

SUPPLEMENTAL AGENDA

Suspension of the Rules Request
ALC/Performance Evaluation and Expenditure Review (PEER)
Subcommittee
Monday, October 17, 2022
1:30 p.m. - Room A, MAC

- A. Various Temporary Appropriation Request
 - 1. Game and Fish Commission
- B. American Rescue Plan Act Appropriation Request
 - 1. Department of Transformation and Shared Services – Employee Benefits Division
- C. Restricted Reserve Fund Transfer Request
 - 1. Game and Fish Commission



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE SECRETARY

1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
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October 13, 2022

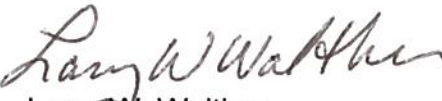
Senator Jonathan Dismang, Co-Chair
Representative Michelle Gray, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: Supplemental Items

Dear Co-Chairs:

I respectfully request suspension of the rules by the committee for review the item attached. These items were received after the deadline for submission to your Performance Evaluation and Expenditure Review Committee, but we are requesting inclusion in this month's review.

Sincerely,


Larry W. Walther
Secretary



STATE OF ARKANSAS
**Department of Finance
and Administration**

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1509 West Seventh Street, Suite 402
Post Office Box 3278
Little Rock, Arkansas 72203-3278
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October 13, 2022

Senator Jonathan Dismang, Co-Chair
Representative Michelle Gray, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: FY 23 Various Temporary Appropriation Request(s)

Dear Co-Chairs:

Pursuant to Act 199 of 2022, Section 33, I am forwarding for appropriate action as required by law, the attached Various Temporary Appropriation for State Agencies and Institutions Request(s) for Fiscal Year 2023 that have received my approval as Chief Fiscal Officer of the State.

Sincerely,

Larry W. Walther
Cabinet Secretary

LWW

Attachment(s)

Chris Racey
Chief of Staff

Ben Batten
Deputy Director



Arkansas Game and Fish Commission

Austin Booth
Director

Brad Carner
Deputy Director

Spencer Griffith
Deputy Director

October 13, 2022

Larry W. Walther, Secretary
Department of Finance and Administration
1509 W. 7th St., Suite 401
Little Rock, AR, 72205

BA: 0080
Func Area: CNST
FC: 259
Fund: SDG0000
CI: 509:00:05
590:00:46

Dear Secretary Walther,

The Arkansas Game and Fish Commission is requesting Various Temporary Appropriation authorized Under Section 33 of Act 199 of 2022 for the following:

Construction \$5,000,000

Modernizing how water is used, captured, and reused at the Lonoke Fish Hatchery would also increase the efficiency and capacity for fish production.

Misc Character: Bayou Meto WMA GTR Renovation \$15,000,000

For the renovation of approximately 13,000 acres of Greentree reservoirs (GRT) in the Bayou Meto Wildlife Management Area (WMA) that have been negatively impacted by prolonged flooding.

Please add these appropriations to the Game Protection Fund.

Thank you for your consideration,

Austin Booth



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**Department of Finance
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October 14, 2022

Senator Jonathan Dismang, Co-Chair
Representative Michelle Gray, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: FY 23 American Rescue Plan Act Request

Dear Co-Chairs:

Pursuant to Section 37 (02) of Act 199 of 2022, I am forwarding the attached American Rescue Plan Act request(s) that have received my approval as Chief Fiscal Officer of the State.

- Department of Transformation and Shared Services –Employee Benefits Division \$52,701,874

Sincerely,

A handwritten signature in cursive script that reads 'Larry W. Walther'.

Larry W. Walther
Cabinet Secretary

Attachment(s)

AMERICAN RESCUE PLAN ACT OF 2021 PROGRAM APPROPRIATION
AND PERSONNEL AUTHORIZATION REQUEST
SECTION 37 OF ACT 199 OF 2022

Agency: DTSS - Statewide Shared ServicesBusiness Area Code: 0914

Program Title: Employment Benefits Division

Granting Organization: US TreasuryCFDA #: 21.027

Effective Date of Authorization: Beginning: 7/1/2022Ending: 6/30/2023

Purpose of Grant / Reason for addition or change (include attachments as necessary to provide thorough information):

See attachment

American Rescue Plan Act Program Funding

Func. Area: ADMNFund Code: FRP9140Direct Funding: _____

Funds Center: NEWInternal Order/WBS Element: NEWSteering Comm. Approved: x

Continuation: _____

	Program Funding Amount
Regular Salaries	
Extra Help	
Personal Services Matching	
Operating Expenses	
Conference & Travel Expenses	
Professional Fees	
Capital Outlay	
Data Processing	
Grants and Aid (CI: 04)	
Other:	52,701,874
Other:	
Total	\$ 52,701,874

Anticipated Duration of Federal Funds: 12-31-2026

DFA IGS State Technology Planning **Date**
Items requested for information technology must be in compliance with Technology Plans as submitted to DFA IGS State Technology Planning.


Positions to be established: (list each position separately) * unclassified positions only

Org Unit	Pers Area	Pers SubArea	Cost Center	Position Number	Cmnt Item	Position Title	Class Code	Grade	Line Item Maximum *

State funds will not be used to replace federal funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.

Approved by: Mitch Rouse 10/13/2022

Cabinet Secretary/Agency Director Date

 10-14-22

Office of Budget Date

Office of Personnel Mgmt Date



Department of Transformation and Shared Services

Governor Asa Hutchinson

Secretary Amy Fecher

Director Jake Bleed

March 24, 2022

Larry Walther, Secretary
Arkansas Department of Finance and Administration
1509 West Seventh Street
Little Rock, AR 72201

Dear Sir,

As you are aware, the COVID-19 pandemic has significantly affected the operations of state and local governments and school districts. State employees and teachers maintained critical government operations throughout the pandemic. Healthcare providers suffered significant financial hardship from a decline in elective procedures while simultaneously struggling to respond to an unprecedented health emergency. The pandemic required the best efforts of our state and local governments to not only maintain operations but help our state combat the virus.

Throughout these efforts, the Arkansas State and Public School Health Insurance Plan (Plan) covered costs associated with the testing, diagnosis and treatment of our members impacted by COVID-19. The plan provides health insurance benefits to 160,000 individuals and is funded through a combination of state and local funding and member contributions. Costs associated with COVID-19 or subsequent federal coverage requirements have been significant. In the last year, these costs exceeded \$50 million. This unanticipated hardship has been fully borne by the Plan utilizing limited reserves.

The American Rescue Plan Act of 2021 (ARPA) made significant funding available to the state to offset the economic impact of the public health emergency, support critical government services and offset lost government revenue. The purpose of this letter is to request an allocation of ARPA funds to offset expenses incurred by the Plan in response to COVID-19. In the absence of funding from ARPA, revenue lost due to COVID-19 must be made up through additional funding by state and local governments, public employees, or both.

The Families First Coronavirus Response Act (FFCRA), followed by the Coronavirus Aid Relief and Economic Security Act (CARES), required group insurers, including the Plan, to cover 100 percent of costs associated with the testing, diagnosis and treatments associated with the COVID-19 pandemic. These mandates included coverage of evolving therapies, treatments, and facility fees billed as a result of a member's visit to a healthcare provider for COVID-19 diagnosis.

Employee Benefits Division

501 Woodlane Street, Suite 500 * Little Rock, AR 72201 * 501.682.9656

TRANSFORM.AR.GOV

Neither the Employee Benefits Division nor its governing board, the State and Public School Employees Life and Health Insurance Board, planned or budgeted for the pandemic or the subsequent federal mandates requiring broad coverage of COVID-19 expenses. The resulting expenses have created significant revenue loss for the Plan and its members.

The Plan maintains detailed records of the receipt and payment of claims, each of which carry specific procedure or diagnosis codes. The impact of COVID-19 on the Plan can be calculated by analyzing these claims for codes that are associated with COVID-19 or include procedures which the plan was required to cover under federal law issued in response to the COVID-19 pandemic.

Between March 3, 2021 and March 15, 2022 (Request Period), the costs incurred by the Plan that were associated with COVID-19 total \$52,701,874. These costs were calculated based on an analysis of medical claim payments made by the Plan. These expenses can be broken down into several categories. Those categories, as well as a brief explanation of the costs and their relation to the pandemic, are as follows. Additional detail is attached and can be provided as needed.

Category: COVID-19 Antibody treatment.

During the pandemic, the Plan covered two different categories of antibody treatments. The first type of treatment was prescribed as a preventative measure to individuals who had been exposed to the virus. The second treatment was prescribed after exposure and was intended to support an individual's immune system response to the virus. The total cost of these treatments during the Request Period was \$403,520.

Category: COVID-19 Testing

Our state's response to the pandemic required broad and regular testing of state and public school employees. Testing was a necessary first line of defense to ensuring their safety and wellbeing and that the critical state operations remained available. The total cost of COVID-19 testing during the Request Period was \$8,450,047.

Category: COVID-19 Vaccines

The deployment of vaccines to protect our state and public school employees from the threat of COVID was a significant step in our state's response to the pandemic. These vaccines were made available as quickly and comprehensively as possible under the circumstances, and all costs associated with vaccine administration was paid by the Plan. The total cost of vaccines during the Request Period was \$4,975,780.

Category: Covid 19 Positive Test Follow up

This category contains all expenses associated with a positive COVID-19 diagnosis, including pharmaceutical therapies like Remdesivir, Hydroxychloroquine, and Tocilizumab. It also includes medical treatments for COVID-19 pneumonia, treatment of various pulmonary conditions, use of ventilators, and the administration of other life-saving therapies. The total cost of these treatments during the Request Period was \$18,419,772.

Category: Telemedicine

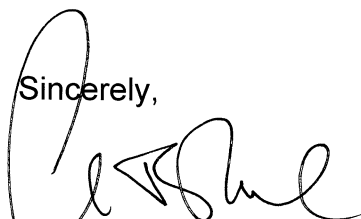
During part of the COVID-19 pandemic, the Plan was strongly encouraged to fully cover the costs associated with telemedicine by the FFCRA. Telemedicine uses information technology to provide health care at a distance or virtually. Coverage for telemedicine was provided during the COVID-19 pandemic to help patients who needed healthcare avoid potential exposure while visiting a doctor's office. Costs for this category include payments for telemedicine provided for all healthcare visits, not merely those associated with COVID-19. The total cost associated with telemedicine during the federal mandate was \$16,214,652.

Category: Timely Filing Override

The CARES Act recognized the significant financial strain that COVID placed on our medical providers. For that reason, the law removed existing deadlines for the timely filing of claims by these providers. Under the CARES Act, doctors, hospitals and other providers have been allowed to submit claims for payment well past the Plan's traditional 90-day claim-filing deadline. Instead of being denied for late filing, these claims have been paid in full in compliance with the CARES Act. The total cost associated from the override of timely filing requirements during the Request Period was \$4,238,101.

To the extent provided, funding made available to the Plan through ARPA will be used to reimburse funds for state and public school employees for applicable expenses. These reimbursements will replace revenue lost as a result of COVID and the subsequent federal response and will help avoid or partially offset the need for future rate increases.

Sincerely,

A handwritten signature in black ink, appearing to read "Jake Bleed", written over the word "Sincerely,".

Jake Bleed

Director

Employee Benefits Division

Arkansas Department of Transformation and Shared
Services

Row Labels	Sum of Plan Paid Amount	
COVID-19 Antibody	\$	403,520.57
COVID-19 Positive Test Result Follow-up	\$	18,419,772.72
COVID-19 Test	\$	8,450,047.03
COVID-19 Vaccine	\$	4,975,780.53
Telemedicine Coverage	\$	16,214,652.09
Timely Filling Override	\$	4,238,101.43
(blank)		
Grand Total	\$	52,701,874.37



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October 13, 2022

Senator Jonathan Dismang, Co-Chair
 Representative Michelle Gray, Co-Chair
 Performance Evaluation & Expenditure Review Committee
 Arkansas Legislative Council
 State Capitol Building
 Little Rock, AR 72201

RE: FY 23 Restricted Reserve Fund Transfer Recommendation

Dear Co-Chairs:

Pursuant to Ark. Code Ann. § 19-5-1263 and Act 226 of 2022, as Chief Fiscal Officer of the State, I am recommending the transfer of Restricted Reserve Funds from the EBD or Contingency 3/5 Vote Set-Aside of the Restricted Reserve Fund for Fiscal Year 2023 to the Arkansas Game and Fish in the amount of \$20,000,000.

Sincerely,

A handwritten signature in cursive script that reads 'Larry W. Walther'.

Larry W. Walther
 Cabinet Secretary

LWW

Attachment(s)

Chris Racey
Chief of Staff

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Deputy Director



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Spencer Griffith
Deputy Director

Arkansas Game and Fish Commission

Austin Booth
Director

October 13, 2022

BA: 0080
Func Area: CNST
FC: 259
Fund: SDG0000

Larry W. Walther, Secretary
Department of Finance and Administration
1509 W. 7th St. Suite 401
Little Rock, AR, 72205

Dear Secretary Walther,

Pursuant to 19-5-1263, I am requesting the consideration of a transfer from the Restricted Reserve Fund of \$20,000,000 to the Game Protection Fund for the projects outlined below:

Bayou Meto WMA GTR Renovation

\$15,000,000 for the renovation of approximately 13,000 acres of Greentree reservoirs (GRT) in the Bayou Meto Wildlife Management Area (WMA) that have been negatively impacted by prolonged flooding. This appropriation will be utilized for infrastructure renovations that will enhance water flow. These critical infrastructure renovations are essential to allow AGFC to manage water better and enhance drainage within the GTRs, particularly during the summer growing season, thus improving deteriorated forest health conditions to ensure the long-term sustainability of the world-renowned Greentree public land waterfowl hunting opportunities within the state. The long-term health and sustainability of these remnant bottomland hardwood forests are essential to sustaining public land waterfowl hunting opportunities for over 40,000 individuals annually, with an estimated financial benefit of \$70 million annually to local communities across Arkansas. In addition, these unique habitats support a host of other terrestrial and aquatic species, which provide significant wildlife viewing and other hunting opportunities beyond just waterfowl hunting opportunities.

Lonoke Fish Hatchery External Water Reuse Project and Spawning Building Water Reuse Project

\$5,000,000 to modernize how water is used, captured, and then reused at the Lonoke Fish Hatchery and would also increase the efficiency and capacity for fish production. By developing water-recirculating capabilities in the spawning building, the estimated impact on the Sparta aquifer will be a reduction of 141.9 million gallons of water annually based on the ability to reuse water with 90% efficiency. This is equivalent to the water use of 3,698 "average" Arkansas water users. Upgrades to the outdoor hatchery ponds, including water reuse infrastructure and water storage capability, will further reduce our water use footprint by an estimated 430.1 million gallons annually pumped from the Sparta aquifer based on a reuse rate of 80% efficiency. This is equivalent to the average consumption of 11,117 Arkansans.

Thank you for your consideration.

Sincerely,

Austin Booth
Director
Arkansas Game and Fish Commission