representative George reported that the Policy-Making Subcommittee met at 8:00 a.m. on November 20, 2009 and reviewed interim committee balances and the germaneness of interim study proposals filed directly with committees and found no action was necessary. The subcommittee also discussed the need to transfer additional funds to the Arkansas Lottery Commission Legislative Oversight Subcommittee and approved the transfer of \$15,000.00 from unallocated interim committee funds.

Representative George moved the adoption of the Policy-Making Subcommittee report and the motion passed without objection.

Review Subcommittee

Co-Chair Maxwell recognized Senator Horn to present the Review Subcommittee report. Senator Horn reported that the Review Subcommittee met on November 7, 2009 and the subcommittee held one item, which was a contract between the Department of Human Services and Amicare of Arkansas (dba Piney Ridge). Since the meeting, the Department of Human Services has worked out the concerns with the contract and the hold on the contract was released. There were no questions regarding this report.

Senator Horn moved the adoption of the report of the Review Subcommittee and that the item held from the November 7, 2009 meeting be filed as reviewed. The motion passed without objection.

Co-Chair Maxwell recognized Senator Lavery who informed the Legislative Council members that the Review Subcommittee agreed to form a subcommittee to review those contracts that are funded only by state monies.

Review of Communications

Co-Chair Maxwell referred members to the communications in their packets and asked if there were any questions regarding these communications. There were no questions and the communications (Exhibits H.1 through H. 17) were filed without objection.

Business Carried Over from Previous Council Meeting

Co-Chair Maxwell recognized Michael Brown, Legislative Analyst with the Bureau of Legislative Research, to present information that was requested at the last meeting on the allocation of federal stimulus funds. Mr. Brown explained the information and answered questions concerning the following reports: (1) Federal Funds Available from the American Recovery and Reinvestment Act (ARRA) (Exhibit I.1a); and (2) ARRA Quarterly Update, first through third quarter of 2009 (Exhibit I.1b).

Co-Chair Maxwell recognized Senator Steele who suggested that consideration be given to the formation of a special subcommittee to monitor how the state agencies are expending the federal stimulus funds that are available to the State of Arkansas under the American Recovery and Reinvestment Act (ARRA). Representative Wills responded that he believed this was a good idea and that he would visit with the House leadership about the suggestion.

Co-Chair Maxwell stated that a special subcommittee of the Legislative Council would be appointed to monitor the allocation and expenditure of federal stimulus funds received by the State of Arkansas under the American Recovery and Reinvestment Act (ARRA). The report was filed without objection.

New Business

Co-Chair Maxwell recognized Senator Hendren who informed members that there were instances where non-public school students were not vaccinated when they attended some flu vaccination clinics that were hosted by the public schools. This issue was discussed with Senator Hendren at the conclusion of the meeting.

New Proposals and Resolutions

Co-Chair Maxwell referred members to the Interim Study Proposal 2009-200 in their packets and asked if there were questions. There were no questions regarding Interim Study Proposal 2009-200.

Interim Study Proposal 2009-200 was referred to the Insurance and Commerce Committees and the motion passed without objection.

Adjournment

There being no further business to come before the committee the meeting was adjourned at 10:05 a.m.

Respectfully submitted,

ATTEST:

Representative Allen Maxwell
Co-Chair, House

David Ferguson
Executive Secretary