



Daily Legislative Update

Monday, January 12, 2015

1st Day of 90th General Assembly

2015 SESSION OPENS TODAY

Arkansas's 90th General Assembly will convene at Noon today.

We are finalizing the printing of the Arkansas State Chamber/AIA 2015 Legislative Agenda this week. Our chief concerns to help Arkansas be a better place to live, work and do business are:

- Developing and maintaining a capable and available workforce
 - Advancement of comprehensive education reform
- Achieving and maintaining a fair, equitable and competitive tax environment
- Maintaining our nationally competitive workers' compensation system
- Attaining a solvent Unemployment Insurance Trust Fund and a competitive UI system
- Making Arkansas's civil justice system nationally competitive

Our committees have produced a series of bills from these priorities and we will be working with legislative leaders in the coming days to finalize sponsors and set a bill filing schedule.

THIS WEEK'S LEGISLATIVE SCHEDULE

Members will be sworn in and the House will formally elect its Speaker today. The 89th General Assembly elected Rep. Jeremy Gillam as speaker-elect and he is expected to be confirmed as Speaker by the 90th General Assembly.

On Tuesday, Asa Hutchinson will be sworn in as Arkansas's 46th Governor at 10:30 a.m. in the House Chamber of the State Capitol. Other official public Inaugural events on Tuesday include: an Inaugural Church Service at Immanuel Baptist Church from 8:30 until 9:30 a.m., the Inaugural Address at Noon on the Capitol Steps, and the Governor's Reception from 1 until 2:30 p.m. in the Capitol Rotunda.

The House of Representatives and the Senate will meet in a joint session at 10:30 a.m., on Tuesday in the House Chamber to declare election results, to administer the oath of office to elected constitutional officers, and to hear an address by the Honorable Asa Hutchinson, Governor of the State of Arkansas.

Committee meetings currently scheduled for this week are:

- Joint Budget Committee – 9 a.m., Tuesday, Wednesday and Thursday in Big MAC Room A
- Senate Public Health, Welfare & Labor – 10 a.m., Wednesday in Room 272
- Senate Judiciary – 10 a.m., Wednesday in Room 171

Friday we reported that there was no limit on the length of Regular Sessions but that is not officially accurate. Arkansas Regular Sessions are limited to 60 days but can be extended by an extraordinary vote of the General Assembly. Such extensions are common and most sessions have not ended until early to mid-April

BILL FILING

No new bills have been added to our Tracking since Friday's message. As of the close of business Friday, the House had filed 47 bills and the Senate had filed 29 bills. We are tracking 7 House bills and resolutions and 5 Senate bills and resolutions.

Each day we will list the new tracked bills in this report and then all tracked bills can be found on our website by clicking [here](#).

The bills we track are saved into one of the following categories:

[Banking & Financial](#) | [Constitutional Amendments](#) | [Economic Development](#) | [Education P20 & Workforce](#) | [Energy, Environment, Utilities](#) | [Local & State Government](#) | [Healthcare & Health Insurance](#) | [Insurance-Property & Casualty](#) | [Taxes-Income](#) | [Legal](#) | [Miscellaneous](#) | [Taxes-Property & Miscellaneous](#) | [Construction & Real Estate](#) | [Retail, Merchants, Technology](#) | [Rules-Ethics, Lobbying, Voting](#) | [Taxes-Sales & Use](#) | [Transportation](#) | [Labor & Employment / UI](#) | [Workers' Compensation](#)

GOVERNOR APPOINTMENTS

Governor-elect Hutchinson continues to make appointments to state agencies. Here are some that are of interest to business:

- Department of Finance & Administration
 - Larry Walther replaces retiring Director Richard Weiss
 - Walther was most recently a member of the board of directors for the Export-Import Bank of the United States. Prior to that he served as Director of the U.S. Trade and Development Agency (USTDA) and he was the director of the Arkansas Department of Economic Development (now AEDC) under former Gov. Mike Huckabee
 - Tim Leathers will remain as Deputy Director at DFA
- Key Positions Pending
 - Workers' Compensation Chief Commissioner, Watson Bell's term expired 12/31/14
 - ADEQ, Director Teresa Marks retired last fall.

SESSION PREVIEW

Below are excerpts from a session preview article published in today's *Arkansas Democrat-Gazette*. You can view the entire article and other legislative information (subscription required) [here](#).

"The 90th General Assembly will grapple with how deeply to cut taxes, whether to continue providing private health insurance for poor Arkansans, and the possibility of further restrictions on abortion. The Republican-controlled Legislature also will enact a state budget for fiscal 2016, deciding how much money to give public schools, the Medicaid program and the state's prisons, and how to distribute surplus funds estimated at \$215 million. In addition, legislators are expected to debate whether to repeal the state's Common Core standards, loosen restrictions on charter schools or abolish the Arkansas Lottery Commission and have the governor hire the lottery director.

The House will have 64 Republicans and 36 Democrats. The Senate will have 23 Republicans and 11 Democrats, and one vacancy. House Speaker-designate Jeremy Gillam, R-Judsonia, and Senate President Pro Tempore Jonathan Dismang, R-Searcy, said they're aiming for an 85-day session. The regular legislative session in 2013 lasted 101 days. Gov.-elect Asa Hutchinson, a Republican from Rogers, and the others will be sworn in on Tuesday.

TAX CUTS

Hutchinson wants the Legislature to enact his income tax plan, which he said would reduce state general revenue by \$50 million in fiscal 2016 and \$100 million in fiscal 2017. Democratic Gov. Mike Beebe has recommended that the Legislature delay for two years more than \$20 million a year in tax cuts that were approved in 2013, saying the state doesn't have enough revenue to cover them without harming essential state services. Hutchinson said delaying some of the tax cuts enacted in 2013 is "on the table" for discussion with lawmakers. And some lawmakers say they favor tax cuts that go beyond those proposed by Hutchinson, including exempting retired military benefits from the state income tax and approving tax cuts designed to encourage creation of manufacturing jobs in the state.

PRIVATE OPTION

Many legislators said they're awaiting word from Hutchinson on how he plans to move forward with health care and Medicaid programs, including the private-option Medicaid expansion. Hutchinson said he'll give a speech by the end of this month on that topic.

PRISONS

Legislators and Hutchinson said they want to fix the state's prisons and parole system.

After a series of tighter parole policies in the summer of 2013, the number of parolees returning to prison skyrocketed, pushing the inmate population to 17,902 as of Friday. The prisons were designed to hold no more than 14,331 inmates at a time. The overflow has affected more than prisons. As of Friday, there were 2,121 state prisoners being held in county jails. To relieve stress on current state facilities and free up space in county jails, the Arkansas Department of Correction proposed construction of a \$100 million, 1,000-bed maximum security lockup.

But Senate Judiciary Committee Chairman Jeremy Hutchinson, R-Little Rock, who is a nephew of Asa Hutchinson, said the pitch for a new prison won't be successful. "I think we do need more bed space. I know that [prison officials are] looking at expansion of existing facilities. There are private prisons ... there are things to consider," he said.

Sen. Eddie Joe Williams, R-Cabot, has floated the idea of contracting incarceration services with a Louisiana-based operator, LaSalle Southwest Corrections, which said it could house state inmates for roughly half of what it costs at state facilities.

PUBLIC SCHOOLS

The biennial educational adequacy report will ask for a raise in starting pay for teachers while making other K-12 funding formula adjustments. The Legislature will face finding money to eliminate a \$65 million gap between available funding and actual school facility needs.

Asa Hutchinson said he wants the state's education commissioner to work with a task force of educators and teachers to review the Common Core standards and recommend changes. He said he wants the Legislature to change state law to grant high school students core graduation credit in math or science for taking computer science or computer coding classes.

Legislators said they've also talked about possible legislation to change the charter school approval process and to provide waivers in the state's school consolidation requirements for districts that drop below 350-student enrollments -- an idea that Asa Hutchinson favors. Lawmakers said they'll consider reauthorizing the state's public school choice law and requiring school district elections to be held in conjunction with the state's other elections.

WORKFORCE EDUCATION

Senate Education Committee Chairman Jane English, R-North Little Rock, said she'll introduce three bills to improve and better coordinate the state's wide-ranging workforce education efforts. But she said she won't reveal details until she runs them past Asa Hutchinson. Asa Hutchinson said he wants the Legislature to create eight regional councils to guide the state's fragmented workforce-training program, after he appoints a director of the state Department of Career Education.

CONSTITUTIONAL AMENDMENTS

Senate State Agencies and Governmental Affairs Committee Chairman Eddie Joe Williams, R-Cabot, said some lawmakers are interested in proposing a constitutional amendment to allow the governor to retain his constitutional powers when he travels to other states.

He said he hopes to reach a compromise on a proposed constitutional amendment to enact tort law changes with the four Democrats on the eight-member committee. He declined to discuss details.

Sen. Bryan King, R-Green Forest, said he would push a proposed constitutional amendment to require voters to present photo identification in order to cast their ballots, although he's not optimistic about it clearing the Senate committee.

Senate Democratic leader Keith Ingram, D-West Memphis, said he and Sen. Jimmy Hickey, R-Texarkana, will propose a constitutional amendment to get rid of the lieutenant governor's office and have the attorney general assume the governorship if the governor is no longer able to serve.”

LEGISLATIVE SESSION CONTACT INFORMATION

State Senators: 501-682-2902

State Representatives: 501-682-6211

To view schedules, calendars, bill information and legislator information, visit:

www.arkleg.state.ar.us.

To view live stream video and audio from the Arkansas House of Representatives,

visit www.arkansashouse.org.

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