

MINUTES**JOINT INTERIM COMMITTEE ON ADVANCED COMMUNICATIONS AND INFORMATION TECHNOLOGY****Tuesday, September 17, 2013****2:00 p.m.****Room 151, State Capitol****Little Rock, Arkansas**

The Joint Interim Committee on Advanced Communications and Information Technology met on Tuesday, September 17, 2013 at 2:00 p.m., in Room 151 of the State Capitol, in Little Rock, Arkansas. The following committee members attended:

Senators Bill Sample, Chair; and Senator Linda Chesterfield. Representatives Mary Slinkard, Chair; Duncan Baird (alternate), Karen Hopper, and Sheilla Lampkin.

Also attending: Senator Missy Irvin. Representatives David Fielding and Stephanie Malone.

Senator Sample called the meeting to order.

Consideration to approve Minutes of December 18, 2012 [Exhibit B]

Senator Chesterfield made the motion to approve the minutes. Without objection, the motion was approved by the Committee.

Review of the Department of Information Systems (DIS), Proposed Rate Adjustments Report - Fiscal Year 2014 [Exhibit C]

Ms. Claire Bailey, Director, DIS, was recognized and gave a brief overview of the Proposed Rate Adjustments Report. She reported that DIS is not allowed to make any money for the services they provide. However, if there is a fund balance DIS is required to return those funds to the state agencies, boards and commissions and customers based on their utilization of the service. DIS is required to have the rate adjustments reviewed by this legislative committee and acts in accordance with federal guidelines given by the Office of Management and Budget for individual cost allocations.

According to Ms. Bailey, the total annual rate adjustment impact is \$2.5 million across all services provided by DIS. She reported that basic telephone service technology is impacting the industry and is slowly being phased out. Ms. Bailey added that some rates decreased as others increased.

In response to a question by Representative Slinkard regarding the basis for the rate fluctuations, Ms. Bailey replied that rates are determined by the cost of providing the service for hardware procurement, software or staffing costs all of which has caused the fluctuations. She stated that DIS has to cover their cost by billing for a service, however, if they do not see the demand for the service they stop providing it. If money is made for providing a service the rate is decreased. According to Ms. Bailey, when a lot of customers start using a new service, the cost is shared across the board.

Senator Chesterfield made the motion to consider the report as reviewed by the Committee. Without objection, the report is considered reviewed.

Ms. Bailey called attention to a handout listing upcoming events that might be of interest to the committee. [Handout #1]

Senator Sample announced that Mr. Len Pitcock, Director of Government Affairs, Cox Communications, Ms. Katie Burns, Manager, Regulatory/Government Affairs, Century Link and Ms. Julie Mullenix, Attorney, Mullenix & Associates will be asked to present at the October 17th committee meeting. Senator Sample reminded the committee members that the House and Senate Education Committees will be meeting jointly with this committee on Thursday, September 26, 2013, from 9:45a.m.-10:00a.m., at the Marriott Hotel (formerly the Peabody). This meeting is in conjunction with the Connect Arkansas Internet Conference.

There being no further business, the meeting adjourned at 2:36 p.m.