

MINUTES OF THE MEETING

(May 27, 2020)

OF THE

ARKANSAS LEGISLATIVE COUNCIL

Friday, June 19, 2020

The Arkansas Legislative Council met at 9:00 a.m., Friday, May 27, 2020, in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair Cecile Bledsoe called the meeting to order and recognized a quorum of members present. The members present are listed on the sign-in sheets.

Co-Chair Wardlaw made a motion to suspend the rules to allow the meeting to occur with less than six days' notice. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw recognized Mr. Mike Preston, Secretary, Department of Commerce, Dr. Charisse Childers, Director, Division of Workforce Services, and Mr. Carter Hawkins, CFO, Division of Workforce Services to report. Mr. Preston began with opening remarks. He stated there was a total of 12,234 applications received for the *Arkansas Ready for Business Grant Program*; there were a little over \$147 million in requests made; 201 applications were withdrawn or determined not eligible; the total applications approved for payment as of May 26, 2020 were at 10,537 of the 12,234; a total of 7,968 payments have been released; there was a total of 2,569 applications approved but pending for missing documentation; there are 1,496 not yet approved, either due to not clearing the DFA system for tax delinquency or under some type of review from AEDC. AEDC has approved and processed \$115 million in payments and payments are being sent as of last week.

After updates on the *Arkansas Ready for Business Grant Program*, Mr. Preston informed members that Department of Commerce, Division of Workforce Services, experienced a data security incident that impacted the Pandemic Unemployment Assistance application system. The department learned of the incident on Friday, May 15, 2020, and promptly took the system offline to disconnect access to the PUA database. Mr. Preston further stated, the department immediately initiated a comprehensive response plan and hired an independent computer forensic company to investigate the root cause of the incident. The department is also coordinating with law enforcement, including the FBI. On Wednesday, May 20, 2020, independent security experts stated the problem had been remediated and the PUA system was secure and claimants could confidently proceed with their applications. All applicants in the PUA system prior to May 15, 2020, received notification explaining the situation and were provided instructions on how to enroll in the complimentary credit monitoring services that were offered, along with resources on how to protect their personal information. The FBI and forensic investigations are still ongoing. A grand jury subpoena will not allow the department to share any information on the data security incident.

Mr. Preston asked Dr. Childers to begin with her presentation. Dr. Childers began the PowerPoint presentation for the Pandemic Unemployment Assistance (PUA) program. Dr. Childers stated from May 1 - May 23, 2020, there were 39,000 applications. On the week ending May 23, 2020, a total of 21,100 individuals were approved and informed they could file their weekly claims - 12,200 of the individuals did so, and the payments were disbursed. On the week of May 16, 2020,

a total of 19,700 individuals were approved and informed they could file their weekly claim to receive payments - 16,150 did so. The total disbursements for the two weeks was \$19.4 million.

Dr. Childers proceeded with the overview of the Pandemic Unemployment Assistance by PowerPoint, providing the following information:

- March 27, 2020 - CARES Act passed;
- March 28, 2020 - signed agreement with US Department of Labor;
- April 3, 2020 - met with DFA;
- April 4, 2020 - met with Protech to identify requirements;
- April 5, 2020 - PUA UPIL 16-20 released;
- April 7, 2020 - FPUC (\$600 add on) payments started
- April 14, 2020 - Protech contract signed;
- April 27, 2020 - PUA UPIL 16-20 Q & A with clarification;
- May 1, 2020 - PUA System Soft Launch;
- May 4, 2020 - PEUC (extra 13 weeks) payments started;
- May 5, 2020 - PUA System Go Live;
- May 21, 2020 - PUA payments started.

After providing additional information about the PUA program, Dr. Childers stated she would respond to any questions.

Co-Chair Wardlaw recognized Senator Linda Chesterfield for questions. Senator Chesterfield asked if there was a claw back with *Protech* when the system crashed. Mr. Hawkins responded that the department has not made any payments yet, and the contract does have language that will allow that.

Co-Chair Wardlaw recognized Senator Kim Hammer, Representative Vaught, and Senator Keith Ingram for questions. After response by Dr. Childers, Co-Chair Wardlaw recognized Senator Terry Rice for questions. Senator Rice expressed his concerns and asked a question on behalf of a business owner in his district. Co-Chair Wardlaw recognized Representative Robin Lundstrum for questions. Representative Lundstrum asked if AEDC had cyber insurance and if so, how much and how many claims have been made so far. Mr. Hawkins responded, yes, AEDC does have insurance, but he does not have the numbers readily available because the Arkansas Insurance Department manages that program. Mr. Hawkins stated he would gather and provide that information to members.

Co-Chair Wardlaw recognized Senator Bob Ballinger for questions. Senator Ballinger asked Mr. Preston what was his reason for not attending the State Agencies legislative meeting that was previously held. Mr. Preston responded that it was a combination of assisting with getting the PUA system running to get unemployment checks out but also making sure to do as law enforcement and the grand jury subpoena instructed the agency to do.

Co-Chair Wardlaw recognized Representative Jim Wooten for questions. Representative Wooten expressed his concerns from citizens from his district, as well. Dr. Childers responded. She stated that if Representative Wooten would like to give her the citizens' information, she will personally make contact to take a look into the claim. Dr. Childers further stated that if an employer makes contact with an employee to offer a return to work and the employee refuses, the employer should

notify the Division of Workforce Services to make a report. Co-Chair Wardlaw recognized Representative Megan Godfrey for questions. Representative Godfrey asked why *Protech* was chosen and if the agency would choose them again. Dr. Childers stated *Protech* was already under contract with DFA and they were readily available under emergency procurement, which is how the PUA program was put into place as quickly as it was.

Co-Chair Wardlaw recognized Senator Dismang for questions. Senator Dismang asked if the UI fund balances were stable. Dr. Childers responded that she did not currently have the numbers for the number of weeks they would be able to continue to pay UI benefits, but she would get that information and provide it to members. Senator Dismang stated, in regard to state statute on experience rating, he would like to know how much leeway does the legislature have to do things by rules, so that businesses that were forced to close and lay off employees are not harmed from the shutdown by increased experience ratings. Dr. Childers responded that she did not have that information but would get it and provide it to members. Senator Dismang further asked if the by-rule that the Governor put in place that people would have to seek work if they worked for a company that forced lay off but plan to reopen, were still active. Dr. Childers stated those waivers are still in place, as the Governor extended those until the end of the pandemic.

Co-Chair Wardlaw recognized Senator Keith Ingram for statements. Co-Chair Wardlaw then recognized Senator Bond for questions. After response from Mr. Hawkins, Co-Chair Wardlaw asked the Division of Workforce Services to prepare a one pager that includes all information necessary for members to share updates with their constituents about unemployment assistance.

Co-Chair Wardlaw recognized Senator Alan Clark and Senator Ronald Caldwell for questions. Mr. Preston and Mr. Hawkins responded to their questions.

Co-Chair Bledsoe momentarily, acted as Chair as Co-Chair Wardlaw had to step out.

Co-Chair Bledsoe recognized Representative Gayla McKenzie for questions. Representative McKenzie expressed her concerns with the "first come, first serve" approach of the *Arkansas Ready for Business Grant Program*.

Co-Chair Bledsoe recognized Senator Joyce Elliott for questions. Senator Elliott asked when there are federal funds involved and it is replaced, it is called supplanting, and if that would that be the issue here. Dr. Childers responded that supplanting would be her concern, so guidance and waivers have been asked for at the federal level. Dr. Childers further stated she would follow-up with that information. Senator Elliott continued with questions for Mr. Preston and Mr. Hawkins. After response, Co-Chair Bledsoe recognized Senator Jason Rapert for questions.

Senator Rapert expressed his concerns with the security breach of the PUA system, asking if there were consequences to anyone for the breach. Mr. Hawkins stated that fault is spread amongst several entities, not just *Protech*, as decisions were made to push *Protech* and the DWS team to move quickly to ensure payments were processed as soon as they could be. The consequences and fault of *Protech* has not been assessed.

Co-Chair Bledsoe recognized Representative Les Eaves for questions. Representative Eaves asked Mr. Preston what was the criteria used to decide who gets the money from the *Arkansas Ready for Business Grant Program*. Mr. Preston responded that, after meeting with ALC and asking for the

appropriation, AEDC followed the legislatures desire to open the program back up to make it available to everyone, and everyone who applied was funded, it was not "first come, first serve".

Co-Chair Bledsoe recognized Senator Linda Chesterfield for questions. Senator Chesterfield asked if the employer considered, when trying to get employees back to work, if there were any underlying issues that may keep employees from wanting to come back. She further asked if employers are being required to make adjustments to keep their employees safe as they return. Dr. Childers stated that employers are receiving notifications to the provisions of the CARES Act, and most employers have expressed their understanding.

Co-Chair Wardlaw returned to the Chair seat.

Co-Chair Wardlaw recognized Senator Larry Teague for questions in regard to the initial opening of the *Arkansas Ready for Business Grant Program* website. After response from Mr. Preston, Co-Chair Wardlaw recognized Representative DeAnn Vaught and Senator Kim Hammer for questions.

Senator Hammer requested from Mr. Preston a list of positions that were shifted from various agencies in order to cover the duties during the pandemic, to give an idea of what potential manpower was necessary, and how you went about choosing which positions to pull from the agencies. Dr. Childers responded that individuals that were brought in were currently working as Category I employees within state government. They had responsibilities that required them to be in the office and were asked if they were available. Category II individuals were those who could work from home, and Category III, were individuals who could not do their job functions from home, but could come in to work within the call center. Dr. Childers stated, all was done within the guidelines set forth in the public health emergency guidelines through the Department of Transformation and Shared Services.

Co-Chair Wardlaw recognized Senator Jonathan Dismang for questions. Senator Dismang asked how certain entities were being double paid (by mistake), when other entities have not yet been funded. Co-Chair Wardlaw recognized Mr. Jim Hudson, VP of Operations and General Counsel, AEDC for response. Mr. Hudson responded that there were about 36 individuals who received two (2) payments. All 36 businesses have been contacted and instructed to return those funds. It did not have an impact on other entities because the program had not reached the cap on funds.

Co-Chair Wardlaw recognized Representative Robin Lundstrum for questions. Representative Lundstrum stated there is information on the IRS and Treasurer's website that unemployment funds can be used to reimburse the state's trust fund, to avoid raising taxes on businesses for next year.

Co-Chair Wardlaw recognized Representative Jim Wooten for questions in regard to personnel shifting. He asked if employees who were being shifted from other departments were being paid by the Division of Workforce Services. Dr. Childers responded that employees were not being shifted as far as their agency or position numbers, but were being utilized in a way that was allowable. The UI fund that was received from the federal government, is and will be used to pay those employees for any hours worked, including overtime. Representative Wooten asked who is giving the authority to shift employees. Mr. Preston stated that division directors within the Department of Commerce were asked if they had employees on their team with the capacity to assist, while continuing to do their assigned work, but could also be reassigned to work within the

call center. Mr. Preston stated, as Senator Hammer requested, he would provide a list of the names of those employees. He further stated, new positions were not created, the employees kept their current positions, but assisted in other areas. Representative Wooten stated, his exact concern is that those employees were not hired to do work outside of the agency in which they were hired. Dr. Childers responded that under transformation, they are able to share positions and best utilize all resources within a department or all departments, with the declaration of an emergency that would make it allowable under the public emergency. The shift was done through the Department of Transformation and Shared Services and the Office of Personnel Management.

Co-Chair Wardlaw recognized Representative Nicole Clowney for questions. Representative Clowney asked questions in regard to compensating the workers who were working overtime. Dr. Childers responded that DWS is in the process of adding the overtime hours to the record of those individuals who were moved. It was done through a process of determining what percentage of their time was being spent on unemployment insurance and the overtime hours will be paid retroactively to the first pay period in March when we entered into the pandemic. Further discussion is taking place for employees whose status was not changed and were not paid overtime. This concluded the presentation.

Co-Chair Wardlaw recognized Ms. Doralee Chandler, Director, Alcoholic Beverage Control Division (ABC) and Mr. Mike Moore, Regulatory Administrator, Alcoholic Beverage Control Division, to respond to questions.

Co-Chair Wardlaw recognized Senator Bob Ballinger for questions. Senator Ballinger asked Ms. Chandler to give insight on why she and no one from her agency appeared at a legislative meeting that was previously held.

Ms. Chandler explained the concerns as they surround the ex parte order to suspend the permit license of *Temple Live* based upon the rules and regulations and state law that require ABC to uphold and maintain the health safety and standards, pursuant to Rule 1.797 and Rule 1.7932. Ms. Chandler further stated she appeared before the legislative body this week versus the week before, at the State Agencies Committee meeting, because she was under instruction to not appear to avoid an adversarial position that may occur. There is still a hearing date scheduled for June 3, 2020 if *Temple Live* elects to appear. Ms. Chandler stated she appeared today because she is no longer at risk for an adversarial position.

Co-Chair Wardlaw recognized Senator Hammer for questions of clarification. Senator Hammer asked if other events were impacted by ABC suspending the permit of *Temple Live*. Ms. Doralee responded that she was not aware of any other event to occur before the June 3, 2020 hearing date. Senator Hammer asked if it was the agencies' intent to give the permit back if the event moved to May 18th. Ms. Chandler stated yes, because the emergency reason for picking up the permit would have been eliminated.

Co-Chair Wardlaw recognized Senator Ballinger for further questions. Senator Ballinger asked which rule did *Temple Live* violate. Ms. Chandler responded that the permit was picked up based upon their statement that they were going to continue with the event and sale of tickets, despite the cease and desist order, violating Rule 1.797 and Rule 1.7932.

Co-Chair Wardlaw recognized Senator Clark for questions. Senator Clark asked if Ms. Chandler made the decision to issue the ex parte order. Ms. Chandler responded that the decision was made

with communications from the Arkansas Health Department and the Governor's Office regarding what steps could be taken, so she ultimately signed the order under instructions.

After further questions from Co-Chair Wardlaw, Senator Jimmy Hickey, and Representative Jim Dotson, Representative Dotson asked on what date was the license returned, if it has been returned. Ms. Chandler responded the license had been returned as of May 14.

Co-Chair Wardlaw recognized Senator Jason Rapert for questions. Senator Rapert asked Ms. Chandler if she was directed to not attend the meeting in question. Ms. Chandler responded, yes.

Co-Chair Wardlaw recognized Representative Justin Gonzales, Senator Gary Stubblefield, Senator Blake Johnson, and Senator Bob Ballinger for questions. After questions and discussion from members, Co-Chair Wardlaw announced the meeting will recess until 1:00 p.m.

Review of Communications

The meeting resumed at 1:00 p.m. Co-Chair Wardlaw referred members to the communications listed as Item E through Item H on the agenda, and noted that action by the Legislative Council is needed for those items.

Item E:

Co-Chair Wardlaw recognized Mr. David Bell, Chief of Legislative Affairs, Department of Parks, Heritage, and Tourism (DPHT), Ms. Cynthia Dunlap, CFO, Department of Parks, Heritage, and Tourism, and Mr. Jake Bleed, Director, DFA-Office of Budget to present.

After a short presentation from Mr. Bell and a question from Senator Jimmy Hickey, Co-Chair Wardlaw recognized Representative Dan Sullivan for a motion.

Representative Sullivan made a motion to file the various temporary appropriation request from Department of Parks, Heritage, and Tourism – State Parks and Tourism Division, as approved. The motion was seconded and passed by voice vote.

Mr. Bleed continued presenting Items E.2(a-d). After a short presentation of each item, Co-Chair Wardlaw asked if there were any questions. Co-Chair Wardlaw recognized Representative DeAnn Vaught for a question. Co-Chair Wardlaw then recognized Senator Jimmy Hickey for questions. Senator Hickey asked, related to the \$23 million in appropriation for the CARES Act, how does DFA make sure no corruption gets involved in the CARES Act funds. Mr. Bleed responded that from an audit standpoint, the Inspector General, who is Chair of the C.A.R.E.S Act Steering Committee, has been tasked with overseeing all funds that are released, and a higher level of scrutiny by the federal government is also expected.

Senator Hickey continued with questions, asking how is the \$23 million being procured. Co-Chair Wardlaw recognized Ms. Stephanie Williams, Chief of Staff, Arkansas Department of Health (ADH). Ms. Williams stated the expenditures that are being made are being handled by the Office of State Procurement, and they are closely working with specific questions related to special procurements that may need to be made, like laboratory supplies. With no further questions from members, Co-Chair Wardlaw

recognized Senator Linda Chesterfield for a motion.

Senator Chesterfield made a motion to batch and file as approved the CARES Act appropriation requests for the following departments:

- **E.2(a) - Department of Finance and Administration;**
- **E.2(b) - Department of Health;**
- **E.2(c) - Department of Transformation and Shared Services- FY2020; and**
- **E.2(d) - Department of Transformation and Shared Services - FY2021.**

The motion was seconded and passed by voice vote.

Item F:

Co-Chair Wardlaw recognized Mr. Bleed to present the Miscellaneous Federal Grant (MFG) Appropriation requests. Mr. Bleed stated the first request is a \$10 million MFG appropriation made available to the Department of Health through the CARES Act, to help increase lab capacity within the state.

Co-Chair Wardlaw stated that he and Co-Chair Bledsoe asked DFA to send all agency requests that are foreseen between May 27, 2020 and the Legislative Council meeting to be held in June 2020, so there would be no "emergency" requests that would require a signature by the co-chairs of ALC subcommittees or the chairs of Legislative Council.

Co-Chair Wardlaw recognized Representative Fredrick Love for questions. Representative Love asked Ms. Williams is there a comprehensive plan, specifically targeted to the minority community, in regard to COVID-19 testing. Ms. Williams responded that there are three (3) different platforms within the laboratory which has helped to increase the testing in the public health laboratory. Up to 1,000 specimens a day can be tested within that lab. Ms. Williams further stated that ADH is also expanding access to testing through the local health units. Testing has begun at all 79 regular local health unit sites. The first week there were 240 tests and last week there were over 400 tests in local health units. For testing in the local health units, an individual is not required to have been in contact with a COVID-19 case and does not have to be symptomatic.

Representative Love asked if ADH was keeping in contact or following up with individuals who do test or have tested positive for COVID-19. Ms. Williams stated, yes, if a person tests positive or are in close contact with someone who tests positive, they are enrolled in the "Sarah Alert", which is a text alert system that helps you monitor your symptoms and alert ADH if you have symptoms, based on the information an individual provides in that system.

Co-Chair Wardlaw recognized Senator Linda Chesterfield for questions. Senator Chesterfield asked if ADH had hired someone for outreach to the minority community via radio broadcast. Ms. Williams stated the department hired *The Design Group*, which develops media campaigns that include radio, social media, and digital placements.

Co-Chair Wardlaw recognized Representative DeAnn Vaught for questions. Representative Vaught asked if there was a way to help communicate to the Marshallese

community about understanding the consequences of not being cautious when and if they have tested positive for COVID-19, when it impacts so many others. Ms. Williams responded the department is utilizing the expertise of outreach workers who are Marshallese, and trying to work with community leaders within that population, specifically Dr. Sheldon Riklon, who is the only Marshallese physician in the state. The Department is also working with the Health Equity offices and the Arkansas Minority Health Commission.

There were no further questions from members.

Co-Chair Wardlaw recognized Mr. Bleed to present the Department of Parks, Heritage, and Tourism - Arts Council request. After a short presentation, there were no questions from members.

Co-Chair Wardlaw recognized Representative DeAnn Vaught for a motion.

Representative Vaught made a motion to batch and file as reviewed the miscellaneous federal grant appropriation requests from the following departments:

- **F.1 - Department of Health; and**
- **F.2 - Department of Parks, Heritage, and Tourism - Arts Council.**

The motion was seconded and passed by voice vote.

Item G:

Co-Chair Wardlaw recognized Mr. Bleed to present the performance fund/pay plan holding account transfer requests.

With no questions from members, Co-Chair Wardlaw recognized Co-Chair Bledsoe to make a motion.

Co-Chair Bledsoe made a motion to batch and file as reviewed the performance fund/pay plan holding account transfer requests for the following departments:

- **G.1 - Department of Labor and Licensing - State Board of Collection Agencies;**
- **G.2 - Department of Inspector General;**
- **G.3 - Department of Parks, Heritage, and Tourism - Division of Heritage.**

The motion was seconded and passed by voice vote.

Co-Chair Wardlaw recognized Dr. Chuck Welch, President, Arkansas State University System and Dr. Maria Markham, Director, Department of Higher Education, to come forward to present the Henderson State University (HSU) request.

Dr. Welch began with comments. He stated that in August 2019, a \$4.9 million budget deficit in Henderson State University's last year budget was found, along with significant increases in student accounts receivable, invoices that were not paid, a budget filled with erroneous information, such as inflated revenues and under reported expenditures, a self-insured health

insurance plan that was losing money and had almost no reserve fund, a failing financial aid system, and since FY15, had spent their days cash-on-hand from 120 days to approximately 6 days.

Dr. Welch continued reporting that since that time, \$3.5 million had been cut from the operating budget for this year and HSU has saved more than that through other steps. A new accounts receivable policy has been implemented that will not allow a student to enroll in the next semester with debt, and developed a step down payment system for those students who had been allowed to incur so much debt, in attempts to allow students to pay off their debt and keep them enrolled. A "0" based budget process is being utilized, and the University was able to secure a fully insured health care plan that was at a rate that was less expensive than the self-insured plan.

Dr. Welch stated that once COVID-19 hit the state, Henderson State University was not financially stable to withstand. With no relief, employees will have to be furloughed for three (3) days per week between now and June 30, 2020.

Co-Chair Wardlaw recognized Senator Bruce Maloch for a procedural question and comments. Senator Maloch expressed his support for the university and stated he would have a motion when all other questions were asked.

Co-Chair Wardlaw recognized Senator Terry Rice for questions. Senator Rice asked questions regarding the separation agreement with the former President of HSU. Dr. Welch responded that the contract would have allowed the former President to be able to return to faculty and the Board decided to give him a one year sabbatical with half salary paid by the State and the other half paid by the private foundation. Dr. Welch stated there was no language in Dr. Jones' 5-year contract relating to termination for cause. If Dr. Jones was terminated and decided to go to court, the University would not have been successful and would have to pay an excess of \$900,000 dollars.

Co-Chair Wardlaw recognized Senator Jane English for questions regarding the university's financial system. After response by Dr. Welch, Co-Chair Wardlaw recognized Representative Wooten for questions. Representative Wooten directed his questions to the Department of Higher Education, asking Dr. Markham if the Department of Higher Education monitors the financial position of universities. Dr. Markham stated, the department has some authority to monitor financials - receiving standard financial reports that are required by statute that are collected on an annual basis. The situation with HSU is that their financial statements were misstated. There is no way to audit an internal financial accounting system on campus. Legislative Audit caught the misstatements of HSU. Dr. Markham further stated, the Department of Education does not have the authority to request further financial information than what is statutorily required.

After further discussion, Co-Chair Wardlaw recognized Representative Jim Dotson for questions. Representative Dotson asked what is the plan for HSU after Fiscal Year 2020 - will the university be back after July 1st to ask for more money? Dr. Welch stated the challenge this year as opposed to next year is, time-frame. Balancing the budget by June 30th and there are no reserves to fall back on, you have very few options in order to recoup the savings in a short time. Next year there will be more of a time frame. Representative Dotson asked what is the plan if the request for funds is not approved. Dr. Welch responded that if the request was denied, HSU would have to furlough every 12-month employee, with very few exceptions, for three days a week between now and June 30, 2020.

Co-Chair Wardlaw recognized Senator James Sturch for questions. After a brief response by Dr. Welch, Co-Chair Wardlaw recognized Representative Robin Lundstrum for questions. Representative Lundstrum asked why is the request for COVID-19 funds, instead of Rainy-Day funds or Higher Education funds, when the financial issue stems from mismanagement. Co-Chair Wardlaw recognized Mr. Jake Bleed, DFA, to respond. Mr. Bleed responded that the request was made from the COVID-19 Rainy Day fund and is linked to the reduction in general revenue distribution that resulted at the end of the fiscal year. Act 1, which created the COVID-19 Rainy Day fund is available for two (2) purposes: to cover direct COVID-19 costs and make up cuts to general revenue distributions. The amount that was reduced as a result of the budget cuts from HSU budget was about \$871,000, so the request is a little less than what was cut.

Co-Chair Wardlaw stated the dollars are not federal dollars, but state dollars that were set aside in the Special Session to fill in budget gaps.

Representative Lundstrum asked if HSU or any other universities applied for the *Arkansas Ready for Business Grant Program*. Mr. Bleed responded, HSU has not, but one other request was received from a university.

Co-Chair Wardlaw recognized Senator Kim Hammer, Co-Chair Bledsoe, and Senator Linda Chesterfield for questions. Amongst other questions, Senator Chesterfield asked Dr. Markham what authority would she need as Director to oversee universities better. Dr. Markham responded the department is established as a coordinating agency and not given governing authority, therefore, there is no one at the state level that has oversight authority of colleges and universities. All authority is vested with the Board of Trustees at the individual institutions.

Co-Chair Wardlaw recognized Representative Mark Lowery, Senator Alan Clark, Senator Blake Johnson, Senator Will Bond, Senator Mark Johnson, and Senator Eddie Cheatham for questions. Members expressed their willingness to speak about possible legislation that would assist the Department of Education in overseeing the state's colleges and universities. After questions from members and response by Dr. Welch and Dr. Markham, Co-Chair Wardlaw recognized Senator Bruce Maloch for a motion.

Senator Bruce Maloch made a motion to recommend to the Committee setup under Act 1, approval of \$825,000 to Henderson State University, with the provision that if the revenue forecast is increased, any money that would flow to Henderson State University, be recovered against the \$825,000.

The motion was seconded and passed by voice vote.

Upon a showing of three hands, a roll call, by division, was initiated, starting with Senate members. The Senate roll call resulted in a fifteen (15) to three (3) vote for the motion, and the House roll call resulted in a fifteen (15) to two (2) vote for the motion; therefore the motion passed.

Adjournment

At 2:50 p.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

Representative Jeff Wardlaw
Co-Chair, Representatives

Marty Garrity
Executive Secretary