



JOHN THURSTON

ARKANSAS SECRETARY OF STATE

January 20, 2021

Honorable Jonathan Dismang, Chairman
Honorable Lane Jean, Chairman
Joint Budget Committee
One Capitol Mall
Little Rock, AR 72201

Dear Senator Dismang and Representative Jean:

On behalf of the Office of Secretary of State, I respectfully request that Sections 12 and 13 of our fiscal year 2021-2022 appropriation bill, HB 1187 of 2021, be amended to combine appropriations and language for the Gift Shop and 500 Grill into one cash fund of \$490,000.

Sections 12 and 13 currently are as follows:

Section 12. Appropriation – Cash Funds – Gift Shop.	\$ 90,000
Section 13. Appropriation – 500 Grill.	\$400,000

Additionally, I respectfully request that the combined cash fund account be added as a separate section to the Secretary of State's fiscal year 2020-2021 appropriation and for this section to become effective upon passage and approval.

The ramifications of COVID-19 since March 2020 have significantly affected the operations of the 500 Grill resulting in loss of significant revenue during peak periods, increased costs to purchase food and supplies, and unforeseen costs attributable to food loss since perishable food cannot be stored for substantial periods of time whenever operations are suspended. Additionally, costs to provide pre-packaged items such as beverages, condiments, and utensils (to ensure safety) and additional personal protection equipment as a result of COVID-19 have increased operational costs. Finally, shutting down operations and restarting equipment has resulted in increased equipment maintenance and repair costs and the significant infusion of funds to replenish food stock.

In an effort to control food preparation costs, 500 Grill management is monitoring and adjusting food orders and preparation daily to ensure that end-of-day food disposal is minimized and less costly supplies are ordered without sacrificing quality.

The Secretary of State's Office is committed to provide continued food service at nominal prices to tenants and guests of the Capitol throughout the legislative session. However, declining revenues, despite modest price increases, present the necessity that additional funding flexibility be available through consolidation of the Gift Shop and 500 Grill cash funds.

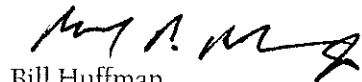
The combination of these funds would be consistent with changes to the Secretary's business model of combining the operations of both the Gift Shop and the 500 Grill into a consumer services unit.

Management of these operations has been consolidated through one person, and employees have been cross-trained to be able to perform jobs for each entity.

We are hopeful that normal operations of the 500 Grill will resume as COVID-19 regresses. The consolidation of these cash funds will provide added assurance that operations can continue until the situation improves.

Thank you for your consideration of this request. Should you have any questions or need additional information, please contact Kurt Naumann at 501-680-0239 or kurt.naumann@sos.arkansas.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Huffman". The signature is stylized and cursive.

Bill Huffman
Chief Deputy

Cc: Jennifer Rook, Bureau of Legislative Research

Hall of the House of Representatives

93rd General Assembly - Regular Session, 2021

Amendment Form

DRAFT

Subtitle of House Bill No. 1187

AN ACT FOR THE SECRETARY OF STATE APPROPRIATION FOR THE 2021-2022 FISCAL YEAR.

Amendment No. ___ to House Bill No. 1187

Amend House Bill No. 1187 as originally introduced:

Page 6, delete SECTION 12 and SECTION 13 in its entirety and substitute the following:

" SECTION 12. APPROPRIATION - CASH FUNDS - GIFT SHOP AND 500 GRILL. There is hereby appropriated to the Secretary of State, to be payable from the cash funds as defined by Arkansas Code 19-4-801, for personal services and miscellaneous operating expenses of the Gift Shop and 500 Grill of the Secretary of State for the fiscal year ending June 30, 2022, the sum of.....\$490,000.

SECTION 13. APPROPRIATION - CASH FUNDS - GIFT SHOP AND 500 GRILL. There is hereby appropriated to the Secretary of State, to be payable from the cash funds as defined by Arkansas Code 19-4-801, for personal services and miscellaneous operating expenses of the Gift Shop and 500 Grill of the Secretary of State for the fiscal year ending June 30, 2021, the sum of.....\$490,000."

Page 8, Delete the EMERGENCY CLAUSE in its entirety and substitute the following:

" SECTION 18. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2021 is essential to the operation of the agency for which the appropriations in this Act are provided; with the exception that Section 13 in this Act shall be in full force and effect from and after the date of its passage and approval; and that in the event of an extension of the Session, the delay in the effective date of this Act beyond July 1, 2021, with the exception that Section 13 in this Act shall be in full force and effect from and after the date of its passage and approval, could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared

to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2021; with the exception that Section 13 in this Act shall be in full force and effect from and after the date of its passage and approval."

The Amendment was read

By: Joint Budget Committee

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Chief Clerk