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**SECOND DAY'S PROCEEDINGS
SENATE CHAMBER
EIGHTY- FOURTH GENERAL ASSEMBLY
REGULAR SESSION**

Little Rock, Arkansas

January 14, 2003

The Senate was called to order at 9:45 o'clock a.m. by the President.

The Secretary called the roll, and the following members answered to roll call:

ALTES, ARGUE, BAKER, BISBEE, BOOKOUT,
BROADWAY, BROWN, BRYLES, CAPPS, CRITCHER,
FARIS, GLOVER, GULLETT, HENDREN,
HIGGINBOTHOM, HILL, HOLT, HORN, G.JEFFRESS,
J.JEFFRESS, JOHNSON, LAVERTY, LUKER, MADISON,
MALONE, MILLER, SALMON, SMITH, STEELE,
TRUSTY, WHITAKER, WILKINS, WILKINSON,
WOMACK, WOOLDRIDGE.

The Senate was led in prayer by Rev. Doyne Robertson, First Baptist Church,
Melbourne, Arkansas.

The Senate was led in the Pledge of Allegiance by the President.

On motion of Senator Hill, the reading of the Journal was dispensed with.

STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
MIKE HUCKABEE, GOVERNOR
State Capitol
Little Rock 72201

January 14, 2003

TO THE PRESIDENT OF THE SENATE

Dear Mr. President:

This is to inform your Honorable Body that on January 13, 2003, I approved the following measure from the Session of the Eighty-fourth General Assembly:

HOUSE CONCURRENT RESOLUTION NO. 1001

Sincerely,

(SIGNED) MIKE HUCKABEE
Governor

SENATE JOINT RESOLUTION NO. 1
EIGHTY-FOURTH GENERAL ASSEMBLY
REGULAR SESSION
BY: SENATORS FARIS , B. JOHNSON

SENATE JOINT RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT TO BE KNOWN AS THE "SPORTSPERSON'S BILL OF RIGHTS" WHICH GUARENTEES THE RIGHT TO HUNT, FISH, AND HARVEST GAME IN ACCORDANCE WITH LAW AND REGULATIONS.

Subtitle

PROPOSING A CONSTITUTIONAL AMENDMENT TO BE KNOWN AS THE "SPORTSPERSON'S BILL OF RIGHTS" WHICH GUARANTEES THE RIGHT TO HUNT, FISH, AND HARVEST GAME IN ACCORDANCE WITH LAW AND REGULATIONS.

BE IT RESOLVED BY THE SENATE OF THE EIGHTY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

That the following is proposed as an amendment to the Constitution of the State of Arkansas, and upon being submitted to the electors of the state for approval or rejection at the next general election for Senators and Representatives, if a majority of the electors voting thereon at the election, adopt the amendment, the amendment shall become a part of the Constitution of the State of Arkansas, to wit:

SECTION 1. (a) All persons have the right to hunt, fish, and harvest game in this state in accordance with law and regulations.

(b) This amendment shall be known as the "Sportsperson's Bill of Rights."

SECTION 2. This amendment shall become effective January 1, 2005.

Senate Joint Resolution No. 1 was read the first time, rules suspended, read the second time and referred to the Committee on STATE AGENCIES AND GOVERNMENTAL AFFAIRS.

SENATE JOINT RESOLUTION NO. 2
EIGHTY-FOURTH GENERAL ASSEMBLY
REGULAR SESSION
BY: SENATOR FARIS

SENATE JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO PROHIBIT DEFICIT SPENDING BY THE STATE AND TO INCORPORATE THE REVENUE STABILIZATION CONCEPT INTO THE ARKANSAS CONSTITUTION.

Subtitle

PROPOSING AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO PROHIBIT DEFICIT SPENDING BY THE STATE AND TO INCORPORATE THE REVENUE STABILIZATION CONCEPT INTO THE ARKANSAS CONSTITUTION.

BE IT RESOLVED BY THE SENATE OF THE EIGHTY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

That the following is proposed as an amendment to the Constitution of the State of Arkansas, and upon being submitted to the electors of the state for approval or rejection at the next general election for Senators and Representatives, if a majority of the electors voting thereon at the election, adopt the amendment, the amendment shall become a part of the Constitution of the State of Arkansas, to wit:

SECTION 1. (a) Except as provided in subsection (b), deficit spending by the state is prohibited and no state agency shall make any expenditure during a fiscal year in excess of the funds available for such purpose during that fiscal year.

(b) Nothing in this section shall prohibit the state from issuing bonds or incurring short-term debt as authorized elsewhere in this constitution.

SECTION 2. During each regular session of the Arkansas General Assembly, the general revenues to be expended during the next two fiscal years shall be allocated by the General Assembly to such funds and in such amounts as it deems appropriate. The General Assembly shall accomplish this by prioritizing the allocations using a multilevel approach establishing a first priority of distributions, second priority of distributions, and other priority levels as may be necessary. Each priority level shall specify an amount of general revenues allocated to specific funds. After completion of the distribution of general revenues under a higher priority level, the next priority level of distributions may be made.

SECTION 3. This amendment becomes effective on January 1, 2005.

Senate Joint Resolution No. 2 was read the first time, rules suspended, read the second time and referred to the Committee on STATE AGENCIES AND GOVERNMENTAL AFFAIRS.

**SENATE BILL NO. 17
EIGHTY-FOURTH GENERAL ASSEMBLY
REGULAR SESSION
BY: SENATOR HENDREN**

A Bill for an Act to be Entitled: AN ACT TO AMEND ARKANSAS CODE § 18-50-105 TO REQUIRE THE POSTING OF THE NOTICE OF DEFAULT AND INTENTION TO SELL ON THE PREMISES OF THE TRUST PROPERTY; TO AMEND ARKANSAS CODE § 18-50-116 TO PROVIDE THAT A FORECLOSURE SALE WITHOUT PROPER NOTICE MAY BE VOID; AND FOR OTHER PURPOSES.

Senate Bill No. 17 was read the first time, rules suspended, read the second time and referred to the Committee on JUDICIARY.

SENATE BILL NO. 18
EIGHTY-FOURTH GENERAL ASSEMBLY
REGULAR SESSION
BY: SENATOR BAKER

A Bill for an Act to be Entitled: AN ACT TO REVISE THE ARKANSAS STATE ARTS AND HUMANITIES ACT TO RENAME THE AGENCY; AND FOR OTHER PURPOSES.

Senate Bill No. 18 was read the first time, rules suspended, read the second time and referred to the Committee on STATE AGENCIES AND GOVERNMENTAL AFFAIRS.

SENATE BILL NO. 19
EIGHTY-FOURTH GENERAL ASSEMBLY
REGULAR SESSION
BY: SENATOR FARIS
BY: REPRESENTATIVE MAHONEY

A Bill for an Act to be Entitled: AN ACT CONCERNING CAMPAIGN FINANCING AND DISCLOSURE FOR MATTERS REFERRED TO VOTERS; AND FOR OTHER PURPOSES.

Senate Bill No. 19 was read the first time, rules suspended, read the second time and referred to the Committee on STATE AGENCIES AND GOVERNMENTAL AFFAIRS.

SENATE BILL NO. 20
EIGHTY-FOURTH GENERAL ASSEMBLY
REGULAR SESSION
BY: SENATOR FARIS

A Bill for an Act to be Entitled: AN ACT TO REVISE THE FUNDING PROCEDURES FOR THE EXPENSES OF THE HEARING OFFICER FOR THE ARKANSAS POLLUTION CONTROL AND ECOLOGY COMMISSION; AND FOR OTHER PURPOSES.

Senate Bill No. 20 was read the first time, rules suspended, read the second time and referred to the Committee on STATE AGENCIES AND GOVERNMENTAL AFFAIRS.

On motion of Senator Hill the Senate recessed until 11:30 a.m.

The Senate reconvened after recess. The Secretary called the roll, and a quorum was present.

JOINT SESSION--10:00 A.M.

Call to order by the Speaker of the House, The Honorable Herschel W. Cleveland.

Roll call of the Senate by the Secretary of the Senate.

ALTES, ARGUE, BAKER, BISBEE, BOOKOUT, BROADWAY,
BROWN, BRYLES, CAPPS, CRITCHER, FARIS, GLOVER,
GULLETT, HENDREN, HIGGINBOTHOM, HILL, HOLT, HORN, G.
JEFFRESS, J.JEFFRESS, JOHNSON, LAVERTY, LUKER,
MADISON, MALONE, MILLER, SALMON, SMITH, STEELE,
TRUSTY, WHITAKER, WILKINS, WILKINSON, WOMACK,
WOOLDRIDGE.

Electronic Roll Call of the House by the Chief Clerk.

AGEE, ANDERSON, BENNETT, BERRY, BIGGS, BLAIR, BLEDSOE,
BOLIN, BOND, BOOKOUT, BORHAUER, BOYD, BRADFORD, BRIGHT,
CHESTERFIELD, CHILDERS, CLEMONS, COWLING, CREEKMORE,
DANQEAU, DEES, DICKINSON, DOBBINS, EASON, EDWARDS, ELLIOT,
D. EVANS, L. EVANS, FERGUSON, FITE, GILLESPIE, GIPSON, GOSS,
GREEN, HAAK, HARDWICK, HARRIS, HATHORN, HICKINBOTHAM,
HOUSE, HUTCHINSON, JACKSON, JACOBS, JEFFREY, C. JOHNSON, J.
JOHNSON, JONES, JUDY, KENNEY, KEY, KING, LAMOUREUX,
LEDBETTER, LENDALL, LEWELLEN, MACK, MAHONY, MARTIN,
MATAYO, MATHIS, MEDLEY, MILLIGAN, MOORE, NAPPER, NICHOLS,
NORTON, OGLESBY, ORMOND, PACE, PARKS, PATE, PENIX, PETRUS,
PICKETT, L.PRATER, S. PRATER, PRITCHARD, RANKIN, ROEBUCK,
ROSENBAUM, SCHULTE, SCRIMSHIRE, SCROGGIN, SEAWEL, SMITH,
STOVALL, SULLIVAN, SUMPTER, C.TAYLOR, J.TAYLOR, THOMAS,
THOMASON, THYER, VERKAMP, WALTERS, WEAVER, WHITE, WOOD,
MR. SPEAKER.

Not voting: Adams

Invocation by the House Chaplain, Rev. Tim Prock, Pastor, First Baptist Church,
Paris, Arkansas.

Speaker of the House, The Honorable Herschel W. Cleveland, recognizes visiting
dignitaries.

Speaker Herschel W. Cleveland recognizes House Parliamentarian Tim Massanelli to announce the results of the General Election vote for the United States Senate, the United States Congress, Proposed Constitutional Amendments, and Ballot Issues.

Speaker Herschel W. Cleveland--Declaration of the results of the General Election vote for the Arkansas State Constitutional Officers. (Each Officer goes to the Podium of the Chamber to take the Oath of Office after the Speaker announces the results of each election.)

Oath of Office administered to the Constitutional Officers by The Honorable W.H. "Dub" Arnold, Chief Justice of the Arkansas Supreme Court.

First--Lieutenant Governor

Second--Secretary of State

Third--Attorney General

Fourth--Auditor of State

Fifth--Treasurer of State

Sixth--Commissioner of State Lands

President of the Senate, The Honorable Winthrop Rockefeller appoints the following named Senate Committee:

SENATOR DAVE BISBEE, CHAIRPERSON

SENATOR JIM HILL

SENATOR STEVE HIGGINBOTHOM

SENATOR IRMA H. BROWN

SENATOR JIM HOLT

SENATOR RUTH WHITAKER

SENATOR TRACY STEELE

SENATOR MARY ANNE SALMON

SENATOR DENNY ALTES

SENATOR TIM WOOLDRIDGE

SENATOR JERRY BOOKOUT

SENATOR JACK CRITCHER

SENATOR BRENDA GULLET

and, Speaker Herschel W. Cleveland appoints the following named House Committee:

REPRESENTATIVE JIM LENDALL, CHAIRPERSON
REPRESENTATIVE ROGER SMITH
REPRESENTATIVE PAUL BOOKOUT
REPRESENTATIVE MIKE HATHORN
REPRESENTATIVE MIKE CREEKMORE
REPRESENTATIVE CALVIN JOHNSON
REPRESENTATIVE JIMMY "RED" MILLIGAN
REPRESENTATIVE SARAH S. AGEE
REPRESENTATIVE ROBERT J. WHITE
REPRESENTATIVE PAUL WEAVER
REPRESENTATIVE DANNY FERGUSON
REPRESENTATIVE PHILLIP T. JACOBS
REPRESENTATIVE JOYCE DEES
REPRESENTATIVE BOYD HICKINBOTHAM
REPRESENTATIVE JAY BRADFORD
REPRESENTATIVE JOHNNIE BOLIN
REPRESENTATIVE BILL H. STOVALL, III

as the Committee to notify Governor Mike Huckabee that the Joint Session is ready to receive him and to escort the Governor to the Speaker's Rostrum.

Speaking Herschel W. Cleveland--Declaration of the results of the General Election vote for the Office of Governor.

Oath of Office administered to Governor Mike Huckabee by The Honorable W.H. "Dub" Arnold, Chief Justice of the Arkansas Supreme Court.

Key to the Governor's Office presented to Governor Mike Huckabee by Speaker Herschel W. Cleveland.

President of the Senate, The Honorable Winthrop Rockefeller presents The Honorable Mike Huckabee, Governor of the State of Arkansas, for remarks.

Remarks by the Honorable Mike Huckabee, Governor of the State of Arkansas.

Jan. 14, 2003

Dear Legislator:

Once more, we've gathered at the state Capitol to discuss the future of our state. When we leave here in several months, I'm hopeful we'll be able to say we made Arkansas a better place. Despite the differences we're sure to have on some of the details, I'm convinced we want the same thing. And that's for Arkansas to be an even greater state for ourselves, our children and our grandchildren.

For those of you who are legislative veterans, welcome back for another general session. Congratulations on having been returned to office by the voters in your districts. I look forward to working with you again. For the large number of you who are freshmen, welcome. You'll find that a legislative session is an amazing process as Arkansans from all parts of the state and all walks of life gather to determine what should be the priorities of state government. In the hectic weeks to come, I hope none of us lose sight of why we're here.

No one denies that we face tremendous challenges. Like virtually every other state in the country, we find that the demands on state government from the taxpayers, the courts and Congress have outstripped the revenue sources available to us. We'll have to make tough choices when it comes to crafting a budget for the next biennium.

We face the mandate from the Arkansas Supreme Court to restructure our system of public education. While we sit in the state Capitol, almost 450,000 Arkansas children will attend our public schools. Parents have invested more than just their tax dollars in this system of public education. They've entrusted the futures of their children to the system. As you go about your work here, keep in mind the thousands of Arkansas mothers and fathers who've taken the most precious things in the world to them, sent those children out the door early each morning and placed them in the care of our public schools. We owe it to those parents to make sure their children are truly prepared when they graduate from high school. Whenever an Arkansas student has to be remediated in college, we've failed. Some of the choices we'll have to make in the area of public education won't be pleasant. But the Supreme Court has left us no alternative. The state, not local districts, is now responsible for all aspects of public education. To meet the court's directive, we'll have to institute a massive restructuring of the system.

The new economy isn't as heavily dependent on geography and natural resources as the old economy was. Companies can now do in Arkansas what they once had to be in New York, Chicago or St. Louis to do. But the thing those companies demand above all else is an educated workforce. We must improve our public schools, raise standards and hold schools accountable for their performances. In addition to approving the education restructuring plan, I hope we'll also be able to institute the various components of the Next Step education blueprint. Next Step will add to the improvements we've already made thanks to Smart Start and Smart Step.

The budget challenges we face demand that we reform not only our system of public education but the entire structure of state government. We owe it to every taxpayer in Arkansas to make state government as efficient as possible. That's why I'm proposing a massive restructuring of state government that will cut out duplication and allow us to reduce the size of the government workforce through

attrition. We ask the taxpayers to contribute many of their hard-earned dollars to government. We owe it to them to spend those dollars more wisely. I wouldn't ask you to institute changes in your branch of government or the judicial branch. But I do ask you to give me the authority to reorganize the executive branch, for which the voters hold me responsible. Not only do we want to consolidate agencies, we eventually want to consolidate state offices in all 75 counties so people can go to one place rather than many to handle their business with state government. Let me say it again: It's the taxpayers who foot the bill, and we should do everything in our power to make life simpler for them.

I also will propose major changes in the areas of economic development, corrections, community corrections and medical malpractice. It will be a busy session.

Despite the daunting challenges we face, we shouldn't ignore the very real accomplishments of recent years. We've improved public education with the implementation of Smart Start, which is an intense focus on reading and mathematics for students from kindergarten through the fourth grade. We've added Smart Step, a similar emphasis for students from the fifth through the eighth grades. We've introduced strong accountability measures for our schools. As a result of these efforts, test scores have soared. Last fall, we announced the improvements in benchmark test scores for our state's fourth-, sixth- and eighth-grade students. To increase our scores in literacy by 22 percentage points in one year at the fourth-grade level was remarkable. To increase our scores in math by 19 percentage points in one year at the sixth-grade level was equally remarkable. We went up 7 percent in fourth-grade math. We went up 10 percent in sixth-grade literacy. We went up 3 percent in eighth-grade math. The only area where we stayed the same was eighth-grade literacy. There wasn't a decline in a single area. There obviously has been significant progress in our schools, and it has come about because teachers and administrators have taken the concepts behind Smart Start and Smart Step to heart. We earlier had received news regarding spectacular improvements for high school students who took exams last spring in algebra, geometry and literacy. The percentage of proficient/advanced scores for algebra was up 18 percent from the previous year. The percentage was up 13 percent in geometry. The percentage was up 18 percent for literacy. We now fund general education at a level that's 28 percent higher than it was in 1996. Per-pupil expenditures have risen more than 20 percent during the past six years. Long before the Supreme Court ruling, we were getting serious in Arkansas about making our schools better. These test results were evidence of that.

We've made our tax code more fair. We've enacted a taxpayers' bill of rights for property owners. We've cut the welfare rolls in half. Four years ago, we passed the largest highway improvement program in state history. We're now in the middle of a program that will transform our interstate highway system from one of the worst in the country to one of the best. We've made life easier for busy Arkansans. For too long, the government required people to waste entire days driving all over town just to renew their car tags. With our STAR system, which has become a model for the nation, car tags can be renewed in a matter of minutes on the telephone or a home computer. We recently were ranked first in online services in Brown University's study of state and federal e-government. Arkansas was followed by the federal government, Illinois, Arizona, Washington, California and Tennessee. Meanwhile, a survey from the Center for Digital Government shows that Arkansas has moved from 38th to 14th the past two years in the area of e-government management and administration. The rating was based on the adoption of new information technologies in state government and the investment in long-term information technology infrastructure. The focus

of our e-government effort is to make dealing with state government less of a burden. Arkansans are now taking advantage of on-line services in record numbers. They sit down at home computers to pay their bills, buy books, trade stocks and even bid on baseball cards. With more and more Arkansas families acquiring home computers and obtaining Internet access, we have a golden opportunity to make state government available to them 24 hours a day, seven days a week. I'm pleased Brown University has recognized our success in that area. We must never forget that our customers are the taxpayers of Arkansas. We're serving them well through the services we've made available on-line. Technological advances have given us an unprecedented opportunity to stem the growth of government and at the same time provide a better quality of service. In addition to renewing your car tags, you can do corporation filings, motor fuel tax filings, insurance tax filings, the renewal of various state licenses and workers' compensation claim searches on-line. You can buy your hunting licenses and fishing licenses on-line. You can even order a seedling from the state Forestry Commission on-line. Our goal is a seamless electronic government. For too long in Arkansas, we approached this subject on a piecemeal basis. The information age demands not only new networks in state government but also a new management style. We must coordinate our efforts and make sure we operate in a strategic manner. Our government restructuring plan will allow us to do that.

Six years ago, Arkansas had one of the highest percentages of uninsured children in the nation. Since then, we've been a national leader in decreasing the percentage of uninsured citizens. A major reason for the decrease has been the ARKids First program, which was enacted during the 1997 legislative session. Since then, we've insured tens of thousands of Arkansas children who previously had no health insurance. We've even brought the regular Medicaid program for children under the ARKids First banner. We have a single application that covers both regular

Medicaid and the traditional ARKids First program. Never in our state's history has it been easier to insure a child. It's yet another example of how the real reforms across the country have occurred at the state level, where we try to ignore the party labels and actually tackle the problems facing our citizens rather than just talking about those problems in floor speeches and news conferences. We're one of the few states to have spent all of the money from the tobacco settlement lawsuit on actually improving the health of its citizens. The CHART plan will have positive long-term effects on Arkansans. We should be proud of our efforts in that area.

We've had a sterling record in the area of economic development during the past several years. Arkansas ranked eighth nationally in the recent Index of State Economic Momentum from State Policy Reports. The ranking was based on population growth, personal income growth and employment growth. From the start of 2000 through the end of last year's second quarter, our state's per capita income grew 6.99 percent, far outpacing the national average of 4.38 percent. We've worked with leading companies such as Scholastic, Whirlpool, Park-Ohio Holdings, Superior Industries, Raytheon and others to make major job-creation announcements. The 2001 announcement that Nestle would locate a huge facility at Jonesboro was the largest food-processing site location decision in the world that year. It was rated by Southern Business and Development magazine as one of the most notable economic development announcements made in the South in the past decade. Our unemployment rate consistently has tracked below the national rate in recent months. In July 2000, 11 Arkansas counties had unemployment rates above 10 percent. By October of last year, the rate had declined to single digits in each of those counties. It marked the first time since November 2000 that all 75 counties had single-digit unemployment rates. Site Selection magazine, a leading trade publication, recently named the Arkansas

Department of Economic Development as one of the top eight state economic development groups in the country. The magazine took into account areas such as capital investment, new jobs created and increases in the per capita income. In September, the Southern Economic Development Council honored ADED with seven awards in direct competition with economic development groups from 16 other states.

Now, it's time to take things to the next level in Arkansas. I'm hopeful that partisan politics won't play a role in this legislative session since the election is over. I'm hopeful you'll be willing to work with us on initiatives that will make this state stronger. Let's listen carefully to the hopes, dreams, thoughts and ideas of Arkansans. Let's never forget we're here to serve them.

We have a lot of work to do. Let's get to the task at hand.

Sincerely yours,
Mike Huckabee

EDUCATION REFORM

For anyone who has read the Arkansas Supreme Court's ruling in the Lake View case, it goes without saying. But I'll say it anyway: Things are never going to be like they were in the past.

If we're to follow the mandate of the high court, we can't be satisfied with the status quo. We must make historic changes in our system of public education, and we must make those changes during this legislative session. We must make them not only because it's the thing we're required to do but also because it's the right thing to do.

In essence, local control of public schools was eliminated when the Supreme Court issued its ruling in November. It's simply not realistic to say we can continue to exist under the current structure. There are times in the life of every institution when it has to take some serious steps in order to reinvent itself. For the institution of public education in Arkansas, this is one of those times.

I don't think most Arkansans fully comprehend the fundamental changes we're facing as a state. For the first time, the state rather than local school districts is being held directly responsible for all aspects of our children's education. I hope you'll help me communicate to our constituents the gargantuan nature of the task ahead. The people of Arkansas returned me to office just days before the Supreme Court's decision. They placed the mantle of leadership squarely on my shoulders for another four years. The people of your districts also voted for you. You bear the same responsibility as lawmakers. It's incumbent upon all of us to be bold in addressing what the Supreme Court has told us to do. It's not a matter of what we like or might want. It's a matter of complying fully with the orders of the high court.

We're now responsible for how all public education funds are expended, including the money spent on facilities and supplies. I take that responsibility seriously, and I know you do as well. It's not a simple question of just spending more money on public education. If all you do is pour more gas into the same old vehicle, you really haven't improved your mode of transportation. You need a more modern vehicle. The Supreme Court has told us that it's not as much about the flow of money that's pumped into the system as it is about the results.

I'll admit there are things here that we probably wouldn't have had either the political courage or the political capital to address absent the Supreme Court ruling. For example, the demands for additional rigor at the high school level will force us to make extensive structural changes that probably wouldn't have occurred otherwise. Boundaries we've lived with for years will cease to exist. Powers that traditionally were given to local superintendents will now be handled at the regional and state levels. And, yes, schools will be forced to merge. What about schools whose students are achieving academic success despite small enrollment numbers? I would invite those schools to apply for charter status.

It's not that we've ignored education reform in Arkansas in recent years. In 1998, our state began a journey down the road to education reform with the Smart Start initiative. Our elementary schools strengthened their efforts and placed a stronger focus on teaching reading and math skills from kindergarten through the fourth grade. Two years later, this intense focus on reading and math skills was expanded to grades five through eight with the Smart Step initiative. We've made great strides in improving our system of public education during the past five years, but we're not willing to stop here. On Jan. 8, 2002, I unveiled the next logical step in this journey: Next Step. I then visited public schools and held meetings in all 75 counties to gather input on the initiative. I believe the Supreme Court's ruling in the Lake View case makes the passage of the Next Step components more vital than ever.

Next Step builds upon the successful Smart Start and Smart Step initiatives. It expands and strengthens the opportunities for student success from early childhood to adulthood. It starts with ensuring that every student is ready to begin kindergarten. Getting students off to a healthy start will have a tremendous impact on their future achievement. Next Step increases the opportunities for children to access quality early childhood education programs and basic health care.

Next Step then aligns the school curricula from one level to the next, creating a seamless system in which a student can successfully move from elementary school to middle school to high school to college, a technical school or the workforce. Students should be able to make that transition without the need of remediation. Next Step provides additional monitoring and technical assistance to schools to create those seamless alignments.

Next Step also requires us to measure how students are progressing toward those standards. By requiring annual tests, we can more effectively measure the progress of students from one year to the next. Intervention can occur for students who aren't making adequate progress. Annual tests also will allow us to make changes based on actual assessment data at each grade level rather than waiting until students get to the fourth grade to determine what remediation is needed. By measuring annually, teachers can identify areas of need for their own professional growth. Measuring progress sets the stage for accountability for all stakeholders.

One of the basic tenets of Next Step is accountability. Student accountability is crucial. If students aren't held responsible for their own academic achievement, we can't expect them to take school seriously. Next Step requires schools to establish rewards and consequences for students based on their performances.

Accountability for teachers encompasses several aspects of teaching. It covers not only the progress made by students but also the additional duties teachers take on to enhance their teaching practices. Teachers are presented with a number of challenges each day. Teachers who enhance their teaching skills to meet those challenges should be rewarded. National certification and the Pathwise mentoring programs are two opportunities teachers may pursue and receive financial incentives for doing so.

When teachers' instructional methods fail to produce student achievement gains, a mentoring program and appropriate professional development should be employed to provide assistance. Termination of a teacher should be considered if, after technical assistance and support have been provided, that teacher's instruction continues to have a negative impact on student progress.

As instructional leaders, administrators have a place under the accountability umbrella. Research shows that instructional leadership is key to developing effective schools. Principals must be freed from some of the bureaucracy to focus more on what's actually taking place in the classrooms at their schools. Principals should be given more control over the resources designated for the schools. Superintendents, meanwhile, ultimately will be held responsible for district progress. They'll need to ensure tax dollars are spent in ways that lead to improved student performances.

Next Step also includes financial accountability. It requires districts to use a standardized accounting program that reports to the public in an easily understood format exactly how their tax dollars are being spent. Parents and community leaders are more likely to become involved in their schools if they're aware of what's going on in all aspects of the schools, including the financial area. By using a reporting system that's easily understood, districts can show the public how much of their budgets are allotted to such categories as classroom instruction, transportation, maintenance and operations, athletics and capital improvements.

Parents play a vital role in the success of their children. Research has shown that when parents are involved, students have a much better chance of being successful in school. Steps must be taken to solicit parental involvement in the public schools of our state. Programs should be put in place to help parents who are unable to assist their children because of their own lack of an education. In situations where parents aren't involved, Next Step encourages members of the community to invest their time in the schools by becoming mentors.

Next Step also recognizes that instruction in the arts enhances student achievement. With this in mind, we'll create a School for the Arts in conjunction with the Arkansas School for Mathematics and Sciences at Hot Springs. Because of the lack of state funds to support this endeavor, private funding sources will be sought.

In another area of education, Arkansas has several examples of successful charter schools. A higher level of accountability is required of these schools. They must produce results or be closed. Next Step promotes more of these result-oriented schools by developing facilities funding for charter schools and by removing the limit on the number of open-enrollment charters.

Next Step creates a comprehensive approach to education, complementing existing initiatives that have proved successful. We started on a road to reform five years ago, and we've made progress. Obviously, however, we've not yet reached our destination. In the direct, forceful language of the Lake View ruling, the court declared that Arkansas hasn't "fulfilled its constitutional duty to provide the children of this state with a general, suitable and efficient school-funding system."

The court further declared that equal educational opportunity "is not being afforded to the schoolchildren of this state and that there is no legitimate government purpose warranting the discrepancies in curriculum, facilities, equipment and teacher pay among the school districts."

The Supreme Court also ruled that since the state, not local school boards or administrators, is constitutionally responsible for this education, it's the state that

must determine how money is spent to achieve these mandates. The recent history of school reform in Arkansas kept as its central theme the preservation of local control with the basic tenet that if a school district could meet education standards and if its citizens were willing to support the efforts of the schools with locally approved millages, then the state would keep its hands off. The Lake View case has forced an abandonment of that posture and put in its place the state's managerial and policy-setting presence to ensure equal educational opportunities for all students.

Education researcher Larry Lezotte says, "Changes in the larger society have driven a change in the very mission of public education. It has changed from compulsory attendance with optional learning to that of compulsory learning for all. ... Whenever the function of a system is changed, you must change the form to meet the new function."

We'll offer a plan that will change the form of the educational delivery system and meet the Arkansas Supreme Court's mandates. We'll also offer a plan that morphs the current system of school districts into a system in which instructional, policy, administrative and support services are efficiently and effectively delivered within a centralized network. This will ease the impact of the looming teacher and administrator shortages while significantly expanding the instructional opportunities for high school students.

Our plan will recognize the state's clearly defined obligations while at the same time supporting the institution where teaching and learning can occur - the community school. The plan will provide a great degree of structure while allowing that structure to change in response to voluntary community partnership efforts. We'll create a system that will enhance our ability to meet the Supreme Court's mandates of substantially equal curricula, facilities, equipment and teacher pay, while helping minimize the accompanying financial commitment. Our plan will be a blueprint for building a bridge to safely carry Arkansas students on the path of success.

Our mission won't change. We'll continue to set high standards, measure our progress and be accountable for what we do. But our management system will change. In fact, it will change dramatically. It will become the supports for the bridge that will make a stable path for student success.

STATE GOVERNMENT REORGANIZATION

As the state makes massive changes in its education system, now is the logical time to redefine the basic structure of all state government. If we're going to ask the education system to change in order to achieve cost efficiencies and a better end product, we must be willing to change the rest of government. If we're going to ask the people of our state to give us more revenue, we must be willing to build a system that maximizes taxpayer dollars.

For far too long, government has ignored many of the basic management techniques that work in the private sector. We should structure state government in a way that forces government offices to show a greater degree of accountability. We have to set higher standards and better define performance measures.

I'm proposing a sweeping reorganization plan that will reduce the number of major departments in the executive branch to 10. That doesn't include the constitutionally independent state Highway and Transportation Department and state Game and Fish Commission. Under each of the 10 departments will be a series of bureaus.

Under the bureaus will be offices. This is our opportunity to bring consistency to how government is structured and how services are delivered. Let's take full advantage of this special moment in time.

Will this proposal pay for the costs of meeting the Arkansas Supreme Court's mandates in the Lake View case? No. Will it solve all of our money and service delivery problems? No. But is it overdue? Does it make sense? Absolutely.

The 10 departments will be:

- Department of Education
- Department of Health and Human Services
- Department of Commerce
- Department of Labor, Employment and Workforce
- Department of Corrections
- Department of Natural Resources
- Department of Finance and Administration
- Department of the Interior
- Department of Homeland Security
- Department of Agriculture

Savings and Efficiencies

State revenue streams are declining as costs increase. We've seen the cost of operating the prisons and the Medicaid program almost double in the past decade. This isn't the time for minor changes that are only temporary solutions to complex fiscal and service delivery problems. No, this is the time for dramatic actions that will help define what our state is like for our children and grandchildren.

Streamlining state government into 10 departments will mean the following:

- A more concise and consistent management structure from top to bottom.
- Dramatic cost efficiencies.
- A move toward a central service delivery office in each county. This will save money and make it easier to access government services.

Logistical Issues

The heads of the 10 major departments will be known as secretaries, thus using the language that's familiar at the Cabinet level in the federal government. The heads of the bureaus will be identified as directors. The heads of the larger offices will be designated as deputy directors. The use of common titles from department to department will assist in the effort to bring consistency to state government.

There are more than 2,500 appointments to state boards and commissions that can be made by a governor. A key part of this reorganization plan will be to streamline and evaluate how boards and commissions are structured. There's little or no consistency under the current structure.

The reorganization plan will define the types of transfer authority when it comes to the movements of particular state government functions. The majority of the transfers will be "type two transfers," increasing the flexibility to redefine how the work of a department, bureau or office is conducted.

While this piece of historic legislation will redefine state government as we know it, I'm asking for the passage of a separate bill that will redefine the internal structure of the state Department of Education. We must move from an antiquated, stagnant system to a Department of Education better suited to meet the rapidly changing education issues that have been brought to the forefront by the Lake View ruling.

After July 1, the directors of the new departments will establish internal working groups to further reorganize their departments along functional lines.

Major Reasons To Support This Proposal

There are four primary areas in which the state will find fundamental advantages in moving from the sprawling structure we now have to 10 major departments. These are people, buildings, function and technology.

People

It's important that state employees understand that much of the consolidation of support functions can be achieved through attrition. During the next two years, we'll enter a period when thousands of state employees become eligible for full retirement benefits. Certainly, not all eligible employees will opt to retire immediately. But it's safe to say the number of those who do retire will be significant.

At the same time, it's unlikely a plan of this scope could be put into place without utilizing some "reduction in force" (RIF) tools. These RIF plans traditionally offer employees in a function that's no longer needed the first chance to apply for more relevant jobs in state government. Government must do a far better job emulating the private sector in terms of how the workforce evolves from year to year.

This plan also provides a much-needed blueprint for bringing consistency to how government is structured, how state employees are compensated and how levels of compensation are consistent from department to department. All Cabinet-level secretaries, bureau directors and assistant bureau directors would be Grade 99 (at-will) employees compensated on a fairly equal scale. The governor's Cabinet as we know it today has agency directors who have 7,100 employees and agency directors who have three employees. The current system has evolved over time with no eye toward a consistent plan.

It's impossible to say at this point how much taxpayer money will be saved by consolidating human resource and support personnel during the implementation of this comprehensive plan. In many ways, the real savings will be seen in future administrations.

Buildings

The state is paying \$38.8 million annually to the private sector to rent buildings for office use. The state is leasing more than 4 million square feet of space. There's no doubt huge cost savings can be achieved by consolidating state functions at the county level into one building or one group of buildings.

The delivery of services at the county level traditionally has been managed department by department with no thought as to how convenient the service delivery plan is for the Arkansans trying to access the services. In Craighead County, for example, the state rents 215,548 square feet of space in 25 buildings at an annual cost of \$1.6 million.

As a starting point for the effort to achieve cost efficiencies through centralized delivery points, I'm issuing a governor's executive order that begins to define specific actions and time frames so we can consolidate state offices at the county level. It's a critical first step that the state Department of Human Services and the state

Department of Health begin consolidating their offices at the county level as leases expire during the next two years.

There's no doubt that renting more space in one location means the state will reduce what it's paying on a cost-per-square-foot basis in the 75 counties.

Function

This reorganization will create a new ease of service for taxpayers. There are countless areas in which similar services can be merged into the same department. This will lead to better coordination between state departments, bureaus and offices. It also will make it easier to maximize the flow of federal dollars coming into the state.

An excellent example of a commonsense benefit of the plan is the fact that all of the workforce-related aspects of government will be merged into one department. Making government more accessible and user friendly to people seeking work will be tremendously important during this time when the economy is sluggish. This is just one of many examples of how the reorganization plan will benefit Arkansans.

We have to make it easier for people to access government services. Anyone who doubts how difficult it is now should take a moment to thumb through the blue pages of the phone book where government entities are listed in alphabetical order. It's next to impossible for someone without a working knowledge of government to read these listings and find the appropriate services without making a number of phone calls. This legislation creates a system in which state services are better clustered with related services. For far too long we've ignored simple logic in terms of how we structure state government.

The question isn't why do this but rather why has it not been done before.

Technology

Combining the equipment and technology of any set of offices will result in built-in cost efficiencies. We'll have:

1. The need for fewer office machines such as copiers and printers.
2. One receptionist operation instead of several.
3. One set of telephone equipment and personnel to manage incoming calls instead of several.
4. Servers and computer connections located in fewer buildings, leading to installation and maintenance efficiencies.

Summary

The first stage of this process will be to realign state government in a way that increases cost efficiencies, makes it easier for Arkansans to access state services and clusters services with similar functions in the same departments.

The second stage will be to define the number of positions that can be eliminated through attrition and then define the savings that will come from fewer buildings, equipment leases and purchases. It would be hard at this point to assign a specific dollar value to the savings that can be achieved, but it's very realistic to say the long-term ramifications of this plan are significant.

MEDICAL MALPRACTICE

Together, we've taken great strides toward improving the health of Arkansans. More than 175,000 Arkansas children are accessing health care thanks to the ARKids First program, which the Legislature approved in 1997. And thanks to voter approval of the tobacco settlement spending plan in November 2000, there's more funding for medical research, more access to health care for low-income Arkansans, effective smoking prevention programs and access to cessation programs for smokers who want to quit. Arkansas was recently one of only six states given a grade of "A" by the American Lung Association for its spending on anti-tobacco programs. The association gave 32 states and the District of Columbia a grade of "F" for weak spending on anti-tobacco programs. Association leaders criticized those states for using tobacco settlement money to cover budget deficits, thus denying themselves a sound investment in their citizens' health. We're proud to be one of the only states to have used this money in the way we feel it was intended to be used. We're a national leader in utilizing the tobacco funds wisely. The decision made by Arkansas voters in 2000 will have tremendous long-term benefits for our state.

While we've expanded access to health care in various ways, we must act now if we're going to prevent an impending crisis caused by skyrocketing malpractice insurance costs. According to the June 2002 Wirthlin Worldwide Survey, 75 percent of Americans believe excess litigation is detrimental to our health care system. The survey showed that 78 percent of Americans worry about access to care due to doctors leaving their practices because of rising liability costs.

Arkansas' experience gives credence to these concerns. Due to an increasing number of lawsuits and huge jury awards, most companies offering malpractice insurance have left our state. The St. Paul Cos., which covered more than 55 percent of the market in Arkansas, left the malpractice business due to more than \$980 million in nationwide malpractice losses.

Doctors and hospitals across Arkansas are facing increased insurance premiums of up to 300 percent. While cost is a concern, especially for rural hospitals, the greatest danger is the loss of health care access. Particularly at risk are Arkansas' women and children. Since obstetrics is one of the highest-risk medical practices, it attracts a large share of the malpractice litigation. Consequently, Arkansas risks the same fate as states that have seen obstetricians close their doors. Two states, Mississippi and Nevada, recently held special legislative sessions to deal with this dilemma.

Obstetricians aren't the only ones finding it hard to access or afford malpractice insurance. Numerous other medical practices are popular targets of lucrative malpractice litigation. In July, the Las Vegas Review-Journal reported the closing of the University Medical Center's trauma center after doctors quit due to their fear of malpractice lawsuits.

If we're going to maintain our progress toward making health care accessible to all Arkansans, we must take action immediately to limit the abuse of malpractice litigation. While no one should be deprived of the right to seek restitution for injuries resulting from malpractice, no one should be deprived of access to health care due to our failure to implement reasonable malpractice litigation reform.

ECONOMIC DEVELOPMENT

The diversification of Arkansas' economy and the recruitment of high-paying jobs are the primary goals of our state Department of Economic Development. This emphasis has paid off in terms of job creation and an increase in the state's per capita income. During the past two years, the department has assisted in the creation of more than 12,000 jobs despite less-than-robust economic times. From the start of 2000 through the end of last year's second quarter, the state's per capita income grew 6.99 percent, far outpacing the national average of 4.38 percent. Arkansas ranked 16th in per-capita income growth among all states.

Even with these great gains, economic development will never be a perfect science or an area in which we can assume we've done all that can be done. The 21st century economy will be one in which state and regional competition move in new directions, requiring states to constantly assess and reassess their competitive stance and market standing.

Recognizing that job creation and capital investment are dependent on being globally competitive, we should provide ADED with a revamped incentive package that truly capitalizes on the best Arkansas has to offer.

Two years ago, the Legislature authorized the Bureau of Legislative Research to conduct a study of business incentives in Arkansas and competing states. Many of the report's findings are incorporated into the economic development portion of my legislative package for the 2003 session. Our plan consolidates four existing pieces of incentive legislation (Advantage Arkansas, InvestArk, Create Rebate and the Arkansas Economic Development Act) and adds two incentives (research and development tax credits and targeted business transferable tax credits.)

The plan also creates a four-tiered ranking of Arkansas counties based on unemployment, poverty, per capita income and population growth. Such a ranking will be far more useful in terms of accurately assessing a county's economic standing than the current two-tiered system, which only rates high unemployment. These four tiers will, in turn, be used to determine the qualifying thresholds and benefits available in each of the various incentive programs.

Among its provisions, our economic development plan would establish:

- A job creation tax credit based on a company's payroll rather than its average wage. For example, in Tier 1 counties, if a minimum payroll of \$200,000 were achieved, eligible businesses could receive a tax credit equal to 1 percent of payroll (for five years). In Tier 4 counties, a minimum payroll of \$100,000 would be required for a tax credit of 4 percent of payroll. The rate for Tier 2 and Tier 3 counties would be determined in a similar fashion.
- A consolidated set of incentives for investment. Our plan consolidates three existing investment-related incentives (the Arkansas Economic Development Act, InvestArk and the sales and use tax refund portion of Advantage Arkansas/EZ) and adds a sales and use tax refund opportunity for new, targeted businesses.
- A payroll rebate program similar to the current Create Rebate program. The new program would tie rebate amounts to the newly created, four-tier system, allowing more flexibility in utilizing this incentive.
- Income tax credits for research and development expenditures. This provision builds on an existing income tax credit of 33 percent for companies contracting research with an Arkansas college or university by extending the same level of benefits to: (1) Targeted businesses within their first five years of incorporation that

do in-house research; and (2) Any taxpayer who invests in in-house research in an area of strategic value or in Arkansas businesses undertaking projects approved by the Arkansas Science and Technology Authority.

· Transferable income tax credits for new, targeted businesses. If a business operates in a targeted area (advanced materials and manufacturing; agriculture; food and environmental sciences; biotechnology; bioengineering and life sciences; information technology; transportation and logistics; and bio-based products), has a minimum payroll of \$200,000, can show an equity investment of \$500,000 and, depending on the county's tier, pays wages of at least 150 percent to 180 percent of the lesser of the state or county average wage, an income tax credit can be earned based on a percentage of the company's payroll (not to exceed 10 percent or \$100,000). Upon approval by ADED, this credit may be transferred (within one year) to allow the company to receive cash for credits it might not be able to use.

By bolstering and refining the economic incentives available to prospective businesses, we can put Arkansas in a position to become competitive on a scale we've never before realized. This competitive edge will continue to pay huge dividends as more and more companies decide to call Arkansas home.

SUPER PROJECTS FUND

Arkansas needs a super projects fund within the state Department of Economic Development to enable us to become more competitive in landing major economic projects. We live in a highly competitive world economy, and this fund is necessary to keep pace with our competitors. If we don't do it, we'll fall further and further behind as a state.

A recent study commissioned by the Legislature and conducted by Fluor GLS indicated that Arkansas simply isn't competitive for so-called super projects. The Fluor report specifically recommends that Arkansas, with a "committed and united Legislature," create a super projects fund to assist with economic development efforts. Among Fluor's recommendations to the Arkansas Legislative Council was that the Legislature "prepare in advance for super projects." This is our chance to do just that. By creating a super projects fund, we can immediately accomplish several of the report's recommendations. We'll send a clear message to companies worldwide that the executive and legislative branches of Arkansas government are united in our resolve to seriously enter the competitive arena of economic development. And we'll take a significant step toward preparing in advance for a super project.

Potential uses for a super projects fund include land acquisition, infrastructure development (such as water/wastewater facilities, roads, security, lighting and rail spurs), site preparation and permitting. All of these elements are needed to qualify additional sites we could market. A major portion of the proposed super projects fund would be used to support workforce training for prospects. Finally, the fund would be used to support other reasonable needs as outlined by prospective companies.

As we bring high-paying jobs to the state and continue to raise the average wage of Arkansans, we'll broaden the tax base and improve other state-funded services. In the process, we'll enhance the overall quality of life for Arkansans. A super projects fund is one of our state's most pressing needs in this legislative session.

CORRECTIONS

If our state is going to meet its obligation of protecting the public by maintaining adequate prison space, providing mandatory inmate medical care and paying our debts to counties, we must make an increased financial commitment to the state Department of Correction.

The situation surrounding Arkansas' correctional system has reached a state of crisis. The prison population is growing at a rate we can neither manage nor afford. The Department of Correction's budget requests are calculated on the basis of current and planned bed capacity. The projected population growth was 40 inmates per month. On June 30, the prison population was 12,439. By Dec. 31, the population had reached 12,845, an increase of 406 inmates. That's an average of 68 inmates per month. If the growth rate doesn't level off and no new beds are authorized for the next biennium, the requested reimbursement amounts for the counties won't be sufficient.

New Beds

Beds under construction include 156 beds at the Varner Super Max Unit, 316 beds at the new Malvern Unit and 400 beds at the Grimes Unit. I'm requesting a supplemental appropriation of \$6,076,367 so we can open all but 200 of these beds by March 1. If these beds aren't added, the backup in county jails will continue to grow, placing a greater burden on the counties and a larger debt load on the Department of Correction.

County Aid/Jail Backup

On Dec. 31, the number of state inmates backed up in county jails was 1,073. A state statute requires the Department of Correction to pay counties for each state inmate they house when prison space isn't available, provided that funding is appropriated. At the current reimbursement rate of \$28 per inmate per day, the state owes the counties almost \$6.3 million and expects the amount to be \$10.9 million by June 30. The Department of Correction's base-level funding for county jail reimbursement each fiscal year is \$2.8 million. I'm requesting an increase above the base level each year of the biennium for payment of county jail reimbursements. It's time we made good on our obligation to the counties, which already are struggling financially.

COMMUNITY CORRECTIONS

While we must add prison beds, our efforts to provide for the public safety must encompass more than simply locking more people up for longer periods of time. If that's the extent of our strategy, we'll go broke trying to keep up with the prison bed demand. I'm requesting additional funds for the Department of Community Correction to implement significant initiatives. They include:

Drug Courts

A drug court is a special court with the responsibility for handling cases involving drug and alcohol-addicted offenders through extensive supervision and treatment programs. Drug courts bring the full weight of all parties (judges, prosecutors, defense counsels, substance abuse treatment specialists, probation officers, law enforcement officers, corrections personnel, educational and vocational experts, community leaders and others) to bear, forcing the offenders to deal with their substance abuse problems.

According to the National Center on Addiction and Substance Abuse at Columbia University in New York, drug courts provide more comprehensive supervision of

drug-using offenders than other forms of supervision. Drug use and criminal behavior are substantially reduced while clients are participating in drug courts. Criminal behavior is lower after program participation, especially for graduates. Drug courts generate cost savings from reduced jail and prison use and reduced criminality. Drug courts also bridge the gap between the court and the treatment/public health systems. They spur greater cooperation among various agencies and personnel within the criminal justice system.

There's a great need for additional drug courts in Arkansas. During the 1990s, drug-related court filings doubled as a percentage of the state's criminal caseload. Such filings are now close to one-third of the overall criminal caseload. Possession rose from 44 percent of controlled-substance filings in 1991 to more than 55 percent by the end of the decade. One percent or less of all drug cases (possession and drug dealing) were acquitted each year during the 1990s.

As of Nov. 30, Arkansas had a statewide drug court enrollment of 536 offenders. Each judicial district in Arkansas would benefit from a drug court. To move us closer to the goal of one in every judicial district, I'm requesting funds to create 20 additional drug courts.

Technical Violators Program

Thousands of parolees are revoked and returned to the Department of Correction for technical violations. To help solve this costly problem, I'm requesting funds to establish a technical violators program. This program will have an immediate impact on the county jail backup situation and the state's prison population. Rather than sending technical violators back into the more costly prison population, they'll be more effectively treated in the 60-day technical violators program. With a set duration, the technical violators program will impact up to 1,800 prison beds each year.

Day Reporting Centers

A day reporting center is a correctional alternative that controls offenders through attendance requirements, home confinement and frequent monitoring. The centers provide treatment, education and employment opportunities through a range of services. This new method of correction is being successfully used across the country.

As of Nov. 30, Arkansas had 337 offenders enrolled in a pair of day reporting centers. Preliminary results from a recidivism study of 51 offenders showed that 12 months after release from the program, only 8 percent of the offenders had committed new offenses. With this kind of success rate, we need to invest more money in the day reporting centers. I'm requesting funds to allow the state to expand this effective program.

Supervision Officers/Managers

The probation/parole caseload is more than 41,200 with 260 officers supervising an average caseload of 108 people per officer. Due to these large caseloads, 26 assistant area managers are supervising an average of 83 direct cases each. The Department of Community Correction is unable to produce the desired results in terms of reduced recidivism and restoration. It's our goal to reduce caseloads to no more than 60 per officer in order to increase the effectiveness of supervision. To this end, I'm requesting funding to allow the Department of Community Correction to add 51 supervision officers and managers.

Sex Offender Program

As of Nov. 30, there were 1,203 sex offenders under the Department of Community Correction's probation/parole supervision. Meanwhile, there were 1,857 sex offenders in Department of Correction facilities, 197 of whom were approved for release and were past their release dates. I'm requesting funding to allow the Department of Community Correction to employ five probation/parole officers who will be trained to handle this caseload. Additionally, I'm requesting funds to allow the Department of Community Correction to employ five polygraphers to ensure the integrity of the program. This funding will ensure that we provide for adequate supervision and appropriate treatment of these offenders.

Community Correction Center Expansion

The male capacity for community correction centers is 715. For the past year, an average of 106 men were in county jails awaiting a spot in a community correction center. I'm requesting funding for an additional 150 (75 each year) beds, which will alleviate this county jail backup.

The female capacity for community correction centers is 250. For the past year, the female center had an average daily population of 248. I'm requesting an additional 50 beds to handle any increases in the population during the next biennium.

Substance Abuse Counselors

The Department of Community Correction provides licensed outpatient substance abuse treatment counseling in 34 counties. Counselors are handling an average caseload of 130 offenders. I'm requesting funding to allow the Department of Community Correction to provide and maintain these services statewide.

HOUSE BILL NO. 1001

EIGHTY-FOURTH GENERAL ASSEMBLY

REGULAR SESSION

BY: REPRESENTATIVES WHITE, GILLESPIE, JACOBS

A Bill for an Act to be Entitled: AN ACT TO MAKE AN APPROPRIATION FOR NECESSARY EXPENSES, PAY EXPENSES OF MEMBERS, PAY SALARIES OF EMPLOYEES, PAY FOR SUPPLIES AND EQUIPMENT FOR THE ARKANSAS HOUSE OF REPRESENTATIVES OF THE EIGHTY-FOURTH GENERAL ASSEMBLY FROM THE FISCAL YEAR ENDING JUNE 30, 2003; AND FOR OTHER PURPOSES.

House Bill No. 1001 was read the first time, rules suspended, read the second time and placed on the Calendar.

SENATE CONCURRENT RESOLUTION NO. 1
EIGHTY-FOURTH GENERAL ASSEMBLY
REGULAR SESSION
BY: SENATOR HILL

SENATE CONCURRENT RESOLUTION PROVIDING THAT THE SENATE RECESS AT CLOSE OF BUSINESS ON THURSDAY, JANUARY 16, 2003, AND RECONVENE ON TUESDAY, JANUARY 21, 2003.

Senate Concurrent Resolution No. 1 was read the third time and adopted.

(SIGNED) ANN CORNWELL, SECRETARY

Senate Concurrent Resolution No. 1 was ordered immediately transmitted to the House.

On motion of Senator Hill, Senate Bill No. 1 was called up for third reading and final disposition.

SENATE BILL NO. 1
EIGHTY-FOURTH GENERAL ASSEMBLY
REGULAR SESSION
BY: EFFICIENCY COMMITTEE

A Bill for an Act to be Entitled: AN ACT TO MAKE AN APPROPRIATION FOR FOR EXPENSES FOR THE ARKANSAS SENATE OF THE EIGHTY-FOURTH GENERAL ASSEMBLY; AND FOR OTHER PURPOSES.

Senate Bill No. 1 was placed on third reading and final disposition, the question being: Shall the Bill pass?

The Secretary called the roll, and the following members voted:

AFFIRMATIVE: Altes, Argue, Baker, Bisbee, J. Bookout, Broadway, Brown, Bryles, Capps, Critcher, Faris, Glover, Gullett, Hendren, Higginbothom, Hill, Holt, Horn, G. Jeffress, J. Jeffress, B. Johnson, Lavery, Luker, Madison, Malone, Miller, Salmon, T. Smith, Steele, Trusty, Whitaker, Wilkins, Wilkinson, Womack, Wooldridge.

Total	35
NEGATIVE:	
Total	0
ABSENT OR NOT VOTING:	
Total	0
VOTING PRESENT:	
Total	0
Total number of votes cast	35
Necessary to the passage of the bill.....	27

So the bill passed and the title as read was agreed to.

(SIGNED) ANN CORNWELL, SECRETARY

There being an emergency clause attached to **Senate Bill No. 1**, the President ordered the Secretary to call the roll upon the adoption of the emergency clause.

The Secretary called the roll, and the following members voted:

AFFIRMATIVE: Altes, Argue, Baker, Bisbee, J. Bookout, Broadway, Brown, Bryles, Capps, Critcher, Faris, Glover, Gullett, Hendren, Higginbotham, Hill, Holt, Horn, G. Jeffress, J. Jeffress, B. Johnson, Lavery, Luker, Madison, Malone, Miller, Salmon, T. Smith, Steele, Trusty, Whitaker, Wilkins, Wilkinson, Womack, Wooldridge.

Total	35
NEGATIVE:	
Total	0
ABSENT OR NOT VOTING:	
Total	0
VOTING PRESENT:	
Total	0
Total number of votes cast	35
Necessary to the adoption of the Emergency Clause.....	24

So the Emergency Clause was adopted.

(SIGNED) ANN CORNWELL, SECRETARY

Senate Bill No. 1 was ordered immediately transmitted to the House.

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SENATE BILLS TRANSMITTED TO THE HOUSE
AS PASSED

SENATE BILL NO. 1

SENATE CONCURRENT RESOLUTION TRANSMITTED
TO THE HOUSE AS ADOPTED

SENATE CONCURRENT RESOLUTION NO. 1

HOUSE BILL TRANSMITTED TO THE SENATE
AS PASSED

HOUSE BILL NO. 1001

On motion of Senator Hill, the Senate adjourned until 1:30 pm tomorrow,
Wednesday, January 15, 2003.

PRESIDENT

SECRETARY