

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

July 21, 2022

The Arkansas Legislative Council met at 9:00 a.m., Friday, June 17, 2022, 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. The members present are listed on the sign-in sheets. Senator David Wallace 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 May 20, 2022 (Exhibit C), and asked if there were any questions. There were no questions.

Co-Chair Rice moved that the minutes of the May 20, 2022 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Point of Personal Privilege

Co-Chair Rice recognized Representative Mark Perry for a point of personal privilege. Representative Perry presented a House Citation to Captain Charlie Brice for his retirement from the Arkansas State Capitol Police after 29 years of service. Captain Brice began his career with the Arkansas State Capitol Police on January 4, 1993. Members of the Arkansas Legislative Council (ALC) acknowledged and applauded Captain Brice for his great service to state government.

Revenue Report

Co-Chair Rice recognized Ms. Wendy Cartwright, Administrator, Bureau of Legislative Research - Fiscal Division, to present the May 2022 General Revenue Report (Exhibit D). Ms. Cartwright reported, collections of Gross General Revenue as of May 2022 are at \$7.8 million, an 8.5% increase above last fiscal year. Ms. Cartwright further reported, the May 2022 collections of \$4.6 million, are above the forecast that was revised last month. With no questions from members, this concluded the May 2022 General Revenue report.

Report of the Executive Subcommittee

Co-Chair Rice recognized Co-Chair Jeff Wardlaw to present the report of the Executive Subcommittee (Exhibit E). Co-Chair Wardlaw reported that the Executive Subcommittee met on Tuesday, June 14, 2022, and reviewed and approved an emergency rule for the Arkansas Insurance Department (AID). The approval of the emergency rule was reported to all members of ALC. In addition, the subcommittee heard a rule from the Department of Human Services (DHS) related to acute crisis units. The subcommittee requested clarification on the rule for a division of different age groups in the crisis units. Clarification was received and the rule was approved. Notice of review and approval was sent to all ALC members. Co-Chair Wardlaw further reported, the subcommittee recommended the July 2022 ALC meeting be moved back one week to July 22,

2022, with all ALC meetings being held Monday, July 18, 2022 through Thursday, July 21, 2022. This report serves as a required notice to members of rescheduling those meetings. This concluded the report of the Executive Subcommittee, and there were no questions.

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

Point of Personal Privilege

Co-Chair Rice recognized himself for a point of personal privilege and expressed appreciation from members to state agency secretaries, directors, administration, and staff, for making themselves available to members for questions or discussion, during ALC meeting weeks.

Reports of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Rice recognized Representative Les Eaves to present the report of the Administrative Rules Subcommittee (Exhibit F.1). Representative Eaves reported that the Administrative Rules Subcommittee met on Thursday, June 16, 2022. The subcommittee adopted a report of the Executive Subcommittee concerning its approval of an emergency rule. The subcommittee also filed the June 2022 monthly written agency updates, and filed summaries concerning outstanding rulemaking, pursuant to Act 595 of 2021. The subcommittee approved an agency's request to be excluded from further Act 595 reporting requirements. At the agency's request, one (1) rule by the Arkansas State Medical Board, and one (1) rule by the Saline County Regional Solid Waste Management District Board were pulled from consideration prior to the meeting. At the agency's request, one (1) rule by the Arkansas State board of Nursing was pulled from consideration at the meeting. One (1) rule by the Commission on Water Well Construction, concerning a supervision rule, was held for consideration at the subcommittee's September 2022 meeting. Representative Eaves further reported, the subcommittee also held a rule by the Arkansas State Medical Board, concerning telemedicine, for consideration at the subcommittee's August 2022 meeting. All other rules were reviewed and approved, with Senator Missy Irvin, noting her objection to the rule of the Department of Agriculture - Veterinary Medical Examiner's Board regarding telehealth and telemedicine. This concluded the report of the Administrative Rules Subcommittee, and there were no questions.

Representative Les Eaves moved that the report of the Administrative Rules Subcommittee be adopted. The motion was seconded and passed by voice vote.

Higher Education Subcommittee

Co-Chair Rice recognized Senator Jane English to present the report of the Higher Education Subcommittee (Exhibit F.5). Senator English reported that the Higher Education Subcommittee met on Monday, June 13, 2022, and heard testimony regarding the following items: overview of the Arkansas Center for Forest Business at the University of Arkansas at Monticello, as an Economic and Workforce Driver for Arkansas; and discussion of the impact of the University of Arkansas at Pine Bluff on First Generation College Students and the 1890 Land Grant Mission. This concluded the report of the Higher Education Subcommittee, and there were no questions.

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

Medical Marijuana Oversight Subcommittee

Co-Chair Rice recognized Senator Bill Sample to present the report of the Medical Marijuana Oversight Subcommittee (Exhibit F.7). Senator Sample reported that the Medical Marijuana Oversight Subcommittee met on Monday, June 13, 2022, and discussed an overview of Proposed Rule No. 38 regarding telemedicine, provided by the Arkansas State Medical Board. The subcommittee took no action regarding the rule. This concluded the report for the Medical Marijuana Oversight Subcommittee, and there were no questions.

Senator Bill Sample moved that the report of the Medical Marijuana Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Wardlaw recognized Senator Jonathan Dismang to present the report from the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Senator Dismang reported that the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, June 14, 2022, and received reports, reviewed requests, and approved requests for appropriation transfers, funds transfers, a request to maintain the 2.1% deduction on General and Special Revenues for the State Central Services Fund, and a request to provide prior approval of appropriation transfers to the Department of Finance & Administration (DF&A) when closing the fiscal books on FY2022. Senator Dismang further reported, two (2) items in the report were held and there is one (1) additional item where members requested more information. The first hold is for item C.2. on the report - Department of Energy and Environment – Division of Environmental Quality – WAP, in the amount of \$32,895,998, an infrastructure request from ADEQ for their Weatherization Assistance Program.

Co-Chair Rice recognized Mr. Lawrence Bengal, Chief Administrator of the Energy Program, Mr. Mitchell Simpson, Director of Energy, and Ms. Kay Joiner, Sr. Programs Manager, Department of Energy and Environment, to respond to questions and provide more information to members. Co-Chair Rice then recognized members for questions. After questions, Co-Chair Rice recognized Senator Dismang for a motion.

Senator Dismang made a motion to re-refer the Department of Energy and Environment – Division of Environmental Quality – WAP, in the amount of \$32,895,998, an infrastructure request from ADEQ for their Weatherization Assistance Program, back to the PEER Subcommittee for further discussion.

Before accepting the motion, Co-Chair Rice recognized himself and Co-Chair Wardlaw for questions and/or statements. After accepting the motion, Co-Chair Rice recognized Senator Linda Chesterfield and Representative Frances Cavanaugh for discussion on the motion. After discussion, Senator Dismang made a substitute motion.

Senator Jonathan Dismang made a substitute motion to re-refer the Department of Energy and Environment – Division of Environmental Quality – WAP, in the amount of \$32,895,998, an infrastructure request from ADEQ for their Weatherization Assistance Program, back to the PEER Subcommittee for further discussion and to allow the PEER Subcommittee to make the final decision by the July 1, 2022 date.

Co-Chair Rice recognized Senator’s Jimmy Hickey, Jr., Missy Irvin, and Mark Johnson for discussion on the motion.

After discussion, the motion was seconded and passed by voice vote.

Co-Chair Rice recognized Senator Dismang to continue with his report. Senator Dismang further reported that a MFG, Item L.2 of the report, from Department of Inspector General – \$99,853 – 1 (one) Position, was held by a member who has now received the information from the agency, thus releasing the hold. There were also questions by members during the PEER meeting on Item B.2(b) of the report, a RFP request from University of Arkansas at Little Rock – \$1,425,000. Co-Chair Rice recognized Ms. Joni Lee, Vice Chancellor for University Affairs, and Mr. Michael Singleton, Associate State Director, Arkansas Small Business and Technology Development Center, UALR, to come forward to provide a brief overview of the program and respond to any questions from members. With no questions, this concluded the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee.

Senator Jonathan Dismang moved that all items within the report reflecting holds be removed and approved, including item L.2, and the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted. The motion was seconded and passed by voice vote.

Policy-Making Subcommittee

Co-Chair Rice recognized Representative DeAnn Vaught to present the report of the Policy-Making Subcommittee (Exhibit F.9). Representative Vaught reported the Policy-Making Subcommittee met Wednesday, June 15, 2022, and discussed committee fund allocations for mileage and per diem for FY2023. The subcommittee recommended approval of the committee fund allocations that are set forth in the attachment of this report. The balance will be effective July 1, 2022. This concluded the report for the Policy-Making Subcommittee, and there were no questions.

Representative DeAnn Vaught moved that the report of the Policy-Making 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 from the Review Subcommittee (Exhibit F.10). Senator Flippo reported that the Review Subcommittee met on Tuesday, June 14, 2022, and reviewed methods of finance, general contractors construction projects, discretionary grants, and services contracts. No items were held. This concluded the report of the Review Subcommittee, and there were no 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 David Hillman to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Representative Hillman reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Wednesday, June 15, 2022, and reviewed and approved requests listed as Items 1 – 39 on the report. Items 21 – 36 were reviewed as part of a batch as they were continuations of previously reviewed requests. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

Representative David Hillman moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted. The motion was seconded and passed by voice vote.

Lottery Oversight Subcommittee

Co-Chair Rice recognized Representative Gary Deffenbaugh to present the report of the Lottery Oversight Subcommittee (Exhibit F.12). Representative Deffenbaugh reported that the Lottery Oversight Subcommittee met on Wednesday, June 15, 2022, and heard testimony and reviewed the following item: Department of Finance & Administration (DF&A), Office of Arkansas Lottery proposed request of review of a major procurement contract. This concluded the report of the Lottery Oversight Subcommittee, and there were no questions.

Representative Gary Deffenbaugh moved that the reports of the Lottery Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Highway Commission Review and Advisory Subcommittee

Co-Chair Rice recognized Senator Blake Johnson to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit F.13). Senator Johnson reported that the Highway Commission Review and Advisory Subcommittee met on Thursday, June 16, 2022, and heard testimony from Secretary Elizabeth Smith, regarding proposed recommendations from the Department of Inspector General - Office of Internal Audit, concerning the Annual Project Review and Efficiency Study of the Arkansas Department of Transportation (ARDOT). No questions were asked and no changes were recommended to the parameters of the study as presented. This concluded the report of the Highway Commission Review and Advisory Subcommittee, and there were no questions.

Senator Blake Johnson moved that the report of the Highway Commission Review and Advisory Subcommittee be adopted. The motion was seconded and passed by voice vote.

Employee Benefits Division Oversight Subcommittee

Co-Chair Rice recognized Representative Jack Ladyman, Vice Co-Chair, to present the report of the Employee Benefits Division Oversight Subcommittee (Exhibit F.14). Representative Ladyman reported that the Employee Benefits Division Oversight Subcommittee met on

Thursday, May 26, 2022, and heard the following presentations: consultant services contract with The Segal Group, an overview of the Employee Health Benefits Study, and an update on the current Employee Benefits Division (EBD). The subcommittee also reviewed the following EBD Contract Amendments: ConnectYourCare, LLC - Amendment 2; and Mainstream Technologies - Amendment 5.

Representative Ladyman also reported that the Employee Benefits Division Oversight Subcommittee met on Wednesday, June 15, 2022, and approved actions of the State Board of Finance regarding approved plan rates for the 2023 plan year, and implementation of a Medicare Advantage plan for retirees under the state employee and public school employee plan. The Subcommittee also reviewed the following items: EBRx UAMS – Amendment 5 - \$1,230,833; MedImpact Healthcare Systems, Inc. – Amendment 5 - \$2,500,000; United Healthcare – New Contract - \$137,854,800. The subcommittee passed a motion regarding the United Healthcare Medicare Advantage Prescription Drug (MAPD) Contract of \$137,854,800. The motion grants the authority to the ALC Co-Chairs to review the contract between the Employee Benefits Division (EBD) and United Healthcare, related to the MAPD Coverage for retirees, upon receipt of the administrative protest determination from the Office of State Purchasing Director, if the determination is received by June 30, 2022, and the contract with United Healthcare is unchanged from the contract presented to the EBD Subcommittee on June 15, 2022. This concluded the report of the Employee Benefits Division Oversight Subcommittee, and there were no questions.

Representative Jack Ladyman moved that the report of the Employee Benefits Division Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Occupational Licensing Review

Co-Chair Rice recognized Representative Frances Cavanaugh, to present the report of the Occupational Licensing Review Subcommittee (Exhibit F.15). Representative Cavanaugh reported that the Occupational Licensing Review Subcommittee met on Thursday, June 16, 2022, and heard from the Arkansas Department of Health regarding the reporting questionnaire. This concluded the report of the Occupational Licensing Review Subcommittee, and there were no questions.

Representative Frances Cavanaugh moved that the report of the Occupational Licensing Review Subcommittee be adopted. 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 H.01, H.02, H.06(b), and H.08(b) and noted action by the Legislative Council is needed for those items. There were no questions from members.

H. 01. Arkansas Public Employees Retirement System, Request for the Legislative Council's review of the partial equity ownership investments with the following, submitted pursuant to A.C.A § 19-11-1302:

- a. The Realty Associates Fund XIII UTP, L.P.

Senator Missy Irvin made a motion to file Item H.01 - Arkansas Public Employees Retirement System, as reviewed. The motion was seconded and passed by voice vote.

H.02. Arkansas Teacher Retirement System, Request for Legislative Council's review of Investment Summaries, submitted pursuant to A.C.A. §19-11-1302:

- a. BVIP Fund XI, L.P.; and
- b. Blackstone Real Estate Partners X, L.P.

Senator Missy Irvin made a motion to file Item H.02 - Arkansas Teacher Retirement System, as reviewed. The motion was seconded and passed by voice vote.

H.06. Department of Parks, Heritage, and Tourism:

- b. Division of Arkansas State Parks, Report of special maintenance projects for FY2023, submitted pursuant to Section 21 of Act 174 of 2022.

Senator Greg Leding made a motion to file Item H.06(b) - Department of Parks, Heritage, and Tourism, Division of Arkansas State Parks, as approved. The motion was seconded and passed by voice vote.

H.08. Department of Transformation and Shared Services:

- b. Division of Information Systems, Request for review of the Division of Information System's annual operating budget rate book for FY2023, submitted pursuant to A.C.A. § 25-4-119.

Senator Greg Leding made a motion to file Item H.08(b) - Department of Transformation and Shared Services, Division of Information Systems, as reviewed. The motion was seconded and passed by voice vote.

New Interim Study Proposals and Interim Resolutions

Co-Chair Rice referred members to the ISP listed on the agenda as Item J.01, and noted action by the Legislative Council is needed for that item. There were no questions from members.

J.01. Interim Study Proposal 2021-126, by Representative Lee Johnson, a study on the impact of the formation of insurance networks for air ambulance and ground ambulance services on current providers, patients, and the Arkansas trauma system.

Co-Chair Jeff Wardlaw made a motion to refer ISP 2021-126 to the House - Insurance and Commerce Committee. The motion was seconded and passed by voice vote.

Adjournment

At 10:15 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