

**MINUTES OF THE MEETING**  
**OF THE**  
**ARKANSAS LEGISLATIVE COUNCIL**

**Friday, May 17, 2019**

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The Arkansas Legislative Council met at 9:00 a.m., Friday, May 17, 2019, in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair Jeff Wardlaw called the meeting to order and recognized a quorum of members present. The members present are listed on the sign-in sheets.

**Roll Call for Seat Assignment**

Co-Chair Wardlaw stated that the first order of business is a roll call for members' to select their seat assignment in Committee Room A of the Big Mac Building. Co-Chair Wardlaw directed staff to call the roll, and seat assignments were selected as noted in Exhibit B.

**Minutes of the Previous Meeting**

Co-Chair Wardlaw referred the members to the minutes of the last Legislative Council meeting on December 21, 2018 (Exhibit C) and asked if there were any questions. There were no questions.

**Senator Terry Rice moved that the minutes of the December 21, 2018 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.**

**Presentation of the April 2019 Revenue Report**

Co-Chair Wardlaw recognized Richard Wilson, Assistant Director for Research Services of the Bureau of Legislative Research to present the April 2019 Arkansas Revenue Report (Exhibit D). Mr. Wilson reported that the April 2019 monthly revenue report reflects that the revenue growth in March 2019 and April 2019 set some records. Mr. Wilson stated never before has a single month of revenue collections hit the \$900 million mark, but collections in April 2019 were at \$958 million. Mr. Wilson stated that never before have we seen a single month with a net available revenue at \$100 million above the forecast, and the net available in April 2019 was at \$102 million.

Mr. Wilson referred to the first page of the April 2019 revenue report and reported that after ten (10) months of Fiscal Year 2019, gross general revenue collections are \$393.7 million above collections during the same period last year for a growth rate of seven percent (7%). Mr. Wilson reported that net general revenues available are \$301 million above collections during the same period last year for a growth rate of six point six percent (6.6%). Mr. Wilson reported that the graph shows that collections were slightly below the forecast in February 2019 on a year-to-date basis, but that collections in March 2019 were good and were generated mostly from corporate income tax. Mr. Wilson reported that the graph reflects \$102 million bump in the month of April 2019 with most of the collections from individual and corporate income tax. Mr. Wilson reported that in March 2019 the general revenue net available was \$52 million above the forecast, and general revenue net available in April 2019 was \$102 million above forecast. Mr. Wilson noted that in the graph, the zero line represents the official forecast and that deviations from the official forecast are shown from month to month. Mr. Wilson

noted that the official forecast includes a \$64 million surplus, and adding that amount results in \$213 million above distribution amount for the ten-month period in the general revenue report.

Mr. Wilson reported that the spreadsheet reflects that year-to-date withholding is a very solid four point four percent (4.4%), but the bigger numbers are in the estimates and final payments for both corporate and individual income tax. Mr. Wilson reported that after ten (10) months, the weighted average growth in income tax is eleven percent (11%), and the gross receipts are at two percent (2%). This concluded the general revenue report, and Mr. Wilson responded to questions. Mr. Wilson responded to questions that the increased growth, includes corporate and individual income, as well as income from capital gains. Mr. Wilson reported that he had been told that there is a lot of one-time monies in the growth spike, and the following year could possibly result in larger refunds.

In response to Senator Stephanie Flowers' question of what is the reason for doubling of the deviation from the official forecast from April 2018 to April 2019, Mr. Wilson stated he would look into the reason and respond to Senator Flowers. There were no further questions.

### **Report of the Executive Subcommittee**

Co-Chair Wardlaw recognized Co-Chair Cecile Bledsoe to present the Report of the Executive Subcommittee (Exhibit E).

#### March 25, 2019 Meeting

Co-Chair Cecile Bledsoe reported that the Executive Subcommittee met on March 25, 2019 regarding a request from a member to retain The Stephen Group for review and advice of the Milliman Report, and determined that the contract would not be pursued.

At this meeting, the subcommittee reviewed and adopted an amendment to the Big Mac Building security policy (see Attachment 1), which incorporates the provisions of Act 472 of 2019 to allow a law enforcement officer to remain armed when entering the facility whether or not the officer is on-duty or off-duty. The subcommittee also reviewed and adopted the Bureau of Legislative Research live-streaming policies and procedures for Committee Room A and Committee Room B in the Big Mac Building (see Attachment 2).

#### April 1 and April 8, 2019 Meetings

Co-Chair Bledsoe reported that the Executive Subcommittee met again on April 1, 2019 to review an emergency rule for the Arkansas State Plant Board, and met again on April 8, 2019 to review an emergency rule for the Arkansas Department of Health. The subcommittee reviewed and approved both emergency rules, and the subcommittee's actions were reported to members of the Legislative Council in accordance with Legislative Council Rules.

#### April 24, 2019 Meeting

Co-Chair Bledsoe reported that the Executive Subcommittee met on April 24, 2019, and discussed proposed changes to the Legislative Council Rules (see Attachment 3), and the subcommittee voted to recommend the changes to the full Legislative Council. Co-Chair Bledsoe reported the proposed rule changes were sent to all Legislative Council members and alternates on April 29, 2019, and then asked

that Jill Thayer, Bureau of Legislative Research Legal Counsel to the Director, come forward to present the changes and to respond to questions.

Co-Chair Wardlaw recognized Ms. Thayer and asked that she identify herself for the record. Ms. Thayer provided a detailed explanation of each of the changes, which included the following:

- After the Review Subcommittee conducted its procurement study, six (6) acts were introduced and passed during the 2019 Regular Session. Changes found on pages 2 and 3 reflect the changes due to Act 417, Act 419, and Act 421 of 2019.
- Under Act 417, general services contracts and professional consultant services were combined and now contracts with one (1) or more persons are submitted for review.
- Rule 5.(a)(1)(D) (see page 2) requires the Office of State Procurement to submit a report that will be submitted after July 24, 2019 when the acts go into effect. The report will consist of: (1) all executed contracts with no material change since the contract was last reviewed by the subcommittee that are below the thresholds from \$25,000 and up to \$50,000 for annual contract, and below \$300,000 for the total contract amount; and (2) contracts done by a procurement official at a state agency under a delegation order. Members may request that a contract be pulled out for separate discussion after notice is provided to the Legislative Council chairs.
- Rule 5.(a)(1)(E) (see page 2) is a new provision that requires mandatory review of state contracts that are not for commodities or services within the exclusive jurisdiction of the Director of the Office of State Procurement.
- Rule 5.(a)(1)(F) (see page 2) allows for the review of rules by the Review Subcommittee if the rules are promulgated under the Arkansas procurement law.
- Under Act 315, the name of the Administrative Rules and Regulations Subcommittee was changed to the Administrative Rules Subcommittee throughout the Arkansas Code (see page 4).
- Rule 5.(a)(4)(B) (see page 4) is a new provision that allows state agency appeals of administrative rule codification decisions made by the Bureau of Legislative Research. Act 662 requires the Bureau to compile all administrative rules into an Administrative Rules Code.
- Rule 5.(a)(13)(B)(iii) (see page 6) is a new provision that provides that during the December meeting at the end of each biennium, that the Highway Commission Review and Advisory Subcommittee will hear a report from the Director of the Department of Transportation regarding proposed draft legislation as required by Act 299.
- Rule 5.(a)(13)(C) (see page 6) is a new provision regarding a study assigned to the Legislative Council, and delegated to the Highway Commission Review and Advisory Subcommittee. Act 298 requires a study of the Department of Transportation, and all of its functions and processes, and also requires a consultant be hired to carry out the study.
- Rule 5.(a)(14) (see pages 6-7) reflects changes due to Act 107 that abolished the Board of Directors of the Arkansas Health Insurance Marketplace, and combined that into the Arkansas Insurance Department. The stricken-through language shows that some of the duties of the Arkansas Health Insurance Marketplace (AHIM) Oversight Subcommittee no longer exist.
- Rule 5.(a)(15) (see page 8) is a new provision that creates the Occupational Licensing Review Subcommittee, which is a new subcommittee that was created for the purpose

of conducting an annual rotating review of all occupational licensing entities and all of the licenses that those entities issue. The Legislative Council is required to conduct this review pursuant to Act 600, which resulted from the Red Tape Reduction Working Group.

- Rule 5.(k) (see page 11) was updated to change the word "Special Events" to "Planned Activities" to conform with the law.
- Rule 16 (see page 16) concerning Emergency Actions was changed after presentation to the Executive Subcommittee and the proposed changes are in the handout (Exhibit E Handout). Subsection (a) of this rule was changed to add "the Secretary of the Department of Transformation and Shared Services, or the Director of the Department of Higher Education" to the list of entities that can inform the Legislative Council that emergency action is needed. A new subdivision (B) was added to allow the corresponding vice chairs to make the decision on emergency action in the event that the Chairs of the Legislative Council or the Review Subcommittee is not available or decides not to take emergency action.
- Rule 22 (see pages 19-21) was revised to remove language dealing specifically with subcommittee procedures because these procedures are in the subcommittee rules.
- Rule 22(e)(1)(B)(i) (see page 21) is a new provision that lists the current practice regarding the statement by the chair when a proposed rule is considered separately from the subcommittee's report.
- Rule 22(e)(1)(C) (see page 21) is a new provision added due to Act 319, which came from the Red Tape Reduction Working Group, that allows rules to be grouped together and reviewed and approved as a group.
- Rule 24 (see page 24) provides that all the documents and records kept by the Bureau of Legislative Research are subject to the Freedom of Information Act and the working papers exemptions, and restates the law.

There were no questions following the explanation. Co-Chair Wardlaw asked if there was a motion.

**Co-Chair Cecile Bledsoe moved that the Executive Subcommittee Report be adopted. The motion was seconded by Senator Jane English and passed by voice vote.**

**Co-Chair Cecile Bledsoe moved to adopt the Rules of the Legislative Council with the addition to Rule 16 concerning emergency action, and the motion was seconded by Senator Jim Hendren. Co-Chair Wardlaw called for a voice vote by the House members of the Legislative Council, and the motion passed. Co-Chair Wardlaw called for a voice vote by the Senate members of the Legislative Council, and the motion passed.**

### **Reports of the Standing Subcommittees**

#### Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Senator Lance Eads to present the report of the Administrative Rules Subcommittee meeting on May 15, 2019 (Exhibit F.1). Senator Eads reported that the Administrative Rules Subcommittee met on May 15, 2019, and adopted the subcommittee rules, adopted the reports of the Executive Subcommittee concerning emergency rules, and reviewed and filed the quarterly reports submitted by the Arkansas Parole Board, the Department of Community Correction, and the

Department of Correction in accordance with Act 1258 of 2015. The subcommittee reviewed and approved all rules on the agenda.

**Senator Lance Eads moved that the report of the Administrative Rules and Regulations Subcommittee meeting on May 15, 2019 be adopted. The motion was seconded by Senator Jane English, and passed by voice vote.**

#### Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Wardlaw recognized Representative DeAnne Vaught to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Representative Vaught reported that the subcommittee met on Tuesday, May 14, 2019, and approved the Subcommittee Rules. Representative Vaught reported that the subcommittee reviewed several items including budget classification transfers requests, miscellaneous federal grant appropriation requests, a pay plan appropriation request, and various reports assigned to the subcommittee.

**Representative DeAnne Vaught moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted. The motion was seconded by Senator Terry Rice, and passed by voice vote.**

Co-Chair Wardlaw recognized Senator Joyce Elliott, who asked whether or not the Department of Correction had funds to bring up to speed all of the overtime due, and she wanted to know if this was reviewed in the PEER Subcommittee. Co-Chair Wardlaw noted this was covered in the report of the Personnel Subcommittee, and Senator Elliott said she would hold her question for that report.

#### Policy-Making Subcommittee

Co-Chair Wardlaw recognized Senator Linda Chesterfield to present the report of the Policy-Making Subcommittee (Exhibit F.9). Senator Chesterfield reported that the Policy-Making Subcommittee met on May 15, 2019, and heard from Senator Bill Sample, Senate Co-Chair of the Joint Committee on Public Retirement and Social Security Programs, regarding the actuarial consulting services contract between Osborn, Carreiro, & Associates and the Bureau of Legislative Research for the benefit of the Joint Committee on Public Retirement and Social Security Programs. Senator Chesterfield reported that the Policy-Making Subcommittee recommends approval of the contract, and a copy of the contract is attached to the report.

Senator Chesterfield reported that the subcommittee heard from Andrea Barksdale, Fiscal Officer with the Bureau of Legislative Research, regarding the standing committee fund allocations for mileage and per diem for fiscal year 2020. The subcommittee recommends approval of the committee fund allocations that are set forth in the copy of the spreadsheet attached to the report. Senator Chesterfield reported that the recommendation includes reverting back to fiscal year 2018 beginning balances for most committees with an increase in the beginning balance for the following committees due to the studies that were assigned to them from the 2019 Regular Session: (1) an additional \$10,000 to each of the Senate and House Committees on Education; (2) an additional \$5,000 to each of the Senate and House Committees on Agriculture, Forestry, and Economic Development; (3) an additional \$5,000 to the Senate Committee on State Agencies and Governmental Affairs; (4) an additional \$5,000 to the House Committee on Aging, Children and Youth, Legislative and Military Affairs; and (5) an additional \$5,000 to the Joint Committee on Public Retirement and Social Security Programs. This concluded the report and there were no questions.

**Senator Linda Chesterfield moved that the report of the Policy-Making Subcommittee be adopted. The motion was seconded and passed by voice vote.**

### **Supplemental Agenda**

Co-Chair Wardlaw recognized Representative Andy Davis to present the report of the Review Subcommittee meeting on May 14, 2019. Representative Davis asked that he be allowed to present the item on the Supplemental Agenda at this time, and Co-Chair Wardlaw recognized him for this purpose.

**Representative Davis moved to suspend the rules for the purpose of considering the Supplemental Agenda item, which is a request for review of a method of finance by Arkansas State University. The motion was seconded and passed by voice vote.**

Co-Chair Wardlaw recognized Representative Davis who explained the Supplemental Agenda item is a request for review of the method of finance by Arkansas State University for replacement of a dishwasher (Exhibit Supplemental A.1). Representative Davis reported that this item was not on the regular Review Subcommittee agenda because the deadline for adding items to the agenda had passed by the time the old dishwasher failed, and that is why it is on the supplemental agenda. There were no questions.

**Representative Davis moved that the Legislative Council file as reviewed the Method of Finance for Arkansas State University to replace the Acansa Dishwasher. The motion was seconded and passed by voice vote.**

### Review Subcommittee

Co-Chair Wardlaw recognized Representative Davis to present the report of the Review Subcommittee (Exhibit F.10). Representative Davis reported that the Review Subcommittee met on Tuesday, May 14, 2019, and reviewed all of the agenda items concerning methods of finance, general construction projects exceeding \$5 million, and grants and contracts. Representative Davis reported that no items were held. This concluded the report.

**Representative Andy Davis moved that the report of the Review Subcommittee be adopted with the exception of the contract between the Department of Human Services and Youth Opportunities Investments, L.L.C. listed as item number 47 on page 33 of the report, and that this item be considered separately. The motion was seconded by Senator Terry Rice and the motion passed by voice vote.**

Co-Chair Wardlaw recognized Representative Davis who explained that the contract between the Department of Human Services and Youth Opportunities Investments is a contract to operate the four youth residential treatment facilities. Representative Davis explained that the contract was reviewed by the Review Subcommittee, but that there had also been a motion to hold the contract for a month.

Representative Davis explained that his motion to review this contract separately was because, in his opinion, neither of the two (2) respondents to the RFP were qualified under the RFP as it was written. Representative Davis stated that in his opinion, the Legislative Council should not review the contract because one respondent was disqualified by the Office of State Procurement because of a contract termination in another state, and the other respondent, who was subsequently awarded the contract,

was found to have more than twelve (12) citations for deficiencies in the last five (5) years. Representative Davis responded to questions from the members.

Co-Chair Wardlaw recognized Senator Kim Hammer who asked that representatives of the Department of Human Services, and the Office of State Procurement come forward to respond to questions. Co-Chair Wardlaw recognized Sarah Collins Linam, Chief Procurement Officer for the Department of Human Services (DHS), Keesa Smith, Deputy Director of the DHS Division of Youth Services, and Edward Armstrong, Director of the Office of State Procurement, who responded to several questions.

During the discussion and in response to a question, Co-Chair Wardlaw noted that during the last biennium, a letter from the Co-Chairs of the Review Subcommittee was sent to the Office of State Procurement requesting that the Review Subcommittee be notified of all contracts to be ratified and contracts that have been protested. Co-Chair Wardlaw stated that notice had not yet been received, and that the Office of State Procurement has been asked to make the notifications to the Review Subcommittee upon the date of occurrence.

Co-Chair Wardlaw recognized Senator Terry Rice, who provided the committee with background information regarding the discussion in the Review Subcommittee, and operation of the youth treatment centers. Senator Rice referred to the letter that he asked to be placed on each committee member's desk (see Exhibit F.10 Handout) that he received from officials at the four (4) treatment facilities asking that the committee approve the contract. Senator Rice commented that he would have a motion at the proper time. There followed further discussion and questions from the committee members.

Co-Chair Wardlaw recognized Senator Rice for a motion. **Senator Terry Rice moved that the Legislative Council file as reviewed the contract between the Department of Human Services and Youth Opportunities Investments, L.L.C. listed as item number 47 on page 33 of the Review Subcommittee Report. The motion was seconded by Senator Bart Hester.**

Co-Chair Wardlaw asked if there were any questions or discussion on the motion by Senator Rice. There followed further comments and discussion among the committee members.

Co-Chair Wardlaw recognized Senator Linda Chesterfield, and stated this would conclude discussion of the motion. Senator Chesterfield asked for a division of the body and a roll call vote. Co-Chair Wardlaw asked for a show of hands, and upon seeing three (3) hands, Co-Chair Wardlaw reminded the committee members that the motion is to review the contract, and asked staff to call the roll beginning with the Senate members.

Co-Chair Wardlaw recognized Representative Murdock for a question of the chair. Representative Murdock asked what is the impact of this committee action on the status of the contract. Co-Chair Wardlaw recognized Marty Garrity, Director of the Bureau of Legislative Research, to respond. Ms. Garrity stated that under the separation of powers doctrine, this committee can only review the contract, and the committee does not have authority to prevent the Governor of Arkansas from implementing the contract. Ms. Garrity stated this is different from the review and approval of proposed agency rules.

**Seeing no further questions, Co-Chair Wardlaw asked that the roll be called, beginning with the Senate members, on the motion by Senator Terry Rice that the contract between the Department of Human Services and Youth Opportunities Investments, L.L.C. that is listed as item number 47**

**on page 33 of the Review Subcommittee Report be filed as reviewed by the Legislative Council. The motion failed to pass with seven (7) yes votes and nine (9) no votes by the Senate members. As the motion failed to pass in the Senate, there was not a roll call vote of the House members.**

Co-Chair Wardlaw recognized Representative Mark Lowery, who asked to make a motion and to be allowed to explain the motion. Co-Chair Wardlaw stated he would hear the motion.

Representative Lowery commented that the Governor could proceed with the contract without further review, but that he would like a formalized signal that the committee would like to review the contract further. **Representative Mark Lowery moved that the contract between the Department of Human Services and Youth Opportunities Investments, L.L.C. listed as item number 47 on page 33 of the Review Subcommittee Report be reconsidered at the next Review Subcommittee meeting in the month of June 2019. Co-Chair Wardlaw accepted the motion and asked if there was a second to the motion. The motion was seconded by Representative Dan Sullivan.**

Co-Chair Wardlaw asked if there was any discussion on the motion. Co-Chair Wardlaw recognized Senator Kim Hammer who asked why it is necessary for further review by the subcommittee, and is there any reason why the Governor of Arkansas could evaluate the discussion and then award the contract to one of the RFP respondents. Co-Chair Wardlaw stated that he would not allow the Office of State Procurement to speak as there is a motion on the floor, and he then recognized Director Garrity to respond. Ms. Garrity responded that she was not sure of the procedure on whether the Governor had the option to award the contract to one of the respondents or to disqualify both. Co-Chair Wardlaw asked Senator Hammer to discuss his question with the members of the Governor's staff who are in the audience now. There followed discussion of the motion.

**Co-Chair Wardlaw called for a voice vote on the motion by Representative Mark Lowery that the contract between the Department of Human Services and Youth Opportunities Investments, L.L.C. that is listed as item number 47 on page 33 of the Review Subcommittee Report be reconsidered at the next Review Subcommittee meeting in the month of June 2019. Co-Chair Wardlaw ruled that the motion failed by voice vote.**

Co-Chair Wardlaw recognized Senator Jim Hendren for a point of personal privilege. Senator Hendren stated he had discussed with Speaker Matthew J. Shepherd, and the Chairs of the Legislative Council, and they are asking that no meetings of the Legislative Council subcommittees be scheduled within the last week of the month of May 2019. He noted that the Legislative Council Rules require Legislative Council subcommittees to meet within the same week that the Legislative Council meets. Senator Hendren stated that they are also asking that it be the practice going forward that the last week of each month remain free of Legislative Council subcommittee and House and Senate standing committee meetings to allow members to plan.

Co-Chair Wardlaw recognized Senator Terry Rice, who reminded members that the Review Subcommittee June 2019 agenda will include reports from the Department of Human Services regarding Non-Emergency Transportation (NET) contracts, and asked that members be prepared to hear and discuss these contract reports.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Wardlaw recognized Representative Jim Wooten to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Representative Wooten reported that the Uniform Personnel Classification and Compensation Plan Subcommittee met on Tuesday, May 14, 2019, and reviewed the following reports and requests shown as items one through seven on the report: the quarterly employment report for the second and third quarters of fiscal year 2019; the report of special-entry rates and labor-market rates; the Director's Discretion and Salary Administration Grid using the report from the Office of Personnel Management (OPM); the report from the Department of Community Correction concerning the second and third quarter parole and probation office caseloads; reviewed the pay grade establishing the new SE05 grade for the Secretary positions created in accordance with the Transformation and Efficiencies Act of 2019 while the Governor is in the process of establishing the rate of compensation for the Secretary positions and determining who will be filling these positions; reviewed two (2) requests for swap-pool positions for the Arkansas Crime Laboratory, reviewed a request for one (1) position from the Higher Education Central Pool; and reviewed a request for a second-language differential from the Department of Labor. This concluded the report, and there were no questions.

**Representative Jim Wooten moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted. The motion was seconded by Senator English, and passed by voice vote.**

Co-Chair Wardlaw recognized Senator Linda Chesterfield, who asked if travel during the week of the annual legislative conferences will be considered. Co-Chair Wardlaw stated that would be taken up during the June meeting.

Highway Commission Review and Advisory Subcommittee

Co-Chair Wardlaw recognized Representative Ron McNair to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit F.12). Representative McNair reported that the Highway Commission Review and Advisory Subcommittee met on Wednesday, May 15, 2019, and the subcommittee reviewed a draft RFP for the study of the Department of Transportation. Representative McNair reported that the subcommittee authorized the Bureau of Legislative Research to undertake the process for securing consultant services, and also to allow the Co-Chairs of the subcommittee to approve the final form of the RFP prior to its release.

Representative McNair reported that the subcommittee also reviewed the quarterly reports from the Arkansas Department of Transportation regarding public road construction projects of \$10 million or more. This concluded the report, and there were no questions.

**Representative Ron McNair moved that the report of the Highway Commission Review and Advisory Subcommittee be adopted. The motion was seconded, and passed by voice vote.**

Arkansas Health Insurance Marketplace Oversight Subcommittee

Co-Chair Wardlaw recognized Representative Deborah Ferguson to present the report of the Arkansas Health Insurance Marketplace Oversight Subcommittee (Exhibit F.14). Representative Ferguson reported that the Arkansas Health Insurance Marketplace Oversight Subcommittee met on Thursday,

May 16, 2019, and that in accordance with Act 107 of 2019, the Arkansas Health Insurance Marketplace (AHIM) was moved under the jurisdiction of the Arkansas Insurance Department (AID).

Representative Ferguson reported that the subcommittee heard a report from the Division of Legislative Audit that all cash and capital assets totaling approximately \$1.7 million were transferred from the private non-profit Arkansas Health Insurance Marketplace to the Arkansas Insurance Department. The subcommittee also heard a report from Insurance Commissioner Allen Kerr that the Insurance Department recommends the user fee of one point twenty-five percent (1.25%) on all plans sold on the exchange be eliminated by 2020, and the Centers for Medicare and Medicaid Services (CMS) is reducing their technology fee by zero point five percent (0.5%, effective in January 2020 for Plan Year 2020. Commissioner Kerr also reported that there were 57,400 people currently covered under health insurance plans purchased through the marketplace.

Representative Ferguson reported that the subcommittee passed a motion to accept the Insurance Department's recommendation to eliminate the 1.25% user fee in Plan Year 2020. This concluded the report, and there were no questions.

**Representative Deborah Ferguson moved that the report of the Arkansas Health Insurance Marketplace Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.**

### Review of Communications

Co-Chair Wardlaw referred members to the communications listed as Exhibit H.1 through Exhibit H.20 on the agenda, and noted that action by the Legislative Council is needed for the following items:

- 1) Arkansas Infant and Child Death Review Panel, Annual Report on the Arkansas Infant and Child Death Review Program, for review year 2016, submitted pursuant to A.C.A. § 20-27-1707;
- 2) Arkansas Teacher Retirement System requests for the Legislative Council's review of the partial equity ownership investments; and
- 3) Arkansas Department of Parks and Tourism requests for the Legislative Council's approval of state park property acquisitions, submitted pursuant to A.C.A. § 22-4-106, and the request for approval of fiscal year 2020 expenditures for the Special Maintenance Program, submitted pursuant to Section 20 of Act 721 of 2019.

Co-Chair Wardlaw asked if there were any questions or discussion regarding the items listed under Communications, and there were none.

#### Arkansas Infant and Child Death Review Panel, Annual Report

Co-Chair Wardlaw asked if there was a motion for the Arkansas Infant and Child Death Review Panel, Annual Report on the Arkansas Infant and Child Death Review Program, for review year 2016, submitted pursuant to A.C.A. § 20-27-1707 (Exhibit H.2).

**Senator Joyce Elliott moved that the Legislative Council refer the Annual Report on the Arkansas Infant and Child Death Review Program report to the Senate Interim Committee on Children and Youth and the House Interim Committee on Aging, Children and Youth, Legislative and Military Affairs. The motion was seconded and passed by voice vote.**

Arkansas Teacher Retirement System (ATRS)

Co-Chair Wardlaw asked if there was a motion for the request for the Legislative Council's retrospective review of the partial equity ownership investment with American Industrial Partners, VII, L.P. submitted pursuant to A.C.A § 19-11-1303 (Exhibit H.6a).

**Representative Ken Bragg moved that the Arkansas Teacher Retirement System partial equity ownership investment with American Industrial Partners, VII, L.P. be filed as reviewed by the Legislative Council. The motion was seconded and passed by voice vote.**

Co-Chair Wardlaw asked if there was a motion for the request for the Legislative Council's retrospective review of the partial equity ownership investments submitted pursuant to A.C.A § 19-11-1303 with: Arlington Capital Partners V, L.P.; DW Healthcare Partners V, L.P.; and Blackstone Real Estate Partners Europe VI, SCS (Exhibit H.6b).

**Representative Mark Lowery moved that the Arkansas Teacher Retirement System partial equity ownership investments with Arlington Capital Partners V, L.P.; DW Healthcare Partners V, L.P.; and Blackstone Real Estate Partners Europe VI, SCS be filed as reviewed by the Legislative Council. The motion was seconded and passed by voice vote.**

Co-Chair Wardlaw asked if there was a motion for the request for the Legislative Council's review of the partial equity ownership investments with: Rockwood Capital Real Estate Partners Fund XI, L.P.; and Walton Street Real Estate Debt Fund II, L.P., submitted pursuant to A.C.A § 19-11-1303 (Exhibit H.6c).

**Representative Deborah Ferguson moved that the Arkansas Teacher Retirement System partial equity ownership investments with Rockwood Capital Real Estate Partners Fund XI, L.P.; and Walton Street Real Estate Debt Fund II, L.P. be filed as reviewed. The motion was seconded and passed by voice vote.**

Department of Parks and Tourism, Division of State Parks

Co-Chair Wardlaw asked if there was a motion for the Arkansas Department of Parks and Tourism, Division of State Parks request for the Legislative Council's favorable advice regarding the state park property acquisitions, submitted pursuant to A.C.A. § 22-4-106 (Exhibit H.15a).

**Representative Deborah Ferguson moved that the Legislative Council give favorable advice regarding the state park property acquisitions, submitted pursuant to A.C.A. § 22-4-106. The motion was seconded and passed by voice vote.**

Co-Chair Wardlaw asked if there was a motion for the Arkansas Department of Parks and Tourism, Division of State Parks request for the Legislative Council's approval of fiscal year 2020 expenditures for the Special Maintenance Program, submitted pursuant to Section 20 of Act 721 of 2019 (Exhibit H.15b).

**Representative David Whitaker moved that the Legislative Council approve the fiscal year 2020 expenditures for the Special Maintenance Program, submitted pursuant to Section 20 of Act 721 of 2019. The motion was seconded and passed by voice vote.**

There were no questions concerning the other communications listed on the agenda.

### **Interim Study Proposals**

Co-Chair Wardlaw referred members to the new interim study proposals listed as Exhibit J.1 through Exhibit J.12 on the agenda, and asked if there were any questions or discussion. Seeing none, Co-Chair Wardlaw asked if there was a motion.

**Representative Jim Dotson moved that the interim study proposals be referred to the appropriate committee for study. The motion was seconded and passed by voice vote.**

The following interim study proposals were referred by the Legislative Council to the committees as follows:

1. Interim Study Proposal 2019-001, by Representative Jim Dotson, which is an act to require a physician to utilize treatment alternatives before prescribing an opioid, is referred to the House Committee on Public Health, Welfare, and Labor.
2. Interim Study Proposal 2019-005, by Representative Robin Lundstrum, which is an act to amend laws concerning food service establishments and cottage food production operations; to provide that a cottage food production operation selling to a food truck, mobile unit, or food service establishment is exempt from the definition of "food service establishment"; to clarify that mobile units may sell food to other mobile units or other food service establishments is referred to the House Committee on Public Health, Welfare, and Labor.
3. Interim Study Proposal 2019-006, by Representative Jim Dotson, which is an act to limit access to a chiropractic physician by a Medicaid recipient, is referred to the House Committee on Public Health, Welfare, and Labor.
4. Interim Study Proposal 2019-014, by Representative Douglas House, which is an act to amend Arkansas Constitution, Amendment 98, also known as the "Arkansas Medical Marijuana Amendment of 2016" to authorize patients with a medical condition that have been treated or could be treated with an opioid to use medical marijuana as an alternative to treatment with an opioid, is referred to the House Rules Committee.
5. Interim Study Proposal 2019-015, by Representative Karilyn Brown, is an act to allow for sales and use tax on all-terrain vehicles to be paid at the time of the registration of the all-terrain vehicle; to amend the law concerning the registration requirements for all-terrain vehicles; to include all-terrain vehicles in the definition of "motor vehicle" for sales and use tax purposes, is referred to the House Committee on Revenue and Taxation.
6. Interim Study Proposal 2019-016, by Representative Jamie Scott, requesting that the Legislative Council refer to the House Committee on Aging, Children and Youth, Legislative and Military Affairs a study on adverse childhood experiences with a specific focus on:

- (1) Increasing awareness of adverse childhood experiences and the impact of adverse childhood experiences; (2) Reducing the number of adverse childhood experiences; (3) Promoting healing and wellness for the residents of this state as it relates to adverse childhood experiences; and (4) Building the capacity of the human services and health systems in the State of Arkansas to address adverse childhood experiences, is referred to the House Committee on Aging, Children and Youth, Legislative and Military Affairs.
7. Interim Study Proposal 2019-031, by Representative Tippi McCullough, requesting that the Legislative Council refer to the House Committee on Public Transportation a study to determine whether or not the additional motor vehicle registration fees imposed by Acts 2019, No. 416, on electric motor vehicles and hybrid motor vehicles are reasonable in relation to the registration fees imposed on similar types of motor vehicles in other states, is referred to the House Committee on Public Transportation.
  8. Interim Study Proposal 2019-032, by Representative Jim Sorvillo, an act to require video cameras in certain classrooms upon request, is referred to the House Committee on Public Health, Welfare, and Labor.
  9. Interim Study Proposal 2019-033, by Representative Jim Sorvillo, an act concerning the offense of cruelty to animals, is referred to the House Committee on Public Health, Welfare, and Labor.
  10. Interim Study Proposal 2019-036, by Representative Megan Godfrey, an act to amend the laws concerning teaching licenses, is referred to the House Committee on Education.
  11. Interim Study Proposal 2019-038, by Representative Cindy Crawford, an act to create the Egg Provider Protection Act, is referred to the House Committee on Public Health, Welfare, and Labor.
  12. Interim Study Proposal 2019-079, by Representative Justin Boyd, requesting that the Arkansas Legislative Council refer to the House Committee on State Agencies and Governmental Affairs a comprehensive study of Arkansas' election laws, election technology, election administration, voter registration, and election procedures and the impact of federal election laws on Arkansas, is referred to the House Committee on State Agencies and Governmental Affairs.

### Adjournment

At 11:05 a.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

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Representative Jeff Wardlaw  
Co-Chair, House

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Marty Garrity  
Executive Secretary