

SUMMARY OF
2020 1st
EXTRAORDINARY
SESSION

92nd GENERAL ASSEMBLY
OF THE STATE OF ARKANSAS

.....

1st Extraordinary Session, March 26, 2020 - March 28, 2020

.....



Bureau of Legislative Research

May 2020

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2020 1st Extraordinary Session

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First Extraordinary Session of 2020

STATE OF ARKANSAS
EXECUTIVE DEPARTMENT
PROCLAMATION

TO ALL TO WHOM THESE PRESENTS SHALL COME - GREETINGS:

- WHEREAS: An extraordinary occasion has arisen making it necessary to convene the 92nd General Assembly into extraordinary session; and
- WHEREAS: An outbreak of coronavirus disease 2019 (COVID-19) has spread throughout the world, resulting in a global pandemic; and
- WHEREAS: On March 11, 2020, by Executive Order 20-03, an emergency was declared in the state as a result of COVID-19, and that emergency is on-going; and
- WHEREAS: COVID-19 continues to spread throughout the United States and Arkansas bringing great hardship to bear upon the citizens of Arkansas; and
- WHEREAS: Necessary measures taken in an attempt to limit the spread of COVID-19 have brought great hardship to bear upon commerce in the state, impacting the revenue of the State of Arkansas; and
- WHEREAS: On March 21, 2020, the United States Treasury Department and Internal Revenue Service announced the federal income tax filing due date is extended from April 15, 2020 to July 15, 2020, and tax payers may also defer federal income tax payments due on April 15, 2020 to July 15, 2020, without penalties and interest, regardless of the amount owed. As a result, Arkansas extended its tax deadline for individual income tax filings and payments to be consistent with this date, further impacting revenue; and
- WHEREAS: There is an urgent need for the State of Arkansas to make budgetary adjustments to respond to the impact of this emergency;

NOW THEREFORE, I, ASA HUTCHINSON, Governor of the State of Arkansas, by virtue of the power and authority vested in me by Article 6, Section 19 of the Arkansas Constitution, do hereby call an Extraordinary Session of the General Assembly to convene in Little Rock on March 26, 2020 at 1:00 p.m., and I do hereby specify that the General Assembly is convened in such Session to consider, and, if so advised, enact laws for the following purposes:

1. To create the COVID-19 Rainy Day Fund; to transfer funds to the COVID-19 Rainy Day Fund; and to Declare an Emergency;
2. To confirm gubernatorial appointees as required by Ark. Code Ann. § 10-2-113; and
3. To provide for the payment of expenses and per diem of the House of Representatives and the Senate for this Extraordinary Session.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Arkansas to be affixed this 24th day of March, in the year of our Lord 2020.




Asa Hutchinson, Governor

First Extraordinary Session of 2020

Act 1 (SB02) and Act 2 (HB1001) of the First Extraordinary Session of 2020

- Act 1 and Act 2 of the First Extraordinary Session of 2020 are identical bills that created a new fund COVID-19 Rainy Day Fund and transferred \$173,610,632 from surplus funds to the new fund.
- This action by the Legislature was in response to the reduction in general revenue distributions due to the COVID-19 crisis and to provide a mechanism to distribute funds to State Agencies that demonstrated the need for additional funding in order to provide essential services and provide funding for unanticipated COVID-19 related needs.
- Any disbursements from this fund requires approval by the Senate Pro Tempore, Speaker, and majority and minority leaders of both chambers. Two out of three of the Representatives and two out of three of the Senators is the required for approval of a release of funds.
- Any remaining balances in the fund at the end of Fiscal Year 2020 is recouped and transferred back into the General Revenue Allotment Reserve Fund, where balances are maintained until appropriated by the General Assembly.

Reductions in Net General Revenue

- On March 23, 2020 the Official General Revenue Forecast was reduced by \$353,091,462 for Fiscal Year 2020. Net general revenue available for distribution was reduced from \$5.737 billion to \$5.384 billion.
- -\$160 million reduction due to the COVID-19 Virus effects in sales tax collections.
 - -\$55 million in the final 3 month period of Sales Tax Collections.
 - -\$105 million in the final 3 month period of Withholding Tax Collections.
- -\$211.5 million reduction due to Executive Order EO20-09 extended the individual income tax return deadline from April 15, 2020 to July 15, 2020 due to the COVID-19 emergency, which effectively moved significant state general revenue income tax collections from FY2020 to FY2021.
 - -\$148 million in reduction in individual tax return collections.
 - -\$63.5 million reduction in collections from individual income tax extension collections.
- An additional \$18.4 million in other various general revenue was also revised.

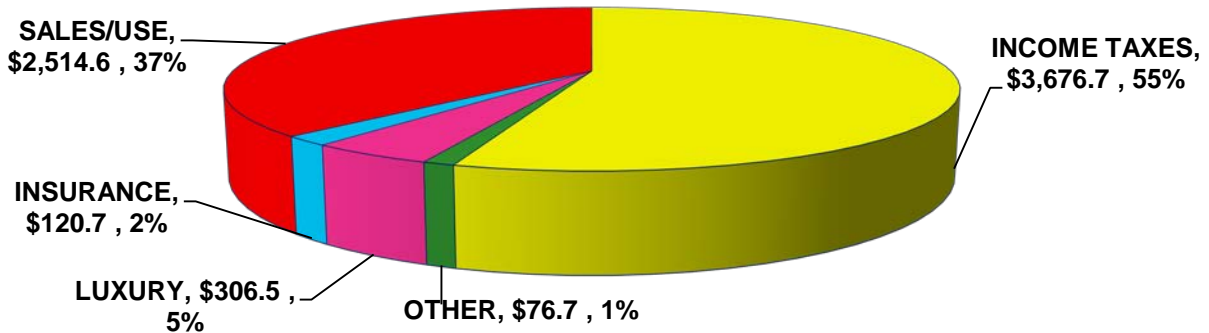
Reductions to State Agencies and Institutions

- On March 23, 2020 the Revenue Stabilization general revenue allocations were reduced to reflect the \$353.1 million reduction in the Official General Revenue Forecast which resulted in Allocation A funding at 95.8%, and Allocations B and C not being funded.

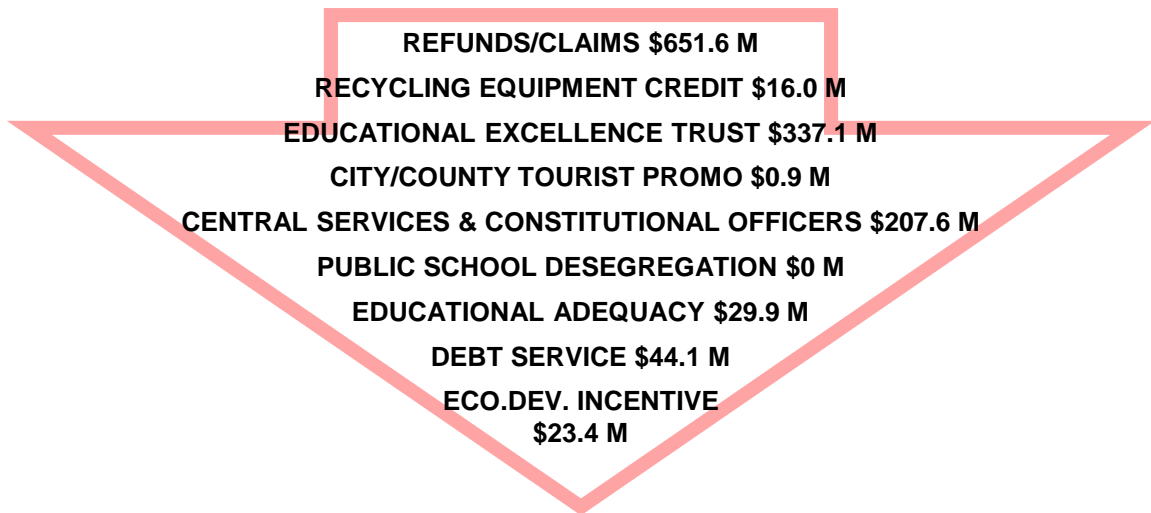
FY2020 Reductions in General Revenue	
Public School Fund (K-12)	(\$121,315,493)
Medicaid	(\$114,138,023)
Total Institutions of Higher Education	(\$43,289,612)
DHS (All Divisions Less Medicaid)	(\$20,177,762)
Correction	(\$17,646,761)
Community Correction	(\$6,285,202)
State Police	(\$5,212,036)
Health Department	(\$3,436,518)
All Other Agencies and Local Aid	(\$21,590,055)
Total Reduction	(\$353,091,462)

FY2019-20 ESTIMATED GROSS GENERAL REVENUES

\$6,695.2 Million (03/23/2020)

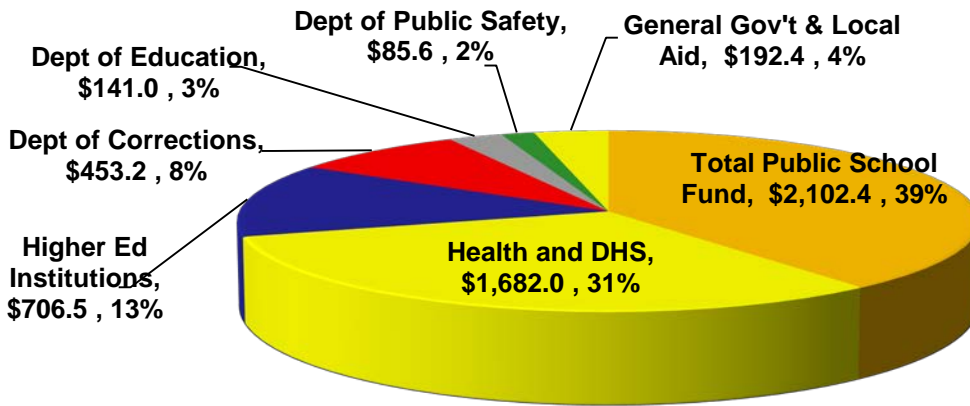


LESS



DISTRIBUTION OF FY2020 "NET AVAILABLE" GENERAL REVENUES¹

\$5,384.0 Million



Rainy Day
\$15.2M
And
Medicaid Trust
\$5.7M

1. Distribution to State Agencies and Institutions: \$5,363.1 Million (RSA 95.8% of A)

DISTRIBUTION OF GENERAL REVENUE FY2020 - March 23, 2020 Forecast

General Revenue Department or Institution and Fund	2018-19	2019-2020 FISCAL YEAR				2019-20 Forecast	% Change
		"A"	"B"	"C"	TOTAL ALLOCATION	March 23, 2020 Forecast (95.8% of A Funded) 0.958042128	
Public School Fund:							
Dept. of Ed - Division of Elementary & Secondary Ed	\$2,156,934,175	\$2,156,851,204	\$30,818,606	\$0	\$2,187,669,810	\$2,066,354,317	-4.20%
Dept. of Ed - State Library	5,641,919	5,641,919	0	0	5,641,919	5,405,196	-4.20%
Dept. of Ed - Career and Technical Education	31,964,455	31,964,521	0	0	31,964,521	30,623,358	-4.20%
Total Public School Fund	\$ 2,194,540,549	\$ 2,194,457,644	\$ 30,818,606	\$ -	\$ 2,225,276,250	\$ 2,102,382,870	-4.20%
General Education Fund:							
Department of Education	\$15,677,561	\$16,298,264	\$0	\$0	\$16,298,264	\$15,614,424	-0.40%
Dept. of Ed - Education Facilities Partnership	41,828,951	41,828,951	-	-	41,828,951	40,073,897	-4.20%
Dept. of Ed - Division of Academic Facilities & Transp	2,509,256	2,617,738	-	-	2,617,738	2,507,903	-0.05%
Dept. of Ed - Educational Television	5,278,441	5,465,076	0	0	5,465,076	5,235,773	-0.81%
Dept. of Ed - School for the Blind	7,016,941	7,234,724	0	0	7,234,724	6,931,170	-1.22%
Dept. of Ed - School for the Deaf	10,142,113	10,511,853	0	0	10,511,853	10,070,798	-0.70%
Dept. of Ed - State Library	3,514,711	3,615,572	0	0	3,615,572	3,463,870	-1.45%
Dept. of Ed - Division of Career and Technical Education	4,790,510	4,802,243	-	-	4,802,243	4,600,751	-3.96%
Dept. of Commerce - Rehabilitation Services	12,897,526	12,910,638	0	0	12,910,638	12,368,935	-4.10%
Technical Institutes							
Crowley's Ridge TI (Merged with East AR CC FY2019)							
Dept. of Ed - Northwest TI	3,062,951	3,148,724	0	0	3,148,724	3,016,610	-1.51%
Dept. of Corrections - Riverside VTS	2,296,614	2,353,432	0	0	2,353,432	2,254,687	-1.83%
Total Funds	\$109,015,575	110,787,215	\$0	\$0	\$110,787,215	\$106,138,819	-2.64%
Department of Human Services:							
Administration - Directors Office	\$20,449,298	\$23,961,086	\$0	\$0	\$23,961,086	\$22,955,730	12.26%
Aging and Adult Services	70,000					0	
Children and Family Services	123,951,648	125,202,457	0	0	125,202,457	119,949,228	-3.23%
Child Care/Early Childhood Education	1,062,433	2,114,627	0	0	2,114,627	2,025,902	90.69%
Youth Services	48,693,779	48,769,900	0	0	48,769,900	46,723,619	-4.05%
Developmental Disabilities Services	64,839,336	66,983,723	0	0	66,983,723	64,173,229	-1.03%
Medical Services	2,182,425	2,337,188	0	0	2,337,188	2,239,125	2.60%
DHS - Grants (Medicaid)	1,251,591,562	1,251,591,562	61,623,904	0	1,313,215,466	1,199,077,443	-4.20%
Behavioral Health Services	101,534,223	96,415,813	2,500,000	0	98,915,813	92,370,411	-9.03%
Services for the Blind (Transferred to Commerce FY20)	1,886,566						
Provider Services and Quality Assurance	\$4,652,477	\$5,385,624	\$0	\$0	\$5,385,624	\$5,159,655	10.90%
County Operations	47,886,932	48,185,582	0	0	48,185,582	46,163,818	-3.60%
Total Department of Human Services	\$1,668,800,679	\$1,670,947,562	\$64,123,904	\$0	\$1,735,071,466	\$1,600,838,158	-4.19%
General Government Fund:							
Dept of Parks, Heritage & Toursim - Div of AR Heritage	\$8,056,879	\$7,512,712	\$0	\$0	\$7,512,712	\$7,197,495	-10.67%
Department of Agriculture	17,298,621	17,716,231	0	0	17,716,231	16,972,896	-1.88%
Department of Labor and Licensing	3,227,555	3,227,813	0	0	3,227,813	3,092,381	-4.19%
Dept of Ed - Division of Higher Education	11,399,182	11,401,648	0	0	11,401,648	10,923,259	-4.18%
Institution Productivity Funding						0	
Higher Education Grants	40,017,466	40,017,466	0	0	40,017,466	38,338,418	-4.20%
Dept of Commerce - Economic Development Commission	11,278,566	14,815,619	0	0	14,815,619	14,193,987	25.85%
Dept. of Corrections - Division of Correction	353,186,149	358,381,920	2,609,818	0	360,991,738	343,344,977	-2.79%
Dept. of Corrections - Division of Community Correction	87,984,370	91,025,675	2,465,958	0	93,491,633	87,206,431	-0.88%

DISTRIBUTION OF GENERAL REVENUE FY2020 - March 23, 2020 Forecast

General Revenue Department or Institution and Fund	2018-19	2019-2020 FISCAL YEAR				2019-20 Forecast	% Change
		"A"	"B"	"C"	TOTAL ALLOCATION	March 23, 2020 Forecast (95.8% of A Funded)	
Department of the Military	9,310,105	9,313,129	0	0	9,313,129	8,922,370	-4.16%
Dept of Parks, Heritage & Tourism - Parks and Tourism	20,425,108	20,775,547	0	0	20,775,547	19,903,849	-2.55%
Dept of Energy & Environmt - Div of Environmental Quality	3,795,216	3,965,422	0	0	3,965,422	3,799,041	0.10%
Miscellaneous Agencies	58,760,822	60,393,652	954,718	0	61,348,370	57,859,663	-1.53%
Total General Government Funds	\$624,740,039	\$638,546,834	\$6,030,494	\$0	\$644,577,328	\$611,754,768	-2.08%
Other Funds:							
County Aid	\$21,428,616	\$21,428,616	\$0	\$0	\$21,428,616	\$20,529,517	-4.20%
Dept of Corrections - County Jail Reimbursement	18,263,607	18,263,607	0	0	18,263,607	17,497,305	-4.20%
Dept of Public Safety - Crime Information Center	3,759,593	3,759,593	0	0	3,759,593	3,601,848	-4.20%
DFA - Child Support Enforcement	12,984,053	12,984,053	0	0	12,984,053	12,439,270	-4.20%
Health Department	78,491,994	81,904,015	0	0	81,904,015	78,467,497	-0.03%
Performance Fund (Merit Adjustment)	24,000,000	0	0	14,785,000	14,785,000	0	
Motor Vehicle Acquisition	3,000,000	3,000,000	0	0	3,000,000	2,874,126	-4.20%
Municipal Aid	29,372,099	29,372,099	0	0	29,372,099	28,139,708	-4.20%
Dept of Public Safety - Div of AR State Police	66,375,577	69,308,454	2,304,001	0	71,612,455	66,400,419	0.04%
Dept of Trans. & Shared Svcs - Dept of Info Systems							
Dept of Commerce - Workforce Services - TANF	3,864,840	3,864,840	0	0	3,864,840	3,702,680	-4.20%
Dept of Commerce - Workforce Services - Adult Ed							
Dept of Commerce - State Services for the Blind		1,965,700	0	0	1,965,700	1,883,223	-0.18%
Dept of Commerce - Skills Development Fund							
Total Other Funds	\$261,540,379	\$245,850,977	\$2,304,001	\$14,785,000	\$262,939,978	\$235,535,593	-9.29%
HIGHER EDUCATION INSTITUTIONS							
Four Year Institutions							
Arkansas State University	\$59,090,991	\$58,876,246	\$0	\$0	\$58,876,246	\$56,405,924	-4.54%
Arkansas Tech University	32,910,223	32,538,697	271,166	0	32,809,863	31,173,443	-5.28%
Henderson State University	18,971,741	18,971,741	75,980	0	19,047,721	18,175,727	-4.20%
Southern Arkansas University	16,072,947	15,740,826	1,801,893	0	17,542,719	15,080,374	-6.18%
UA-Fayetteville	122,494,054	118,711,855	3,304,143	0	122,015,998	113,730,958	-7.15%
UA - System	3,417,950	3,417,950	61,523	0	3,479,473	3,274,540	-4.20%
UA - Archeological Survey	2,327,380	2,327,380	41,893	0	2,369,273	2,229,728	-4.20%
UA - Agriculture	62,800,138	62,800,138	1,130,402	0	63,930,540	60,165,178	-4.20%
UA - Clinton School	2,295,575	2,295,575	41,320	0	2,336,895	2,199,258	-4.20%
UA - Criminal Justice Institute	1,825,769	1,825,769	32,864	0	1,858,633	1,749,164	-4.20%
UA - Math, Science and Arts School	1,113,015	1,113,015	20,034	0	1,133,049	1,066,315	-4.20%
U of A - Fort Smith	20,594,615	20,574,769	0	0	20,574,769	19,711,495	-4.29%
UA-Little Rock	60,755,097	60,444,730	0	0	60,444,730	57,908,598	-4.69%
UA-Medical Sciences	86,456,661	86,456,661	1,556,220	0	88,012,881	82,829,123	-4.20%
UAMS - Child Abuse/Rape/Domestic Violence	735,000	735,000	13,230	0	748,230	704,161	-4.20%
UAMS - Pediatrics/Psychiatric Research	1,950,000	1,950,000	35,100	0	1,985,100	1,868,182	-4.20%
UAMS - Child Safety Center	720,588	720,588	12,971	0	733,559	690,354	-4.20%
UAMS - Indigent Care	5,342,181	5,342,181	96,159	0	5,438,340	5,118,034	-4.20%
UA-Monticello	15,946,042	15,786,582	0	0	15,786,582	15,124,211	-5.15%
UA-Pine Bluff	25,567,663	25,567,663	279,922	0	25,847,585	24,494,898	-4.20%
University of Central Arkansas	53,710,747	53,645,852	655,962	0	54,301,814	51,394,986	-4.31%
	595,098,378	589,843,218	9,430,782	0	599,274,000		
Two Year Institutions							
Arkansas Northeastern College	\$ 8,577,052	\$ 8,491,281	\$ -	\$ -	\$ 8,491,281	\$ 8,135,005	-5.15%
Arkansas State University - Beebe	12,901,624	11,929,786	0	0	11,929,786	11,429,238	-11.41%

DISTRIBUTION OF GENERAL REVENUE FY2020 - March 23, 2020 Forecast

General Revenue Department or Institution and Fund	2018-19	2019-2020 FISCAL YEAR				2019-20 Forecast March 23, 2020 Forecast (95.8% of A Funded)	% Change
		"A"	"B"	"C"	TOTAL ALLOCATION		
Arkansas State University - Mountain Home	3,741,956	3,684,591	156,235	0	3,840,826	3,529,993	-5.66%
Arkansas State University - Newport	6,721,164	6,052,216	921,406	0	6,973,622	5,798,278	-13.73%
Cossatot CC of UA	3,716,038	3,429,760	182,842	0	3,612,602	3,285,855	-11.58%
East Arkansas Community College	8,432,459	8,348,134	0	0	8,348,134	7,997,864	-5.15%
Arkansas State University - Mid-South	3,938,447	3,896,588	48,912	0	3,945,500	3,733,095	-5.21%
Arkansas State University - Mid-South - ADTEC	1,500,000	1,500,000	27,000	0	1,527,000	1,437,063	-4.20%
National Park College	9,046,489	8,956,024	0	0	8,956,024	8,580,248	-5.15%
North Arkansas College	8,006,028	7,925,968	0	0	7,925,968	7,593,411	-5.15%
NorthWest Arkansas Community College	10,619,202	10,619,202	787,056	0	11,406,258	10,173,643	-4.20%
Phillips Community College of the UA	9,063,088	8,972,457	0	0	8,972,457	8,595,992	-5.15%
U of A - Community College at Rich Mountain	3,206,869	3,174,800	0	0	3,174,800	3,041,592	-5.15%
Southern Arkansas University - Tech	5,705,511	5,648,456	0	0	5,648,456	5,411,459	-5.15%
SAU - Tech - Environmental Control Center	368,404	368,404	6,631	0	375,035	352,947	-4.20%
SAU - Tech - Fire Training Academy	1,651,221	1,651,221	29,722	0	1,680,943	1,581,939	-4.20%
South Arkansas Community College	6,034,307	6,034,307	218,484	0	6,252,791	5,781,120	-4.20%
U of A - Community College at Batesville	4,131,061	4,131,061	64,112	0	4,195,173	3,957,730	-4.20%
U of A - Community College at Hope-Texarkana	4,555,914	4,536,917	475,943	0	5,012,860	4,346,558	-4.60%
U of A - Community College at Morrilton	5,022,155	4,985,709	0	0	4,985,709	4,776,519	-4.89%
Technical Colleges	116,938,989	114,336,882	2,918,343	0	117,255,225		
Black River	\$ 6,113,516	\$ 6,052,381	\$ -	\$ -	\$ 6,052,381	\$ 5,798,436	-5.15%
College of the Ouachitas	3,559,326	3,523,733	0	0	3,523,733	3,375,885	-5.15%
Ozarka College	3,126,475	3,095,210	0	0	3,095,210	2,965,342	-5.15%
U of A - Pulaski Tech	15,137,437	14,986,063	0	0	14,986,063	14,357,280	-5.15%
Southeast Arkansas College	5,636,798	5,580,430	0	0	5,580,430	5,346,287	-5.15%
Total Institutions of Higher Education	\$745,610,919.20	\$737,417,917.00	\$12,349,125.00	\$0.00	\$749,767,042.00	\$706,477,430.43	-5.25%
GENERAL REVENUE DISTRIBUTED TO AGENCIES AND INSTITUTIONS	\$5,604,248,140	\$5,598,008,149	\$115,626,130	\$14,785,000	\$5,728,419,279	\$5,363,127,639	-4.30%
INCLUDED IN RSA ALLOCATION LANGUAGE:							
RAINY DAY FUND (Rainy Day Set-Aside in GIF until FY18)	\$ 15,877,476	\$ 15,877,476	\$ 0	\$ 0	\$ 15,877,476	\$ 15,211,291	
MEDICAID TRUST FUND	\$ 5,909,000	\$ 5,909,000	\$ 0	\$ 0	\$ 5,909,000	\$ 5,661,071	
RESTRICTED RESERVE FUND	NA					NA	
TOTAL GENERAL REVENUE DISTRIBUTED (Plus Rainy Day/Medicaid Trust/Restricted Restricted)	\$5,626,034,616	\$ 5,619,794,625	\$ 115,626,130	\$ 14,785,000	\$ 5,750,205,755	\$5,384,000,000	-4.30%
GENERAL REVENUE NOT INCLUDED IN RSA							
SURPLUS / GENERAL REVENUE ALLOTMENT RESERVE / RECOUPED	173,578,976					0	
25% SURPLUS TRANSFERRED TO TRANSPORTATION DEPARTMENT	73,851,005					0	
RESTRICTED RESERVE FUND (Not Included in RSA distributions / FY2019 included transfer language after RSA disbursements)	47,974,039					NA	
GRAND TOTAL GENERAL REVENUE COLLECTED (Includes All Surplus and Transfers)	\$5,921,438,635					\$5,384,000,000	-9.08%