

**SECOND DAY’S PROCEEDINGS
HALL OF THE HOUSE OF REPRESENTATIVES**

Little Rock, Arkansas
January 15, 2013

The House was called to order at 10:00 a.m. by Mr. Carter, the Speaker. The following members answered to the roll call:

Alexander, Altes, E. Armstrong, Baine, Baird, Ballenger, Baltz, Bell, Biviano, Bragg, Branscum, Broadway, Burris, Carnine, Catlett, Clemmer, Collins, Copenhaver, Cozart, Dale, Davis, Deffenbaugh, Dickinson, Dotson, C. Douglas., D. Douglas, Edwards, Eubanks, Farrer, Ferguson, Fielding, Fite, Gilliam, Gossage, Hammer, Harris, Hawthorne, Hickerson, Hillman, Hobbs, Hodges, Holcomb, Hopper, House, Hutchinson, Jean, Jett, Julian, Kerr, Kizzia, Lampkin, Lea, Leding, Lenderman, Linck, Love, Lowery, Magie, Malone, Mayberry, McCrary, McElroy, McGill, McLean, D. Meeks, S. Meeks, Miller, Murdock, Neal, Nickels, Overbey, Payton, Ratliff, Rice, Richey, Sabin, Scott, Shepherd, Slinkard, Smith, Steel, Talley, Thompson, Vines, Wagner, Walker, Wardlaw, Westerman, Whitaker, Williams, Wren, Wright.

Total93

The following member(s) was absent and did not answer to the roll call: C. Armstrong, Barnett, Perry, H. Wilkins, Womack, Word, Mr. Speaker.

Total7

A quorum was present.

Unanimous leave was granted for Representative(s) Barnett.

The House stood and was led in prayer by House Chaplain, Reverend Greg Addison, Senior Pastor, First Baptist Church, Cabot, Arkansas.

Posting of Colors by Arkansas State Police Color Guard.

The House stood and gave the Pledge of Allegiance to the Flag.

The reading of the Journal of yesterday’s proceedings was dispensed with.

Upon motion of Representative Nickels **HOUSE BILL NO. 1019** was placed back on second reading for the purpose of amendment.

AMENDMENT NO. 1 TO HOUSE BILL NO. 1019

Amend **HOUSE BILL NO. 1019** as originally introduced:

Page 1, Line 23, delete "Title 19, Chapter 11," and substitute "Title 22, Chapter 9,"

AND

Page 1, delete Line 25 and substitute the following:

"Subchapter 8 — Buy American in State Public Works Act
22-9-801. Title."

AND

Page 1, Line 29, delete "19-11-1402." and substitute "22-9-802."

AND

Page 1, Line 34, delete "19-11-1403." and substitute "22-9-803."

AND

Page 2, Line 17, delete "19-11-1404." and substitute "22-9-804."

/s/ James Nickels

The Amendment was read and adopted by more than 51 votes.

/s/ Mrs. Sherri Stacks
Chief Clerk

ENGROSSED BILL REPORTS

DAVY CARTER, CHAIRPERSON

January 15, 2013

The following bill(s) reported correctly engrossed:

HOUSE BILL NO. 1019

BY REPRESENTATIVE NICKELS

HOUSE CONCURRENT RESOLUTION NO. 1002

BY: REPRESENTATIVE CARTER

AFFIRMATIVE: Alexander, D. Altes, E. Armstrong, Baine, Baird, Ballinger, Baltz, Bell, Biviano, Bragg, Branscum, Broadaway, J. Burris, Carnine, Catlett, Clemmer, Collins, Copenhaver, Cozart, Dale, Davis, Deffenbaugh, J. Dickinson, Dotson, C. Douglas, D. Douglas, J. Edwards, Eubanks, Farrer, Ferguson, Fielding, Fite, Gillam, Gossage, Hammer, Harris, Hawthorne, Hickerson, Hillman, Hobbs, Hodges, Holcomb, Hopper, House, Hutchison, Jean, Jett, Julian, Kerr, Kizzia, Lampkin, Lea, Leding, Lenderman, Linck, Love, Lowery, Magie, S. Malone, Mayberry, McCrary, McElroy, McGill, McLean, D. Meeks, S. Meeks, Miller, Murdock, Neal, Nickels, B. Overbey, Payton, Ratliff, Rice, Richey, Sabin, Scott, Shepherd, Slinkard, Smith, Steel, Talley, T. Thompson, Vines, W. Wagner, Walker, Wardlaw, Westerman, D. Whitaker, B. Wilkins, Williams, Wren, Wright.

Total93

NEGATIVE:

Total0

ABSENT OR NOT VOTING: C. Armstrong, Barnett, Perry, H. Wilkins, Womack, Word, Mr. Speaker.

Total7

VOTING PRESENT:

Total0

Total number of votes cast.....93

Total number voting in the affirmative93

Necessary to the adoption of the resolution51

So the Resolution was adopted.

Morning Hour Expired.

HOUSE BILL NO. 1001

BY: REPRESENTATIVE CARTER

Was read the third time and placed on final passage, the question being shall the Bill pass and shall the Emergency Clause be adopted. The vote was as follows:

AFFIRMATIVE: Alexander, D. Altes, E. Armstrong, Baine, Baird, Ballinger, Baltz, Bell, Biviano, Bragg, Branscum, Broadaway, J. Burris, Carnine, Catlett, Clemmer, Collins, Copenhaver, Cozart, Dale, Davis, Deffenbaugh, J. Dickinson, Dotson, C. Douglas, D. Douglas, J. Edwards, Farrer, Ferguson, Fielding, Fite, Gillam, Gossage, Hammer, Harris, Hawthorne, Hickerson, Hillman, Hobbs, Hodges, Holcomb, Hopper, House, Hutchison, Jett, Julian, Kerr, Kizzia, Lampkin, Lea, Leding, Lenderman, Linck, Love, Lowery, Magie, S. Malone, Mayberry, McCrary, McElroy, McGill, McLean, D. Meeks, S. Meeks, Miller, Murdock, Neal, Nickels, B. Overbey, Payton, Ratliff, Rice, Richey, Sabin, Scott, Shepherd, Slinkard, F. Smith, Steel, Talley, T. Thompson, Vines, W. Wagner, Walker, Wardlaw, Westerman, D. Whitaker, B. Wilkins, Williams, Wren, Wright.

Total91

NEGATIVE:

Total0

ABSENT OR NOT VOTING: C. Armstrong, Barnett, Eubanks, Jean, Perry, H. Wilkins, Womack, Word, Mr. Speaker.

Total9

VOTING PRESENT:

Total0

Total number of votes cast.....91

Total number voting in the affirmative91

Necessary to the passage of the bill75

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

There being an Emergency Clause attached to **HOUSE BILL NO. 1001**, the Speaker ordered the clerk to call the roll upon the adoption of the Emergency Clause. The vote was as follows:

EMERGENCY CLAUSE

AFFIRMATIVE: Alexander, D. Altes, E. Armstrong, Baine, Baird, Ballinger, Baltz, Bell, Biviano, Bragg, Branscum, Broadaway, J. Burris, Carnine, Catlett, Clemmer, Collins, Copenhaver, Cozart, Dale, Davis, Deffenbaugh, J. Dickinson, Dotson, C. Douglas, D. Douglas, J. Edwards, Farrer, Ferguson, Fielding, Fite, Gillam, Gossage, Hammer, Harris, Hawthorne, Hickerson, Hillman, Hobbs, Hodges, Holcomb, Hopper, House, Hutchison, Jett, Julian, Kerr, Kizzia, Lampkin, Lea, Leding, Lenderman, Linck, Love, Lowery, Magie, S. Malone, Mayberry, McCrary, McElroy, McGill, McLean, D. Meeks, S. Meeks, Miller, Murdock, Neal, Nickels, B. Overbey, Payton, Ratliff, Rice, Richey, Sabin, Scott, Shepherd, Slinkard, F. Smith, Steel, Talley, T. Thompson, Vines, W. Wagner, Walker, Wardlaw, Westerman, D. Whitaker, B. Wilkins, Williams, Wren, Wright.

Total91

NEGATIVE:

Total0

ABSENT OR NOT VOTING: C. Armstrong, Barnett, Eubanks, Jean, Perry, H. Wilkins, Womack, Word, Mr. Speaker.

Total9

VOTING PRESENT:

Total0

Total number of votes cast.....91

Total number voting in the affirmative91

Necessary to the adoption of the emergency clause.....67

So the Emergency Clause was adopted.

The House stood in recess at 10:13 a.m.

JOINT SESSION

The Joint Session was called to order at 10:30 a.m. by Speaker of the House, the Honorable Davy Carter.

Ms. Ann Cornwall, Secretary of the Senate, called the roll for the Senate. The following members answered to the roll call:

Bledsoe, Bookout, Burnett, Caldwell, Cheatham, Chesterfield, Clark, Dismang, Elliott, English, Files, Flowers, Hendren, Hester, Hickey, Holland, Hutchinson, Ingram, Irvin, Johnson, Key, King, Lamoureux, Lindsey, Maloch, Pierce, Rapert, Sample, Sanders. Stubblefield, Teague, Thompson, Williams, Woods, Wyatt.

Total.....35

Ms. Sherri Stacks, Chief Clerk for the House of Representatives, called the roll for the House. The following members answered to the roll call:

AFFIRMATIVE: Alexander, D. Altes, E. Armstrong, Baine, Baird, Ballinger, Baltz, Bell, Biviano, Bragg, Branscum, Broadway, J. Burris, Carnine, Catlett, Clemmer, Collins, Copenhaver, Cozart, Dale, Davis, Deffenbaugh, J. Dickinson, Dotson, C. Douglas, D. Douglas, J. Edwards, Farrer, Ferguson, Fielding, Fite, Gillam, Gossage, Hammer, Harris, Hawthorne, Hickerson, Hillman, Hobbs, Hodges, Holcomb, Hopper, House, Hutchison, Jett, Julian, Kerr, Kizzia, Lampkin, Lea, Leding, Lenderman, Linck, Love, Lowery, Magie, S. Malone, Mayberry, McCrary, McElroy, McLean, D. Meeks, S. Meeks, Miller, Murdock, Neal, Nickels, B. Overbey, Payton, Ratliff, Rice, Richey, Sabin, Scott, Shepherd, Slinkard, F. Smith, Steel, Talley, T. Thompson, Vines, W. Wagner, Walker, Wardlaw, Westerman, D. Whitaker, B. Wilkins, Williams, Wren, Wright, Mr. Speaker.

Total.....97

The following member(s) was absent and did not answer to the roll call: C. Armstrong, Barnett, Womack.

Total.....3

The invocation was given by the House Chaplain, Reverend Greg Addison, Senior Pastor, First Baptist Church, Cabot, Arkansas.

The members of the House and Senate stood and gave the Pledge of Allegiance to the Flag.

Speaker of the House, The Honorable Davy Carter, recognized visiting dignitaries.

Speaker Davy Carter recognized House Parliamentarian Buddy Johnson to announce the results of the General Election vote for the United States Senate, the United States Congress, Proposed Constitutional Amendments, and Ballot Issues.

DECLARATION OF THE RESULTS OF THE GENERAL ELECTION VOTE

UNITED STATES PRESIDENT/VICE PRESIDENT

Gary Johnson/James P. Gray (LIB)	16,276
Jill Stein/Cheri Honkala (GRN)	9,305
Mitt Romney/Paul Ryan (REP)	647,744
Barack Obama/Joe Biden (DEM)	394,409
Peta Lindsay/Yari Osorio (SOC)	1,734

UNITED STATES CONGRESS, DISTRICT 01

Jacob Holloway (GRN)	5,015
Congressman Rick Crawford (REP)	138,800
Jessica Paxton (LIB)	6,427
Prosecuting Attorney Scott Ellington (DEM)	96,601

UNITED STATES CONGRESS, DISTRICT 02

Congressman Tim Griffin (REP)	158,175
Herb Rule (DEM)	113,156
Chris Hayes (LIB)	6,701
Barbara Ward (GRN)	8,566

UNITED STATES CONGRESS, DISTRICT 03

David Pangrac (LIB)	19,875
Rebeka Kennedy (GRN)	39,318
Congressman Steve Womack (REP)	186,467

UNITED STATES CONGRESS, DISTRICT 04

Senator Gene Jeffress (DEM)	95,013
Bobby Tullis (LIB)	4,984
Tom Cotton (REP)	154,149
J. Joshua Drake (GRN)	4,807

PROPOSED CONSTITUTIONAL AMENDMENT NUMBER 1**Additional Funding for State Highways, County Roads, City Streets, Bridges, and Other Surface Transportation**

FOR	597,215
AGAINST	428,745

PROPOSED CONSTITUTIONAL AMENDMENT NUMBER 2**Municipal and County Financing of Sales Tax Anticipated Revenue Bond Projects, unfunded Liabilities of closed Local Police and Fire Pension Plans, and Real and Tangible Personal Property**

FOR	427,684
AGAINST	558,417

PROPOSED CONSTITUTIONAL AMENDMENT NUMBER 5**The Arkansas Medical Marijuana Act**

FOR	507,757
AGAINST	537,898

President of the Senate, The Honorable Mark Darr, announces the following named Senate Committee appointed by Senate Pro Tempore Michael Lamoureux :

Senator Paul Bookout, Chairperson	
Senator Stephanie Flowers	Senator Jonathan Dismang
Senator Johnny Key	Senator David Sanders
Senator Linda Chesterfield	Senator Eddie Joe Williams
Senator Robert Thompson	Senator Ronald Caldwell
Senator Jane English	Senator Missy Irvin

and, Speaker Davy Carter appoints the following named House Committee:

Representative John Charles Edwards, Chairperson	
Representative James McLean	Representative Andrea Lea
Representative Marshall Wright	Representative Stephanie Malone
Representative John Burriss	Representative Jeremy Gillam
Representative Jonathan Barnett	Representative David L. Branscum
Representative Charlie Collins	Representative Terry Rice
Representative David Meeks	Representative Allen Kerr
Representative Matthew J. Shepherd	Representative Mary L. Slinkard
Representative David Fielding	Representative Kim Hammer
Representative Tommy Wren	Representative Duncan Baird

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

Speaker Davy Carter recognizes the Sergeant at Arms.

President of the Senate, The Honorable Mark Darr presents The Honorable Mike Beebe, Governor of the State of Arkansas, for remarks.

Remarks as Delivered

Governor Mike Beebe

State of the State Address

January 15, 2013

Mr. President, Mr. Speaker, Ladies and Gentlemen of the House and Senate, Constitutional Officers, Mr. Chief Justice, Members of the Court, and Distinguished Guests, Friends, and Fellow Arkansans:

There's been a lot written and said about how different this legislative session will be because of who you are and where we all are. Term limits and redistricting have brought in many new faces, both in leadership and throughout both chambers.

There's been a lot written and said about how different this legislative session will be because of who I am. Well, this is my 14th General Assembly as either a senator or a governor, and this will be my last regular session. However, my instincts tell me that this session will not be that different for either of us.

We gather here for the same reasons that the previous 88 General Assemblies gathered. Our fellow Arkansans selected us and gave us the task of acting in the best interests of our fellow men and women. Our job is to show that we are up to that task, which, as always, carries with it weighty challenges, solemn responsibilities and unique opportunities.

My top priorities remain education and economic development. While we still have a lot of work to do in both areas, our accomplishments continue. For a second consecutive year, we are ranked fifth in the country for overall K-12 education. Now, there are two categories in there that we're still too low in. The one that's the most pressing is involves the raw scores of our students vis-a-vis their counterparts across the country. We've made progress, but not nearly enough. If we can bring that up, we can go from fifth ultimately to first, and we can tell the Governor of Maryland he can get out of the way. We continue to work toward bringing new jobs and investment to Arkansas, and I plan to ask your help to bring in one of the biggest projects this State has ever seen. Details on that project are still to come.

When I was sworn in as governor in 2007, I promised to attack the onerous state sales tax on groceries. With the help of three previous legislatures, the grocery tax has incrementally fallen from six percent to one-and-a-half percent. This being my last regular session, there is the urge to finish the job now. I could propose a bill to remove the rest of this tax from our books, save the one-eighth cent put on by the voters through the Constitution. However, while building the budget, it became clear that I could not make such a proposal in good conscience. With the challenges we face, I don't see room to cut this tax at this time without endangering needed services. But I still want to plan for it.

There are monies that will become available to further cut the grocery tax; we're just not sure when. Chief among these are the state's ongoing payments to the Pulaski

County school districts after the desegregation ruling of the 1980s. We know these payments will end; the only question is timing. I propose that we pass legislation to make grocery-tax relief the first call on this money, when it becomes available. That may not be for another year, two years, or even more. But when it happens, this mechanism will be in place to make the final cut in the grocery tax and put that money into the pockets of Arkansas taxpayers.

While my proposed balanced budget covers a wide range of important state services, it is clear that Medicaid will receive the lion's share of attention, and rightfully so. During the Great Recession, we avoided the steep cuts in Medicaid services suffered by other states. Our ability to prevent budget shortfalls and to attract new jobs also improved our national ranking for per-capita income. This is a difficult ranking to improve, and while we will still strive to further our progress, this accomplishment has come with a price.

Our existing Medicaid programs are funded by a combination of federal and state monies. Arkansas has paid about 25 cents of every Medicaid dollar spent here, and the feds have picked up 75 cents. That ratio is based heavily on per-capita income. Now, our improvement in those rankings has reduced that federal match from a 75-25 split to a 70-30 split. Every percentage point of our state share represents about \$50 million in general-revenue dollars. When combining that with other rising health-care costs, we calculated a Medicaid funding shortfall of about \$300 million.

The size of our shortfall has been a moving target, as costs and utilization in a program as large as Medicaid tend to fluctuate with so many components in play. Now that we're halfway through our current fiscal year, our Department of Human Services is conducting its regular review of Medicaid programs. After looming larger and larger, the size of our Medicaid shortfall does now appear to be shrinking. Now, it's not going to vanish, but it appears it will be more manageable. Because of a number of factors, including our first-of-its kind initiative to contain health-care costs and improve quality of care, Arkansas's Medicaid program is seeing its slowest growth in 25 years. Officials at DHS are still crunching the numbers, and we will share those numbers with you as soon as the work is complete. We will have resources available to address this shortfall, at least in part. My proposed budget includes \$90 million dollars in new, ongoing general revenue and \$70 million in one-time surplus funds. Even after we calculate revised numbers, we will still be short of our full funding for our existing Medicaid programs.

The vast majority of Arkansans who currently receive Medicaid services are either elderly nursing-home residents, disabled adults or children insured by ARKids First. There are no easy cuts to make around the margins. We will continue to fight fraud, waste and abuse, but that battle has been fought for years, and will not provide a significant new, untapped source of relief. Any cuts will adversely affect real people, fellow Arkansans who depend on those services that we provide. I assigned our Medicaid officials the wrenching task of deciding where they would cut if they had to. There were no simple answers. The proposed list they compiled is one that none of us wants to see come to fruition. It appears now that we will avoid the most painful of

these cuts, including the Level 3 Nursing Home Care provided to thousands of elderly Arkansans. Those of you that provided leadership in the House and in the Senate together with our office are of one mind that the last thing we'll ever do is throw folks out of nursing homes.

There is another important discussion to be had this session about a very different group of Arkansans than the elderly, the disabled and the children who we currently insure under Medicaid. There are thousands of Arkansas families living in homes where one or both parents work, but where health insurance is not affordable. Very rarely do adults of working age qualify for Medicaid, and rising costs have led more companies to drop insurance coverage for their employees. These families and individuals are often referred to as "the working poor," and we have a real chance to provide them better access to health care.

Just last summer, the U.S. Supreme Court upheld the Affordable Care Act as constitutional. The benefits, costs and insurance mandates, that you like or dislike about the law many call "Obamacare", will continue going into effect this year and the next. That decision is made by somebody else. However, the Court threw all of us a curveball. The law includes an expansion of Medicaid to give more low-income, working Americans an option for health insurance. And so, the Supreme Court determined that it is up to each individual state, not the federal government, to decide whether to accept this assistance for their citizens.

Here is what we know about expanded Medicaid. It would provide health insurance for up to 250,000 Arkansans who likely don't have affordable coverage available to them now. For three years, beginning in 2014, the cost for insuring those Arkansans is picked up entirely by the federal government. A small state share kicks in beginning in 2017, and rises for three more years to a maximum of 10% in 2020. Benefits for some clients who currently receive Medicaid will shift from our current 30% share to the more generous federal-state split that accompanies expansion. The result would be immediate savings in existing general revenue. That savings could be utilized to further prevent cuts in other, current Medicaid services.

While the Affordable Care Act has new requirements for larger businesses to offer insurance and enroll employees, there are no such requirements for businesses with fewer than 50 employees. Ninety-five percent of Arkansas's companies fall into this small-business category, and many of them do not or cannot offer insurance to their employees. This means that many Arkansas workers will have no affordable options open to them without expanded Medicaid.

Currently, Arkansas is ranked as one of the best places in the country to start and maintain a small business. If memory serves me correctly, we're ranked number two in all of America as the best state in America to start a small business.

If we have no insurance options available for our low-income workers, while more and more other states add those options, it will make us less business-friendly in comparison. Available health care has always been an important component in economic development. Speaking of jobs, there are 40,000 Arkansans employed by

hospitals in our state, and tens of thousands more work in other areas of health care. Many of these workers are seeing their hospitals struggle under increased financial pressure, and we have the opportunity before us to ease that pressure for both our hospitals, and for ourselves.

If you already have private health insurance, you are paying a tax that was never approved by any government or by our citizens. It's is the hidden tax of uncompensated care. The tens of millions of Americans who don't have health insurance still get sick. And they still go to the hospital, usually to the more expensive emergency rooms. Hospitals don't turn them away; they help them, even knowing that the bills accrued will likely go unpaid. Those costs often shift to other services and eventually manifest themselves in higher costs for health insurance that you pay, and I pay, and everybody else who's not on Medicaid and everybody else who carries health insurance ends up paying. I chaired a hospital board for ten years. I know they can't operate at a deficit, and that's part of what helps drive up the rest of our health-insurance costs. A 2009 study found that Arkansas families with health insurance pay an estimated \$1,500 in their premiums every year to treat the uninsured. Fifteen-hundred dollars in your existing premium.

Hospitals also bear the burden of uncompensated care costs, and some are strapped to the point where their ability to stay open comes into question. And the struggle our hospitals face is about to get tougher still. Restructuring of payments of Medicare payments under the Affordable Care Act will mean even less money for providers. Somebody said how are they paying for all of this stuff? Part of how they're paying for Medicaid expansion is they're cutting Medicare. And that happens whether you take the Medicaid expansion or not.

Without help, some of our hospitals in Arkansas, particularly rural hospitals, could be forced to close. This would be devastating to our small towns, both for the care of their residents and for their future economic prospects.

That doesn't need to happen. The money is available; it's our decision whether to use it. Expanding Medicaid can keep hospitals open and operational. It can give 250,000 Arkansans the chance to lead healthier, more productive lives. It can ease uncompensated care and relieve the hidden tax that we all pay. It will create additional private-sector jobs. We just have to say yes.

Are you worried about the eventual state share of that cost? I am, too. So I had our Medicaid officials do the math. They factored in the projected impact to current Medicaid services and looked at where the reduced uncompensated care will free up more existing funding. Using very conservative calculations, they also examined how the hundreds of millions of federal dollars being injected into our economy will bolster our other revenues. At our peak share, when the State starts picking up ten percent of the cost in 2020, the estimated annual impact to our general revenue budget is less than five million dollars a year.

Are you worried about our national debt? I am, too. I've been talking about it for years, pining for the day when a Democratic President from Arkansas and a

Republican Congress came together to give the U.S. budget surpluses and put us on a path to eliminate our national debt.

Now, you talk about bipartisanship. The current president of the University of North Carolina is Erskine Bowles. At one time, he was Bill Clinton's Chief of Staff in the White House. The leader of the Senate was the Republican Senator from Mississippi, Trent Lott, and the Speaker of the House was the Republican Representative from Georgia, Newt Gingrich. And Clinton sends Erskine Bowles to sit down with Gingrich and Lott to work out a long-term solution to the debt that our country had incurred and our children and our grandchildren were going to have to pay for.

For weeks, they didn't get anything done, and nobody trusted each other. When they finally figured out that nobody was running and talking out of school, they decided that maybe they could trust each other. And those two Republican leaders and the Democratic White House sat down, working together in a way that led us to three consecutive years of a surplus, well on our way, if things had not changed, to the removal of the American debt for the first time in the century. We can do things together as Republicans and Democrats, and they showed us it was possible at that time in Washington, as well. So those who are worried about the effects of the national debt, I join you and I worry about it, too.

But that needs to be done in Washington; you can't do it in Little Rock. We balance our budgets, and we don't need to sacrifice our share of federal money to other states. Refusing money to help our people may make a statement to the federal government, but it will cost us more at home, will jeopardize the health of our fellow Arkansans and won't solve the problems of our national counterparts.

I've made my case for Medicaid expansion. I will continue to do so, and my administration will share whatever Medicaid information we have. The final say, however, will be yours. I hope you'll talk with your constituents and make the best decisions for Arkansas.

I'm a product of who you are. I spent 20 years on the other end of this Capitol in the Senate, a body I love. I respect the Legislature and the legislative process, because I am a part of it. The legislative branch of government is the first branch of government for a lot of good reasons. Our Founding Fathers set it up that way. You're in charge of the public policy of this State, and you are in charge of the money. Governors and presidents get a lot of ink, both good and bad, but the members of Congress and the members of the Legislature are truly the people's representatives that have been given the greatest amount of power by our Founding Fathers. I am always cognizant of that; I grew up that way. My political career started that way. I don't just defer to you, I honor you and respect this system that's been in place for more than 200 years. Besides Medicaid, there are many other decisions we still must make this session. We'll ensure that our schools have adequate funding to continue our push toward excellence. A recent State Supreme Court ruling raises serious questions about the long-term path of Arkansas education policy, and it may require us to act legislatively in the short term. We've asked the

Court to revisit the matter, and we'll see what they decide. As we remain mindful of our men and women in uniform protecting us at home and those abroad, we have to take steps to help military families who find themselves stationed in Arkansas. I am supporting legislation to join an interstate education compact to give incoming students of these families a smoother transition into our schools. Not only that, many military spouses want to contribute to the workforce while they're here, and have professionally licensed skills to offer. We'll also have a bill to help get them licensed and ready to work in Arkansas, while they're here supporting their spouses, be it at Little Rock Air Force Base or any other place.

My proposed budget reflects our economy's continued recovery. We were able to budget new general revenue to address education and the Medicaid shortfall. Otherwise, there are few increases in my budget. There is money to restore tanker contracts for our Forestry Commission to help with them next wildfire season. We will shore up Department of Correction funding that has relied too heavily in the past on rainy-day funds. Our goal of equity between our higher-education institutions will further be addressed in a small, modest way. And, I am proposing a modest two percent cost-of-living adjustment for our state employees after they lost their proposed adjustment in the 2011 session. While a small number of key issues will draw the most attention, we must be aware that our entire State will need our continued stewardship.

We continue to watch the bar move ever lower for efficient and effective government in Washington, D.C. Constant rancor and division show us that those who make cooperation and bipartisanship impossible only make gridlock and resentment inevitable. Endless Congressional budget battles result in half-measures that barely address problems and delay real solutions until the next big fight. That next fight will likely come while we are here in session. We must resolve not to let Washington's animosity seep in and poison our well of civil discourse. Arkansas cannot change the way things are done in D.C., but we can continue to set the example of how men and women with differing views can still come together in the best interests of our citizens.

During my years as Governor, I've spoken time and again about the intangible changes we're seeing in Arkansas. How our sense of who we are as a people continues to evolve. How our fellow Americans and the rest of the world view us in a different and more positive light.

We've made progress while others have struggled just to hold steady. Our years of fiscally conservative budgeting have kept our challenges manageable, rather than unthinkable. We are no longer an afterthought for Fortune 500 companies looking to invest or international businesses seeking a North American hub.

It is imperative that we not stop now. Our investments in our State and in our people are paying dividends. You stand on the shoulders of all the Arkansans who sat in those seats before you. They came, as you have, from every part of this state, walking in these doors with varied backgrounds and intentions. Yet, whether they were Democrat or Republican, from North Arkansas or South Arkansas,

representing a rural district or an urban district, they've come together through communication and cooperation to serve our people. Their history is yours to continue, just as the history you make will inspire future legislatures.

We will keep our budgets balanced, remain focused on education and economic development and give our people opportunities to find prosperity, support and peace of mind. The legacy we build here in this Capitol will lay a stronger foundation on which we'll all build Arkansas's destiny. Let no one doubt our resolve to do our duty to those we serve today, and to remain good stewards of our State for our posterity.

The Joint Session adjourned at 11:10 a.m.

The House reconvened at 11:20 a.m.

HOUSE BILLS ORDERED TRANSMITTED TO THE SENATE AS PASSED

HOUSE BILL NO. 1001	BY REPRESENTATIVE CARTER
HOUSE CONCURRENT	
RESOLUTION NO. 1002	BY REPRESENTATIVE CARTER

ARKANSAS SENATE SENATE BILLS RECEIVED FROM SENATE

SENATE BILL NO. 1	BY SENATE EFFICIENCY
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ARKANSAS SENATE
HOUSE RESOLUTIONS CONCURRED IN
AND RETURNED TO THE HOUSE

HOUSE CONCURRENT
RESOLUTION NO. 1001 BY REPRESENTATIVE CARTER

SENATE BILL NO. 1

BY: SENATE EFFICIENCY

A BILL FOR AN ACT TO BE ENTITLED AN ACT TO MAKE AN APPROPRIATION FOR EXPENSES FOR THE ARKANSAS SENATE OF THE EIGHTY-NINTH GENERAL ASSEMBLY FOR THE FISCAL YEAR ENDING JUNE 30, 2013; AND FOR OTHER PURPOSES.

Was read the first time, rules suspended, read the second time and placed on the Calendar.

Upon motion of Representative Duncan Baird, the House adjourned at 11:30 a.m. until 1:30 p.m., Wednesday, January 16, 2013.

ATTEST:

Davy Carter
Speaker of the House of Representatives

Sherri Stacks
Chief Clerk

