

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

September 17, 2021

The Arkansas Legislative Council met at 9:00 a.m., Friday, August 27, 2021, 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.

Minutes of the Previous Meeting

Co-Chair Rice referred members to the minutes of the last Legislative Council meetings held on July 23, 2021 and August 9, 2021 (Exhibit C), and asked if there were any questions. There were no questions.

Co-Chair Jeff Wardlaw moved that the minutes of the July 23, 2021 and the August 9, 2021 meetings of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Rice recognized Ms. Ellie Stinnett, Legislative Economist, Bureau of Legislative Research, to present the July 2021 General Revenue Report (Exhibit D). Ms. Stinnett reported, gross general revenues are down 22% from this time last fiscal year. The net general revenue for distribution is also down 22%. Ms. Stinnett further reported, on the graph, even though the revenues are down in comparison to last fiscal year, it is still above the forecast by \$39 million, as the forecast for FY22 is lower than the forecast of FY21. The gross receipt taxes are up 10.5% and the total income taxes are down 43.4%. Co-Chair Rice recognized Senator Kim Hammer and Co-Chair Jeff Wardlaw for questions. Mr. John Shelnett, Department of Finance & Administration (DF&A), was recognized to respond. After questions, this concluded the General Revenue report.

Report of the Executive Subcommittee

Co-Chair Rice recognized Co-Chair Wardlaw to present the report of the Executive Subcommittee (Exhibit E). Co-Chair Wardlaw reported that the Executive Subcommittee met August 25, 2021 and August 26, 2021, and heard presentations from The Segal Group, Inc., related to its ongoing employee health benefit study. At its Thursday meeting, the subcommittee heard from Representative Vivian Flowers, stating she is withdrawing her proposal for the Casino Oversight Committee for ALC. In addition, the report includes an emergency action, authorizing BLR to enter into an agreement for outside legal counsel. The action and agreement are attached to the report. This concluded the report of the Executive Subcommittee, and there were no questions.

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

Co-Chair Wardlaw was recognized to reiterate to members that the Employee Health Benefits Study is being discussed in the ALC - Executive Subcommittee meetings that are scheduled currently through October 2021. Co-Chair Wardlaw suggested that all members attend those meetings in order to add to the discussion and make suggestions, as legislation will be drafted from the reports at the conclusion of the study.

Report 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 Tuesday, August 24, 2021, and reviewed and filed the quarterly reports that were submitted by the Department of Corrections and the Arkansas Parole Board. The subcommittee also received an agency update on delinquent rule-making under Act 517 of 2019. All rules were reviewed and approved. This concluded the report for 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 Tuesday, August 24, 2021, and heard testimony regarding the *Ready for Life* program, the *Reimagine Grant* recipients, and the *Workforce Alliance for Growth in the Economy (WAGE)* program. This concluded the report for 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 Representative Lanny Fite to present the report of the Medical Marijuana Oversight Subcommittee (Exhibit F.7). Representative L. Fite reported that the Medical Marijuana Oversight Subcommittee met Thursday, August 26, 2021. The subcommittee received a report from the Department of Health regarding the Medical Marijuana Amendment 98 and rules regarding pesticides, and heard testimony from the Arkansas Cannabis Industry Association. This concluded the report for the Medical Marijuana Oversight Subcommittee, and there were no questions.

Representative Lanny Fite 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 Rice recognized Senator Jonathan Dismang to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Senator Dismang reported the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Monday, August 23, 2021, and approved requests for various temporary appropriations, CARES Act appropriations, a fund transfer, and American Rescue Plan appropriations. Senator Dismang further reported, Item C.11 on the report was a request from Arkansas Economic Development Commission (AEDC) and included some projects not yet shovel ready. A motion was made to authorize the ALC Co-Chairs to approve projects 19 through 46 on the AEDC Projects list once the review process is completed (See Attachment 1). The subcommittee reviewed other requests and reports. Item E.1, a restricted Reserve Fund Transfer Request from Northwest Technical Institute was held, and a request was made to DF&A to submit a replacement request that transfers funds from the majority vote set aside within the Restricted Reserve Fund.

Senator Dismang stated, before the adoption of the report, he had questions for the Arkansas Department of Health (ADH). Co-Chair Rice recognized Ms. Renee Mallory and Mr. Matt Gilmore, Arkansas Department of Health, to come forward to respond to questions.

Co-Chair Rice then recognized Senators Kim Hammer, Missy Irvin, Charles Beckham, and Representatives Nelda Speaks and Rick Beck for questions, and also recognized Ms. Leslie Fiskens, Arkansas Department of Parks, Heritage, and Tourism (ADPHT), Mr. Jim Hudson and Mr. David Bell, AEDC, and Mr. Shane Broadway, ASU System, to respond to questions. After questions, this concluded the report for the Performance Evaluation and Expenditure Review (PEER) Subcommittee.

Senator Jonathan Dismang moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee, including the replacement Restricted Reserve Fund Transfer Request from Northwest Technical Institute from the majority vote set aside, be adopted.

Co-Chair Rice recognized Senator Missy Irvin for a substitute motion.

Senator Missy Irvin moved that ALC approve funding today for the 34 broadband projects that total \$120,048,810.61, and identify as ready per the green spreadsheet provided to ALC members, and for ALC to authorize the Co-Chairs to approve funding of the remaining 12 projects totaling \$27,163,877.76, as each project completes technical review by UAMS and becomes ready, and as the projects are reviewed and approved, ALC should be provided the updated information; and also include the approval of the replacement Restricted Reserve Fund Transfer Request from Northwest Technical Institute from the majority vote set aside; and to bring the broadband statewide survey to ALC - Executive Subcommittee and grant final approval to ALC - Executive Subcommittee on that contract; and to adopt the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee.

The motion was seconded and passed by voice vote.

Co-Chair Rice recognized Senator Jonathan Dismang for a motion.

Senator Dismang moved to suspend the ALC Rules to take up the supplemental agenda. The motion was seconded and passed by voice vote.

Senator Dismang moved to approve the American Rescue Plan Appropriation Increase Requests, submitted pursuant to Section 39 of Act 997 of 2021, for the Arkansas Department of Health (ADH). The motion was seconded and passed by voice vote.

Claims Review & Litigation Reports Oversight Subcommittee

Co-Chair Rice recognized Senator Bart Hester to present the report of the Claims Review & Litigation Reports Oversight Subcommittee (Exhibit F.3). Senator Hester reported that the Claims Review & Litigation Reports Oversight Subcommittee met on Wednesday, August 25, 2021. Concerning litigation reports oversight, the subcommittee reviewed four (4) litigation cases presented by the Dept. of Labor and Licensing. The subcommittee also reviewed reports presented by the Legislative Joint Audit Committee. Concerning claims review, the subcommittee affirmed the ruling of the Claims Commission for two (2) unpaid bills, three (3) awarded claims, two (2) negotiated settlements, and nineteen (19) denied and dismissed claims. This concluded the report for the Claims Review & Litigation Reports Oversight Subcommittee, and there were no questions.

Senator Bart Hester moved that the report of the Claims Review & Litigation Reports Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Rice recognized Representative Ken Bragg to present the report of the Review Subcommittee (Exhibit F.10). Representative Bragg reported the Review Subcommittee met on Monday, August 23, 2021, and reviewed various methods of finance, an alternative delivery construction project, discretionary grants, and other services contracts. There was one item held for DF&A (page 6 of report). The hold on that item has since been released. This concluded the report for the Review Subcommittee, and there were no questions.

Representative Ken Bragg moved that the report of the Review Subcommittee, including the held item for the Department of Finance & Administration (DF&A), be adopted. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Rice recognized Senator David Wallace to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Senator Wallace reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Tuesday, August 24, 2021, and reviewed and approved items listed as 1 - 15 on the report. Item number 16 of the report was held until the ALC meeting today for further information. This concluded the report for the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

Senator David Wallace moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, including Item 16, be adopted. The motion was seconded and passed by voice vote.

Review of Communications

Co-Chair Rice referred members to the communication listed on the agenda as Item H.1 and noted that action by the Legislative Council is needed for that item.

1. **Arkansas Teacher Retirement System** request, submitted pursuant to A.C.A § 19-11-1303, for the Legislative Council's retrospective review of the partial equity ownership investments:
 - a. ISQ Global Infrastructure Fund III (UST), L.P.

Senator Joyce Elliott made a motion to file Item H.1 for the Arkansas Teacher Retirement System as reviewed. The motion was seconded and passed by voice vote.

New Interim Study Proposals and Interim Resolutions

Senator Linda Chesterfield made a motion to refer Interim Study Proposal 2021-101 to the House Revenue and Taxation Subcommittee and to approve Interim Resolution 2021-003. With no questions on the Interim Study Proposal nor the Interim Resolution, the motion was seconded and passed by voice vote.

New Business

Co-Chair Rice acknowledged department secretaries to present their department reports, pursuant to Act 413 of 2021.

Department of Human Services

Co-Chair Rice recognized Ms. Cindy Gillespie, Secretary, Ms. Dawn Stehle, Deputy Director for Health and State Medicaid Director, Ms. Keesa Smith, Deputy Director of Children & Youth, and Mr. Mark White, Chief Legislative and Intergovernmental Affairs Officer, Arkansas Department of Human Services (DHS), to present their report. After the report, Co-Chair Rice recognized members for questions.

Senator Kim Hammer requested to receive information on the turnover percentage of DHS employees prior to COVID-19 compared to the current date, and to receive a copy of the employee tracking report.

**At this time, Co-Chair Rice recognized Senator Linda Chesterfield for a point of personal privilege to request that everyone in attendance stand for a moment of silence, paying respects to Mr. Larry Lowe, a Senate "Tan Coat" Sergeant of Arms and Little Rock Fire Department Captain (retired), who passed away on August 26, 2021.*

Department of Finance & Administration

Co-Chair Rice recognized Mr. Alan McVey, Chief of Staff, Department of Finance & Administration (DF&A), to present the report. After the report, Co-Chair Rice recognized members for questions.

Representative Jim Wooten requested information regarding the process of the new state budgeting system.

Representative Joy Springer requested to receive a breakdown by counties and cities of the CARES Act and/or grants funding that was distributed and the criteria used to make the appropriation to each county and city.

Department of Energy & Environment

Co-Chair Rice recognized Ms. Becky Keogh, Secretary, Department of Energy & Environment, who attended the meeting via *Zoom*, to present the report. After the report, with Co-Chair Rice seeing no questions, the departmental reports were concluded.

Adjournment

At 10:56 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