

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, January 15, 2010

The Arkansas Legislative Council met at 9:00 a.m., Friday, January 15, 2010 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

Co-Chair Maxwell referred members to the minutes of the December 18, 2009 meeting of the Legislative Council and asked if there questions. There were no questions regarding the minutes of the last meeting.

The motion by Senator Glover to adopt the minutes of the December 18, 2009 Legislative Council meeting passed by voice vote.

Revenue Reports

December 2009 Revenue Report

Co-Chair Maxwell recognized Richard Wilson, Assistant Director of the Bureau of Legislative Research, to present the monthly revenue report for December 2009. Mr. Wilson reported that after six months of fiscal year 2010, gross collections were down \$103 million compared to same six months of last year for a growth rate of negative three point eight percent (-3.8%). The adjusted net available for distribution is \$37.8 million dollars behind the same period for last year , for a negative growth rate of one point seven percent (-1.7%).

The graph reflects that net general revenues are \$55 million below the revised official forecast of October 2009. The official forecast was revised again in January 2010, which makes that number zero. Mr. Wilson referred to the spreadsheet that reflects negative percentages across the board for tax collections with gross receipts being the worst. In regard to the Arkansas economy, statistics show that the low point was in the third quarter of 2009, and since that period, major indicators are showing slow but positive growth. Mr. Wilson answered questions from the members.

Notice of Revised General Revenue Forecast

Co-Chair Maxwell referred members to the notice from the Department of Finance and Administration of the revision of the general revenue forecast for fiscal year 2010. There were no questions regarding this notice.

Report of the Executive Subcommittee

Co-Chair Maxwell reported that the Executive Subcommittee met on January 14, 2010 and favorably reviewed Amendment #4 to the contract for architectural and engineering services for the 5th floor of the Big Mac Building. The subcommittee passed a motion to recommend that the Legislative Council not meet in February 2010 due to the convening of the 2010 Fiscal Session and the Legislative Council subcommittees are authorized to act on behalf of the Legislative Council and their actions are final, and the subcommittees will report their actions to the Legislative Council during its next meeting following adjournment of the 2010 Fiscal Session. Also, the Executive Subcommittee was notified that Dan Parker has assumed the responsibilities of Administrator of the Legal Research and Drafting Section replacing Phil Boudreaux who has retired.

Senator Faris moved that the Legislative Council not meet in February 2010 due to the convening of the 2010 Fiscal Session and the Legislative Council subcommittees are authorized to act on behalf of the Legislative Council and that their actions are final, and the subcommittees will report their actions to the Legislative Council during its next meeting following adjournment of the 2010 Fiscal Session. The motion passed by voice vote.

Co-Chair Maxwell recognized Senator Malone who asked whether the Legislative Council subcommittees were authorized to meet during the upcoming 2010 Fiscal Session . Co-Chair Maxwell recognized David Ferguson, Director of the Bureau of Legislative Research, who responded that the Legislative Council subcommittees do not meet during the 2010 Fiscal Session ; however, the Legislative Council could meet if authorized by the Speaker of the House of Representatives and the President Pro Tem of the Senate. If the subcommittees chose to meet during this time, it would not be an official meeting.

Senator Malone commented that boards and commissions, and state agencies will continue to promulgate rules under the emergency provision while the General Assembly is in session and the Legislative Council subcommittees are not authorized to meet to review the rules and regulations prior to their implementation. Co-Chair Maxwell stated they would take that under advisement.

Co-Chair Maxwell recognized Senator Steele who asked how the "A" and "B" committees will meet during the upcoming 2010 Fiscal Session . Co-Chair Maxwell recognized Mr. Ferguson who responded that the meeting of the "A" and "B" committees during the 2010 Fiscal Session would be decided by the Senate and the House of Representatives. Senator Steele asked if the committees could only consider items related to the 2010 Fiscal Session and Mr. Ferguson stated committees could consider anything subject to the limitations in each chamber.

Co-Chair Maxwell recognized Representative Robbie Wills, Speaker of the House, who commented that the plan is have "A" and "B" committees meet and consider interim study proposals that were generated by bills introduced in the last session and then withdrawn by the sponsor. There are approximately 164 House Bills that are interim study proposals, as well as Senate Bills and it is up to the sponsor of each bill whether or not the committees would consider the interim study proposal.

Co-Chair Maxwell recognized Representative Reep who asked Mr. Ferguson for a brief explanation of the emergency procedures used by agencies to promulgate rules and regulations. Mr. Ferguson responded agencies may promulgate rules and regulations to become effective immediately if there is an emergency determination, but these rules and regulations are effective for a limited time and the rules and regulations must be submitted and reviewed under the review process before the rule or regulation becomes permanent. Mr. Ferguson further commented that the review process does not stop promulgation of rules during a legislative session and rules and regulations become effective whether or not the General Assembly is in session.

Co-Chair Maxwell recognized Representative Lea who asked for a copy of the contract Amendment #4 that was reviewed by the Executive Subcommittee. A copy of the amendment to the contract was provided to Representative Lea during the meeting.

Co-Chair Maxwell moved the adoption of the report of the Executive Subcommittee and the motion passed by voice vote.

Reports of Standing Subcommittees

Administrative Rules and Regulations Subcommittee

Co-Chair Maxwell recognized Representative Mike Burris to present the report of the Administrative Rules and Regulations Subcommittee. Representative Burris reported that the subcommittee met on January 11, 2010 and referred members to the written report in the meeting packet. There were no questions regarding the report.

Representative Mike Burris moved the adoption of the report of the Administrative Rules and Regulations Subcommittee and the motion passed by voice vote.

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 on January 11, 2010 and made the following recommendations to the Legislative Council: (1) the re-issuance of six warrants that had expired; (2) approval of the negotiated settlement agreement in two lawsuits; (3) approved an awarded claim appealed by the claimant; and (4) approved an awarded claim appealed by the respondent. The Claims Review Subcommittee took no action on one item as noted in the report. There were no questions regarding this report.

Senator Jimmy Jeffress moved the adoption of the Claims Review Report and the motion passed by voice vote.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Maxwell recognized Senator Bryles to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee. Senator Bryles reported that the PEER Subcommittee met on January 7, 2010 and reviewed and approved all items on the agenda with the exception of item E.5 which was held for more information. There were no questions concerning this report.

Senator Bryles moved the adoption of the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee with the exception of Item E.5. The motion passed by voice vote.

Review Subcommittee

Co-Chair Maxwell recognized Senator Horn to present the Review Subcommittee report. Senator Horn reported that the Review Subcommittee met on January 6, 2010 and reviewed all items on the agenda with the exception of one discretionary grant that was held for additional information. There were no questions regarding this report.

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

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. **The motion to file the communications received a second and was passed by voice vote.**

Business Carried Over from Previous Council Meeting

Co-Chair Maxwell referred members to the information that was requested by Representative Lea and provided by the Arkansas Department of Health (Exhibit I.1) concerning the implementation of the trauma system created by Act 393 of 2009. Co-Chair Maxwell recognized Mary Leath, Deputy Director for Administration of the Department of Health, and Bill Temple, the Section Director for the trauma system, who responded to questions regarding grants and the mention in the report of illegal immigrants. The information report was filed without objection.

Co-Chair Maxwell referred members to the information that was requested by Representative Pennartz and provided by the Department of Workforce Services (Exhibit I.2) concerning the Unemployment Insurance Trust Fund. Co-Chair Maxwell recognized Representative Pennartz who stated that this information does not include a response regarding the projected increase in unemployment insurance tax collections resulting from the increase effective January 1, 2010 in taxable wage base. Representative Pennartz asked that this be continued as an agenda item until a response is received regarding this question. Co-Chair Maxwell asked that staff request this information and provide it to members at the next meeting.

New Proposals and Resolutions

Co-Chair Maxwell recognized Representative Glidewell to present Interim Study Proposal 2009-204. Representative Glidewell commented that the State of Arkansas has the option of opting out of the health care bill (currently being considered by the United States Congress) and that six other states have filed similar bills. Representative Glidewell also informed members that Governor Beebe and John Selig, the Director of the Department of Human Services, had commented that we are on an unsustainable path in funding of Medicare. Representative Glidewell referred to statistics from the General Accounting Office that indicated that the health care reform bill would cost Arkansas \$257 million dollars the first four years and Arkansas would have to continue to pay until the year 2014 and would receive no benefits. Representative Glidewell stated that other states would receive additional funding as follows: Nebraska, fully funded for Medicare expansion for two years and then receives \$100 million; Louisiana, \$300 million in additional Medicare funding; Vermont, \$600 million in additional Medicare funding; and Massachusetts, \$500 million in additional Medicare funding.

Co-Chair Maxwell recognized Senator Jimmy Jeffress for a motion. **Senator Jimmy Jeffress moved that Interim Study Proposal 2009-204 be referred to the Public Health, Welfare, and Labor Committee. The motion received a second from Representative Dunn and was passed by voice vote.**

Adjournment

There being no further business to come before the committee the meeting was adjourned at 9:35 a.m.

Respectfully submitted,

ATTEST:

Representative Allen Maxwell
Co-Chair, House

David Ferguson
Executive Secretary