

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

October 28, 2021

The Arkansas Legislative Council met at 9:00 a.m., Friday, September 17, 2021, in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair Jeffrey Wardlaw 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 Wardlaw referred members to the minutes of the last Legislative Council meeting held on August 27, 2021 (Exhibit C), and asked if there were any questions. There were no questions.

Co-Chair Jeff Wardlaw moved that the minutes of the August 27, 2021 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Wardlaw recognized Ms. Ellie Stinnett, Legislative Economist, Bureau of Legislative Research, to present the 2021 BLR Annual Revenue Report (Exhibit D.1). Ms. Stinnett reported, on page 1 of the report, the Fiscal Year 2020-2021 gross collections surpassed the Fiscal Year 2019-2020 gross collections by 16.67%. Personal and corporate income tax collections have grown by 18.6% since this time last fiscal year (FY). Sales and use tax collections totaled \$2.9 billion in FY2021. Ms. Stinnett further reported, referring to the one cent value of sales and use tax collections, one percentage point of sales tax brought in \$649 million to general revenue. On pages 2 - 4 of the report, gross revenues for general revenue total \$8 billion and special revenue totals \$2.7 billion. On page 5, referring to the deductions from state gross revenues to get to the net available for distribution, general revenues are \$6.8 billion and special revenues are \$2.6 billion. Ms. Stinnett continued, stating pages 6 - 8 show the distribution of all revenue; pages 9 - 11 reflect the comparison in distribution from FY2020 - 2021 to FY2019 - 2020; and lastly, found on page 12, is the distribution of the Education Excellence Trust Fund compared to the previous fiscal year. This concluded the 2021 Annual Revenue Report.

(The following report was given at a later time during the meeting.)

Co-Chair Wardlaw recognized Ms. Ellie Stinnett, Legislative Economist, Bureau of Legislative Research, to present the August 2021 Revenue Report (Exhibit D.2). Ms. Stinnett reported, gross general revenues are down 11% from this time last fiscal year. The net general revenue for distribution is also down 10.2%. Ms. Stinnett further reported, the graph shows the deviation from the forecast of the net available for distribution, which reflects \$86.3 million more in net revenues than what was forecast. The gross receipt taxes are up 9.5% and the total income taxes are down 25.3%. This concluded the August 2021 General Revenue report, and there were no questions.

Co-Chair Rice recognized Representative Joy Springer for questions of the Department of Finance & Administration (DF&A). Representative Springer asked if a consumer goes to a drugstore ("abc") and, for example, buys a hair dryer, and the customer then decides they do not want the item, and return it to the same drugstore ("xyz") in a different county, is there a law that would allow drugstore "xyz" to only refund the value of the item and not refund the sales tax.

Director Garrity, Bureau of Legislative Research (BLR) informed Representative Springer that her question is more of a legal question than one for the DF&A staff, and further stated that the BLR staff could research and provide her with information on the matter.

Report of the Executive Subcommittee

Co-Chair Wardlaw recognized Co-Chair Rice to present the report of the Executive Subcommittee (Exhibit E). Co-Chair Rice reported that the Executive Subcommittee met Wednesday, September 15, 2021, and Thursday, September 16, 2021, and heard presentations from The Segal Group, Inc., related to its ongoing employee health benefit study. At its Thursday meeting, the subcommittee reviewed and approved an emergency rule for the Department of Human Services (DHS), for direct care staffing requirements. The subcommittee also authorized the Bureau of Legislative Research (BLR) to move forward with redesigning rooms located behind MAC Building Committee Rooms A/B, to create additional member conference space. In addition, all members were notified on September 10, 2021 that the ALC - Executive Subcommittee Co-Chairs took action to approve American Rescue Plan funding and appropriation requests for the Department of Commerce, related to ready broadband projects, under the authority granted by the Arkansas Legislative Council (ALC) at the August 2021 meeting. An email regarding this action was sent to all members of ALC. The ALC - Executive Subcommittee will hold meetings September 22 - 23, 2021 to hear public comments related to recommendations presented by The Segal Group, Inc., related to the employee health benefits study. This concluded the report of the Executive Subcommittee, and there were no questions.

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

Report of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Senator Kim Hammer to present the report of the Administrative Rules Subcommittee (Exhibit F.1). Senator Hammer reported that the Administrative Rules Subcommittee met on Tuesday, September 14, 2021, and at the agency's request, a rule by the Department of Health was pulled from consideration prior to the meeting. Two (2) rules by the Department of Agriculture were held for consideration by the full ALC. One (1) of the rules was the REPEAL Disbursement of State Funds for Fairs and Livestock Shows, and the other rule was the Supervision Rule by the Water Well Construction Commission. All other rules were reviewed and approved. The subcommittee also received an agency update on delinquent rule-making under Act 517 of 2019, and filed written updates pursuant to Act 595 of 2021.

Senator Kim Hammer moved that the report of the Administrative Rules Subcommittee be adopted, not including the Department of Agriculture rule concerning fair and livestock shows funding, as it will be considered separately, and not including the Water Well

Construction Commission rule, as the agency has pulled it from consideration. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw recognized Mr. Wade Hodge, Chief Legal Counsel, Mr. Patrick Fisk, Division Director for Livestock and Poultry, Mr. Inoussa Zaki, Chief Fiscal Officer, all of the Department of Agriculture to respond to questions regarding the rules. Co-Chair Wardlaw recognized himself, Senators Kim Hammer and Ricky Hill, and Representatives Jack Ladyman, Bruce Cozart, and Fredrick Love for questions. Representative Love asked what necessitated the change to not fund district fairs directly. Mr. Hodge stated it was a legislative action which he is unfamiliar with. Ms. Marty Garrity, Director, Bureau of Legislative Research responded to Representative Love that because it was a bill presented by Senator James Sturch, the Bureau staff cannot comment on his intent for the bill.

**Co-Chair Wardlaw momentarily stepped away from the chair.*

Co-Chair Rice recognized Senator Linda Chesterfield who requested to make a motion at the proper time, but was informed her motion would not be necessary.

Co-Chair Rice moved that, without objection, the rule for Department of Agriculture concerning fair and livestock shows funding be reviewed and approved. The motion carried.

Mr. Wade Hodge confirmed the Department of Agriculture pulled the rule concerning the Arkansas Water Well Construction Commission from consideration and will bring it forth again in the near future, if necessary. This concluded the report for the Administrative Rules Subcommittee.

**Co-Chair Wardlaw returned to the chair.*

Higher Education Subcommittee

Co-Chair Wardlaw 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 Wednesday, September 15, 2021, and heard testimony regarding the *Arkansas Future Grant, Arkansas Workforce Challenge Grant*, and regional workforce grants. 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.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Wardlaw recognized Representative Michelle Gray to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Representative Gray reported the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Monday, September 13, 2021, and approved requests for various temporary appropriations, Restricted Reserve Fund transfers, and American Rescue Plan appropriations. After the meeting, the Department of Finance & Administration (DF&A) submitted a revised request for Item B.5, an American Rescue Plan Act request for National Park College that was approved for \$5.8 million. The new request, that is attached to the report, was revised down to \$1.6 million. Two (2) items were held by the subcommittee for consideration by ALC: Item B.10 - American Rescue Plan Act request for the Department of Health for \$9 million and Item E.1 - a

budget classification transfer request for the Abstracter's Board, which was withdrawn at the request of the Department of Labor and Licensing. This concluded the report for the Performance Evaluation and Expenditure Review (PEER) Subcommittee.

Representative Michelle Gray moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee, be adopted, including replacing Item B.5, an American Rescue Plan Act request for National Park College that was approved for \$5.8 million with the revised amount of \$1.6 million.

Co-Chair Wardlaw recognized Senators Jane English, Kim Hammer, Jimmy Hickey, and Missy Irvin, and Representative Stephen Meeks for questions.

Co-Chair Wardlaw then recognized Ms. Stacy Hurst, Secretary, and Ms. Leslie Fisken, Arkansas Department of Parks, Heritage, and Tourism (ADPHT), and Mr. David Bell, Chief Financial Officer, Department of Commerce, to come forward to respond to questions.

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

Co-Chair Wardlaw then recognized Senator Missy Irvin who provided information regarding the Arkansas Department of Health Monoclonal Antibody Therapy Plan of Action (Handout). Co-Chair Wardlaw recognized Senators Jason Rapert and Joyce Elliott, and Representatives Carol Dalby, Megan Godfrey, Jim Dotson, and Jack Ladyman for questions.

Dr. Naveen Patil, MD, Infectious Diseases, Arkansas Department of Health (ADH), and Mr. Greg Brown, Director, Office of Preparedness and Emergency Response Systems, ADH, and Ms. Cassie Cochran, Director, Local Public Health, ADH, were recognized to respond. The representatives of ADH spoke briefly on the availability and locations in which citizens (vaccinated or unvaccinated) can obtain the antibody therapy after being diagnosed with COVID-19.

Co-Chair Wardlaw recognized Senator Missy Irvin for a motion.

Senator Missy Irvin made a motion to approve the American Rescue Plan Act (ARP) request in the amount of \$9,043,160 for the Arkansas Department of Health for rural hospitals and primary care grants to rural hospitals. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Wardlaw recognized Senator Scott Flippo to present the report of the Review Subcommittee (Exhibit F.10). Senator Flippo reported the Review Subcommittee met on Monday, September 13, 2021, and reviewed various methods of finance, discretionary grants, and other services contracts. There were four (4) items held for the ADH. The hold on those items has since been released. This concluded the report for the Review Subcommittee, and there were no questions.

Senator Scott Flippo moved that the report of the Review Subcommittee, including the held items for the Arkansas Department of Health (ADH), be adopted. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Wardlaw recognized Senator Cecile Bledsoe to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Senator Bledsoe reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Tuesday, September 14, 2021, and reviewed and approved items listed as 1 - 9 on the report. This concluded the report for the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

Senator Cecile Bledsoe moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted. The motion was seconded and passed by voice vote.

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.13). Representative McNair reported that the Highway Commission Review and Advisory Subcommittee met on Wednesday, September 15, 2021, and adopted Interim Study Proposal 2021-012, by Representative Jeff Wardlaw, and the Arkansas Department of Transportation (ArDOT) reported on the progress of each highway construction project of \$10 million or more. This concluded the report of the Highway Commission Review and Advisory Subcommittee 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.

Occupational Licensing Review

Co-Chair Wardlaw recognized Senator Lance Eads to present the report of the Occupational Licensing Review Subcommittee (Exhibit F.15). Senator Eads reported that the Occupational Licensing Review Subcommittee met on Thursday, September 16, 2021, and received reports on occupational authorizations from the Arkansas Abstracter's Board and the Seed Division of the Arkansas State Plant Board. This concluded the report of the Occupational Licensing Review Subcommittee, and there were no questions.

Senator Lance Eads 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 Wardlaw referred members to the communication listed on the agenda as Item H.8 and noted that action by the Legislative Council is needed for that item.

8. **University of Arkansas Medical Sciences (UAMS), Institute for Digital Health & Innovation,** Request for the Legislative Council's approval of the following Rural Broadband I.D. grant applications, submitted pursuant to Section 27 of Act 1005 of 2021;

- City of Conway – Award Amount \$75,000;
- City of Lead Hill – Award Amount \$74,952;

- West Memphis Utility Department – Award Amount \$72,500.

Senator Jane English made a motion to file Item H.8 for the University of Arkansas Medical Sciences (UAMS), Institute for Digital Health & Innovation as approved. The motion was seconded and passed by voice vote.

New Interim Study Proposals and Interim Resolutions

Co-Chair Wardlaw asked if there were any discussion, questions, or objections to refer Interim Study Proposal 2021-107, by Senator Linda Chesterfield to the ALC - Review Subcommittee.

With no questions on the Interim Study Proposal, Co-Chair Wardlaw stated without objections, the referral of ISP 2021-107 to the ALC - Review Subcommittee is approved.

Co-Chair Wardlaw reverted back to the BLR August 2021 General Revenue Report at this time.

New Business

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

Department of Corrections

Co-Chair Rice recognized Mr. Solomon Graves, Secretary, Department of Corrections (DOC), to present the report. Mr. Graves gave updates on the departments' divisions, as well as the 4,500 men and women who work within those facilities. After the report, Co-Chair Wardlaw recognized members for questions.

Co-Chair Wardlaw recognized Senators Kim Hammer, Joyce Elliott, and Representative Mark Berry for questions.

Department of Education

Co-Chair Wardlaw recognized Mr. Johnny Key, Secretary, Commissioner of Education, Arkansas Department of Education (ADE), to present the report. Mr. Key gave updates on the ADE divisions, as well as significant department projects. After the report, Co-Chair Wardlaw recognized members for questions.

Co-Chair Wardlaw recognized himself, Representatives Stephen Meeks, Joy Springer, Jim Wooten, and Jack Ladyman, and Senators Jane English, Kim Hammer, Breanne Davis, Linda Chesterfield, and Ricky Hill for questions.

Representative Joy Springer requested to receive a data report from the assessment and literacy programs provided through the Department of Education.

Senator Linda Chesterfield requested to receive information on the Future Teachers of America, a pathway program for teachers that start in high school.

Department of Public Safety

Co-Chair Wardlaw recognized Ms. Jami Cook, Secretary, Department of Public Safety (DPS), and Colonel William 'Bill' Bryant, Director, Arkansas State Police, to present the report. Ms. Cook gave updates on the DPS divisions, significant department projects, and transformation examples. After the report, Co-Chair Wardlaw recognized members for questions.

Co-Chair Wardlaw recognized Representatives Stephen Meeks, Megan Godfrey, and Jack Ladyman, and Senator Kim Hammer for questions.

Senator Hammer requested to receive a list of the efficiencies and opportunities to streamline processes for AFIS/ID Bureau in the Regulatory section of ASP, that were identified under the Lean Six Sigma resources.

Seeing no further questions, all departmental reports were concluded.

Adjournment

At 11:11 a.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, House

Marty Garrity
Executive Secretary