

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

September 15, 2023

The Arkansas Legislative Council met at 9:00 a.m., Friday, August 25, 2023, in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair Terry Rice called the meeting to order and recognized a quorum of members present. Representative Bruce Cozart was recognized to give the morning prayer.

Minutes of the Previous Meeting

Co-Chair Rice referred members to the minutes of the last Legislative Council meeting held on July 21, 2023 (Exhibit C), and asked if there were any questions. There were no questions.

Representative Kenneth Ferguson moved that the minutes of the July 21, 2023, meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Act 413 Reports

Co-Chair Rice recognized Mr. Hugh McDonald, Secretary, Department of Commerce to report agency updates, pursuant to Act 413 of the 2021 Regular Session. Upon conclusion of the report, Co-Chair Rice recognized members for questions. Representative Aaron Pilkington requested a report on the state of entrepreneurship in Arkansas.

Revenue Report

Co-Chair Rice recognized Dr. Carlos Silva, Legislative Economist, BLR, to present the July 2023 General Revenue Report (Exhibit E). Dr. Silva reported, the collections of Gross General Revenues year-to-date are approximately \$643.3 million, an increase of \$27.4 million, or 4.5% above the \$615.88 million collected last fiscal year-to-date. Dr. Silva further reported, the Net General Revenue Available for Distribution of \$553.3 million, increased \$11.3 million, or 2.1% from the \$542.0 million available for distribution in July 2022. The Cumulative Deviation is above the forecast at \$15.9 million. This concluded the July 2023 General Revenue report. Co-Chair Rice recognized members for questions. Mr. Robert Brech and Ms. Whitney McLaughlin, both of the Department of Finance & Administration (DF&A), were recognized to respond. Senator Bryan King requested a report of the total figure received from internet sales tax. Representative Stephen Meeks requested a report of how much in federal student loans were forgiven in the state and what the potential tax implication is on citizens of the state. Representative Rick Beck requested a report of county-by-county internet sales tax.

Report of the Executive Subcommittee

Co-Chair Rice recognized Co-Chair Jeff Wardlaw to present the report of the Executive Subcommittee (Exhibit F). Co-Chair Wardlaw reported that the Executive Subcommittee met on Thursday, August 24, 2023, and approved the procedures of the Arkansas Firearms and Concealed Carry Laws Study to be conducted by the ALC - Game and Fish/State Police Subcommittee. The subcommittee heard an update in response to the Education Property Insurance Consulting Services RFP and will meet in September 2023 to select a consultant. The subcommittee also authorized Bureau of Legislative Research (BLR) to move forward with a contract for the construction of a secure walkway. This walkway will be built in conjunction with the air conditioning room that is being built by the Secretary of State to provide air conditioning to the north end of the State Capitol. The money that is being used to pay for the secure walkway is money that has been appropriated since 2009, at a rate of \$2 million per year. The construction will take place, with a payment expense the first year of \$2 million and under \$2 million (the remaining balance) the second year. ALC - Policy-Making Subcommittee will be given the final authority to approve the contract. In addition, the subcommittee made a recommendation that ALC extend the deadline for the completion of the Code of Arkansas Rules project to December 31, 2024. This concluded the report. Co-Chair Rice recognized members for questions.

Co-Chair Jeff Wardlaw moved that the report of the Executive Subcommittee be adopted. The motion was seconded and passed by voice vote.

Reports of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Rice recognized Senator Kim Hammer to present the report of the Administrative Rules Subcommittee (Exhibit G.1). Senator Hammer reported the Administrative Rules Subcommittee met on Thursday, August 24, 2023. The Subcommittee filed the report of the Executive Subcommittee concerning its July 2023 approval of an emergency rule. Pursuant to Act 595 of 2021, the subcommittee received agency updates on outstanding rulemaking, and approved a request for exclusion of one act, from the Act 595 reporting requirements. All rules were reviewed and approved as noted in the report. This concluded the report of the Administrative Rules Subcommittee, and there were no questions.

Senator Kim Hammer moved that the report of the Administrative Rules Subcommittee be adopted. The motion was seconded and passed by voice vote.

Employee Benefits Division Oversight Subcommittee

Co-Chair Rice recognized Senator Jimmy Hickey, Jr. to present the report of the Employee Benefits Division Oversight Subcommittee (Exhibit G.4). Senator Hickey reported that the Employee Benefits Division Oversight Subcommittee met on Wednesday, August 23, 2023. The subcommittee approved an amendment to the timeline of the Diabetes Management Program Study. The subcommittee reviewed and approved the Employee Benefits Division Drug Formulary Recommendations Report, as well as the premium rate for the 2024 plan year. The subcommittee also received updates from the Arkansas Pharmacy Association. This concluded the report of the Employee Benefits Division Oversight Subcommittee, and there were no questions.

Senator Jimmy Hickey, Jr. moved that the report of the Employee Benefits Division Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Higher Education Subcommittee

Co-Chair Rice recognized Senator Dan Sullivan to present the report of the Higher Education Subcommittee (Exhibit G.6). Senator Sullivan reported that the Higher Education Subcommittee met on Thursday, August 24, 2023, and heard testimony from the Division of Higher Education regarding the teacher academy, scholarships, and credentials for Arkansas public institutions. This concluded the report of the Higher Education Subcommittee, and there were no questions.

Senator Dan Sullivan moved that the report of the Higher Education Subcommittee be adopted. The motion was seconded and passed by voice vote.

Senator Sullivan went on to explain the subcommittee did not meet on the following item but it was briefly discussed. At this time he made a motion.

Senator Dan Sullivan moved that ALC authorize the Higher Education Subcommittee to conduct a study regarding diversity, equity, and inclusion as it relates to institutions of higher education in the state, to be concluded by 12/31/2024. The motion was seconded.

Co-Chair Rice recognized members for questions or discussion on the motion.

After discussion, the motion passed by voice vote.

Highway Commission Review and Advisory Subcommittee

Co-Chair Rice recognized Representative Ron McNair to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit G.7). Representative McNair reported that the Highway Commission Review and Advisory Subcommittee met on Thursday, August 24, 2023, and heard testimony on the following items: June, July, and August 2023, Monthly Updates of the ALC Efficiency Study Recommendations Rules for Implementation; Quarterly Land Conveyances Report; and SFY2023 4th Quarter Report on the Progress of Each Highway Construction Project of \$10 million or more. The subcommittee reviewed the Proposed Contract with Garver, LLC for a Construction and Maintenance Activities Reporting System for the Implementation of Efficiency Study Rule Recommendation #3. This concluded the report of the Highway Commission Review and Advisory Subcommittee, and there were no questions.

Representative Ron McNair moved that the report of the Highway Commission Review and Advisory Subcommittee be adopted. The motion was seconded and passed by voice vote.

Lottery Oversight Subcommittee

Co-Chair Rice recognized Senator Jimmy Hickey, Jr. to present the report of the Lottery Oversight Subcommittee (Exhibit G.9). Senator Hickey reported that the Lottery Oversight Subcommittee met on Monday, August 21, 2023. The subcommittee reviewed the following items: the Workforce Challenge Student Status; Academic Challenge Student Status; and Arkansas Division of Higher Education Grants Fund and Net Proceeds Trust Fund. The subcommittee held the following items: the Director's Report regarding the activities and operations of the Office of the Arkansas Lottery; and

the Financial Report on the administration of the Arkansas Academic Challenge Scholarship Program for FY2023. This concluded the report of the Lottery Oversight Subcommittee, and there were no questions.

Senator Jimmy Hickey, Jr. moved that the report of the Lottery Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Occupational Licensing Review Subcommittee

Co-Chair Rice recognized Senator Jane English to present the report of the Occupational Licensing Review Subcommittee (Exhibit G.11). Senator English reported that the Occupational Licensing Review Subcommittee met on Monday, August 21, 2023, and Thursday, August 24, 2023, to receive reports from the following occupational authorization entities: Arkansas State Board of Public Accountancy; Arkansas State Board of Licensure for Professional Engineers and Professional Surveyors; and Arkansas Board of Examiners in Counseling and Marriage and Family Therapy; Arkansas Department of Finance and Administration, Office of Driver Services; Arkansas Department of Health, Office of Preparedness and Emergency Response; and Arkansas Social Work Licensing Board. This concluded the report of the Occupational Licensing Review Subcommittee, and there were no questions.

Senator Jane English moved that the report of the Occupational Licensing Review Subcommittee be adopted. The motion was seconded and passed by voice vote.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Rice recognized Senator Jonathan Dismang to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit G.12). Senator Dismang reported that the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, August 22, 2023. The subcommittee received reports, reviewed requests, and approved the following: various temporary appropriations; American Rescue Plan Act appropriations; Infrastructure Investment and Jobs Act appropriations; and Restricted Reserve Fund transfers. One item was held - an American Rescue Plan Act appropriation request from Department of Human Services (DHS) for \$628,878. The subcommittee referred the item to the House and Senate Public Health, Welfare, and Labor Committees for discussion and a recommendation on action to PEER at its next monthly meeting. This concluded the report of the PEER Subcommittee, and there were no questions.

Senator Jonathan Dismang moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Rice recognized Senator Scott Flippo to present the report of the Review Subcommittee (Exhibit G.14). Senator Flippo reported that the Review Subcommittee met on Tuesday, August 22, 2023, and reviewed methods of finance, discretionary grants, and service contracts. Two motor vehicle leases were approved, and no items were held. This concluded the report of the Review Subcommittee. Co-Chair Rice recognized members for questions.

Senator Scott Flippo moved that the report of the Review Subcommittee be adopted. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Rice recognized Representative Mark Berry to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit G.15). Representative Berry reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Wednesday, August 23, 2023. The subcommittee reviewed reports and requests listed as Items 1-16 as noted on the report. The subcommittee approved a motion to hold Item 12, a request for a merit increase over the maximum salary of the grade for an Arkansas PBS Director. The item was held until the next meeting pending resolution of audit findings reviewed by Legislative Joint Audit Committee. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

Representative Mark Berry moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted, with the exception of Item 12, which is held in the Personnel Subcommittee. The motion was seconded and passed by voice vote.

Review of Communications

Co-Chair Rice referred members to the communications listed on the agenda as Items I.01- I.11 and noted that a verbal report will be given for Item I.06(a)-DHS and action by Legislative Council was needed for Item I.01(a)(b).

Co-Chair Rice referred members to Item I.01(a) and I.01(b) and requested a motion for each.

1. Arkansas Teacher Retirement System:

- a. Request for the Legislative Council's retrospective review of the imminent need partial equity ownership investments, submitted pursuant to A.C.A. § 19-11-1303;
 - i. Hybar LLC and Associated Entities;
 - ii. Promissory Note Related to Hybar LLC Tax Credits;
 - iii. Promissory Note Related to Hybar Create Rebate Funds; and
 - iv. Westrock Coffee Company;

Representative Jeff Wardlaw moved to file the request from the Arkansas Teacher Retirement System, submitted pursuant to A.C.A. § 19-11-1303, as reviewed. The motion was seconded and passed by voice vote.

1. Arkansas Teacher Retirement System:

- b. Request for the Legislative Council's approval of the proposed revisions to the ATRS model qualified domestic relations order, submitted pursuant to A.C.A. §9-18-101 and A.C.A. §9-18-103(b)(2).

Senator Missy Irvin moved to file the request from the Arkansas Teacher Retirement System, submitted pursuant to A.C.A. §9-18-101 and A.C.A. §9-18-103(b)(2), as approved. The motion was seconded and passed by voice vote.

Co-Chair Rice referred members to Item I.06 for a verbal report from Ms. Kristi Putnam, Secretary, Department of Human Services (DHS), on assisted living facility reimbursements, pursuant to Section 15 of Act 213 of 2022.

Adjournment

At 10:20 a.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

Senator Terry Rice
Co-Chair, Senate

Marty Garrity
Executive Secretary