

# Arkansas Tobacco Settlement Commission

ATSC Meeting Minutes ♦ Tuesday, November 13, 2012 ♦ 10:00-12:00

## Commission Members Present:

Susan Hanrahan - Chair  
Blake Perry  
Nate Smith  
Roddy Lochala  
Jim Hazelwood  
Allison Hogue (by phone)

## Staff Present:

Faye Shepherd  
Tina DeLay

## Attending Guests:

Bradford Phelps, Attorney General's Office  
Patrick Hollingsworth, Attorney General's Office  
Erica Gee, Attorney General's Office  
Louise Scott, MHI  
Fred Taylor, AAI  
Leslie Humphries, ABI  
Idonia Trotter, MHI

## Call to order

**Chair Hanrahan**

A quorum was established. Everyone was welcomed and the meeting was called to order at 10:00 a.m.

## Attorney General's Office

**Bradford Phelps**

In 1998, Arkansas and many other states entered into the MSA; for our state that means a payment of 60 million a year. We are now in the "diligent enforcement arbitration" with the tobacco companies. They are entitled to do so because they have lost market share and other companies have grown that are not signatories of the MSA. The arbitration panel is composed of three retired judges. They have started hearing cases. Arkansas' hearing is in June 2013. The question to be answered is – did Arkansas enforce tobacco laws in 2003. If the Arkansas case goes poorly the state would be looking at a loss of 10-48 Million dollars. This money would be withheld from the April 2014 payment. Our case depends on the performance of other states and that makes this an unknown liability. In April 2013 we should get a payment like we have been receiving in the past. No decision will be made by the arbitration panel until all cases are completed. Arkansas is the very last case. The only issue Arkansas had in 2003 is that several companies that sold cigarettes were not in the MSA. There is nothing illegal about those companies selling cigarettes in Arkansas. This litigation is a priority for the Attorney General's office. AG's Office expenses will go up exponentially in the next few months.

**Review/Acceptance of Minutes**

**Chair Hanrahan**

Commissioners reviewed the minutes from the meeting held on August 14, 2012. They were approved as distributed.

**ATSC Budget**

**Chair Hanrahan**

Dr. Hanrahan created a spreadsheet to better explain ATSC current and future projections. The amounts in the Fund Balance show we are running out of money fast. That is the reason the CWIP grant was suspended this year. We are saving as many resources as possible. Faye added that ATSC has had several Budget Analysts (DFA) over the past few years so that has contributed to an intermittent focus on income.

**ATSC IT Policy**

**Faye Shepherd**

Each state entity has to provide an IT Policy. We have a broad policy that was provided to us by the budget office. Unfortunately, that policy was for Agencies but based on the time constraints in meeting the deadline, the policy provided is the one we will use for the next biennium. There are some changes that are more in line with a Service Bureau that need to be made and Faye will make those changes and set those in place for the following biennium. Once the changes and updates are made it will be presented to the Commission for approval.

Motion to approve the current policy: James Hazelwood  
Second: Blake Perry  
Motion Carried

**Battelle Update**

**Chair Hanrahan**

Battelle was at the ABI Symposium in Fayetteville and since then they have not contacted ATSC. Faye is going to work with them and will present Battelle’s update on what they are doing and what their plans are for the near future at our retreat. At that time we can have discussions on what their plans are for our programs. The old reporting format is still being used.

**ATSC Commission and Program Retreat**

**Chair Hanrahan**

The meeting date is January 10<sup>th</sup> and the meeting is being held at The Arkansas Studies Institute, room 124, 401 President Clinton Drive. (River Market Area). It’s a free location. The programs will report on where they are currently and where they would like to go over the next 2-3 years. This information will be helpful when dealing with all the new legislators in the upcoming session. After our programs present we will move into our retreat. During the retreat we will discuss Battelle’s ideas and what they have planned, how we can be useful in lobbying for our programs pointing out the impact they have on Arkansas, and any other items that need to be discussed for the upcoming year.

**Schedule 2013 Commission Dates and Quarterly Report Due Dates**

**Chair Hanrahan**

The proposed meeting dates were given to the Commission and were approved as presented.

**2010 Audit Findings-Create a centralized grant registry to ensure proper oversight of all ATSC funding grants**

**Faye Shepherd**

In one of our old audit findings, ATSC was to develop a centralized financial and grant database for all of our grants, program grants, and any grant issued under the Tobacco Settlement Proceeds Act. We currently do not have this information anywhere. Program leads and staff need to work together to come up with a simple database that will satisfy the finding.

**ATSC Election of Commission Officers****Chair Hanrahan**

An election slate was in the packet the Commissioners received. Chair Hanrahan and Vice Chair Karen Wheeler agreed to lead the Commission for one more year. Dr. James Hazelwood was nominated for the Executive Committee. The Commission members decided as a whole Chair Hanrahan would remain as Chair and Vice Chair Wheeler would remain as Vice Chair. Dr. James Hazelwood would replace Dr. John Ahlen as the Executive Committee Member for the Commission.

**Meeting Adjournment****Chair Hanrahan**

The meeting was adjourned at 11:30.