

MINUTES
Senate Committee on Public Health, Welfare, and Labor
House Committee on Public Health, Welfare, and Labor
Thursday, October 15, 2020
1:00 P.M.

Committee Members Present: Senator Missy Irvin, Chair; Ronald Caldwell, Jimmy Hickey, Jr., Kim Hammer and David Wallace, Vice-Chair Representatives Jack Ladyman, Chair; Bruce Coleman, Justin Gonzales, Lee Johnson, Fredrick Love, Josh Miller, and Clint Penzo

Other Legislators Present: Representatives Harlan Breaux, Joe Cloud, Cindy Crawford, Marsh Davis, Denise Garner, Reginald Murdock, and Johnny Rye

Call to Order and Comments by the Chairs Senator Irvin called the meeting to order.

Consideration to Adopt the September 30, 2020 Meeting Minutes [Exhibit C] Without objection, the minutes were approved.

Arkansas Department of Health, Division of Health Related Boards and Commissions Kevin O'Dwyer, Attorney, State Medical Board discussed the State Medical Board's wish to withdraw Rule 46 for consideration. Sue Tedford, Executive Director, State Nursing Board discussed the State Nursing Board's wish to withdraw its rule pertaining to minor aesthetic/cosmetic surgical procedures.

Unemployment Insurance Employer Charges for 2020 [Handout 1] [Handout 2] Charisse Childers, PhD, Director, Division of Workforce Services, Department of Commerce discussed the process used by the agency in charging the costs of unemployment insurance to individual employers. She also discussed how these charges computed at the end of the year into that employer's unemployment tax rate for the next year. Due to the government mandated shut down, the number of employees drawing unemployment insurance has greatly increased and as a result the unemployment insurance rate for many small businesses will increase. Different solutions are being considered in order to assist small business owners while staying within the limits of state and federal laws. The \$165 million previously allocated to the unemployment trust fund from the CARES Act was to ensure the balance of the Unemployment Trust Fund remained at a level where a formula could determine whether the stabilization rate goes from 0.2% to 0.3%. This transfer of money has saved employers at least \$10 million.

Kristy Beliew, Small Business Owner in Arkansas and Mississippi discussed receiving the charge statement, and acknowledged that her tax rate may go up considerably when computed for 2021. She expressed concern that this increase was a direct result of the government mandated shut down of businesses like hers. Beliew brought the issue to the attention of Representative Ladyman hoping to find a solution for small business owners in Arkansas. Thomas Day, Small Business Owner in Arkansas agreed with Beliew and discussed the issue faced by all small business owners as a direct result of the mandated shut down especially the result of a likely increased tax rate in the coming year 2021.

Establishment of the Business Interruption Insurance Grant Program [Handout 3] Caleb Osborne, Chief of Staff, Arkansas Department of Parks, Heritage, and Tourism discussed the opportunities offered to businesses affected by COVID-19. \$50 million from the CARES Act will be used through the Business Interruption Grant to assist businesses within the service and hospitality industry who have been directly impacted. The assistance will be in the form of a reimbursement program with a portion of eligible expenses being reimbursed. The application program is anticipated to begin on November 16th. All funds will be awarded and distributed by the end of December. Governmental and quasi-governmental organizations are unable to apply for the program due to alternate funding and revenue streams that are available to them. Leslie

Fisken, Chief of Legislative Affairs, Arkansas Department of Parks, Heritage, and Tourism discussed the communications that will be available to business owners prior to the application opening to assist owners as well. It was requested that further clarification be provided in regards to the definition of hospitality.

Update on COVID-19 Pandemic and the Development of Vaccines Jennifer Dillaha, MD, State Epidemiologist, Arkansas Department of Health discussed the increase of COVID-19 cases in Arkansas. There are currently 8,000 active cases and over 1,600 deaths. It appears that there is no lasting immunity against COVID-19 leading some to contract the virus a second time. The virus has a protein on its surface called a spike protein which is able to hook onto a protein located on the receptor called an ACE-2 protein. It is then able to enter the cell and uses its genetic material to hijack the protein making machine. It would then start producing protein for the virus rather than the cell. The virus would then exit the cell causing the immune system to kick into action to begin the production of antibodies.

There are currently 11 vaccines being developed around the world and 5 of these vaccines are within the US. The process for vaccine development begins with identifying a good candidate and testing for the virus. There are three phases: Phase 1, Phase 2, and Phase 3. Phase 1 is when a small number of people are administered a vaccine is believed to be safe. Phase 2 is used to determine whether or not the vaccine worked by comparing to those who received a placebo. Phase 3 includes submitting the results to the Food and Drug Administration (FDA) to determine if it is safe and effective. The manufacturing of the vaccine would then be ramped up in order to produce large amounts. Funding has already been provided to ramp up production once a vaccine has been created, and a plan to prioritize the distribution of vaccines is being developed.

Without further business, the meeting was adjourned at 3:06 PM.