

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

January 21, 2021

The Arkansas Legislative Council met at 9:00 a.m., Friday, December 17, 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.

Point of Personal Privilege

Co-Chair Rice expressed appreciation to the Arkansas Legislative Council members, alternates, and non-members, for the important and detailed work that's been done during the interim period of the 93rd General Assembly. Co-Chair Rice also wished everyone happy holidays and asked that we keep in mind and in prayers, the citizens around the state who are experiencing challenges and hardships from the recent weather conditions.

Minutes of the Previous Meeting

Co-Chair Rice referred members to the minutes of the last Legislative Council meeting held on November 19, 2021 (Exhibit C), and asked if there were any questions. There were no questions.

Co-Chair Jeff Wardlaw moved that the minutes of the November 19, 2021 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Point of Personal Privilege

Co-Chair Terry Rice and Co-Chair Jeff Wardlaw each presented on behalf of the Arkansas Senate and the House of Representatives, a citation to Ms. Estella Smith, Assistant Director of the Research Division, Bureau of Legislative Research (BLR), as she nears her retirement on December 31, 2021. Ms. Smith has dedicated 47 years to serving the public and the state, and her service is greatly appreciated. All BLR staff and members of the Arkansas Legislative Council (ALC) acknowledged and applauded Ms. Smith for her excellency in service to state government.

Co-Chair Rice recognized Senator Joyce Elliott for a point of personal privilege. Senator Elliott recognized Ms. Rosi Smith, Director of Government Relations, Arkansas Children's Hospital, as she too, nears retirement, December 31, 2021, after serving many years in public service. Members of the Arkansas Legislative Council acknowledged and applauded Ms. R. Smith for her great service to state government.

Senator Kim Hammer was recognized to give the morning prayer.

Revenue Report

Co-Chair Rice recognized Ms. Ellie Stinnett, Legislative Economist, Bureau of Legislative Research, to present the November 2021 General Revenue Report (Exhibit D). Ms. Stinnett reported, comparing data from the same period of last fiscal year, gross general revenues are up 2.6%. The net general revenues are up 2.7%. Ms. Stinnett further reported, the net available for distribution is up 3%. The state is currently \$73 million above the forecast value of this period. The gross receipt taxes are up 10.4% and the total income taxes are down 2.5%. To note, there was a revision to the forecast, but it will not take effect until the December 2021 report, and will account for all legislation that was passed during the Second Extraordinary Session of the 93rd General Assembly. This concluded the November 2021 General Revenue report.

Co-Chair Rice recognized Representative Stephen Meeks for questions.

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 on Thursday, December 16, 2021, and approved an amendment to the consulting services contract between *The Segal Group, Inc.* and the Bureau of Legislative Research. The amendment extends the current contract with *The Segal Group, Inc.* through January 31, 2022, and includes an additional 10% to the total maximum of the contract. The subcommittee also pulled from review, the Revenue Forecasting contract RFP in order to reevaluate the needs of the 93rd General Assembly. This concluded the report of the Executive Subcommittee, and there were no questions.

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

Report of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Rice 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 Wednesday, December 15, 2021. The subcommittee adopted reports of the Executive Subcommittee concerning its approval of an emergency rule. The subcommittee reviewed and filed a report from the State Board of Physical Therapy, pursuant to Act 937 of 2021. The subcommittee received an agency update on delinquent rule-making from the Department of Agriculture, under Act 517 of 2019. A motion was adopted to no longer require the agency to submit monthly, written updates, instead requiring the agency to update the subcommittee with written notification once litigation is resolved. The subcommittee filed monthly written updates, pursuant to Act 595 of 2021, and approved certain agency requests, to be excluded from Act 595 reporting requirements. The subcommittee also reviewed and filed agencies initial rule reports, pursuant to Act 1076 of 2021. All rules were reviewed and approved. Questions arose concerning the status of the Arkansas History Commission's promulgation of rules in relation to Act 1003 of 2021, by the deadline therein of January 1, 2022. Senator Hammer informed members that agency representatives were present to answer any further questions. This concluded the report of the Administrative Rules Subcommittee.

Senator Kim Hammer moved that the report of the Administrative Rules Subcommittee be adopted. The motion was seconded and passed by voice vote.

Co-Chair Rice recognized Senator Mark Johnson for questions. Senator Johnson requested for representatives of the Department of Parks, Heritage, and Tourism to come forward. Ms. Leslie Fiskens, Chief of Legislative Affairs, and Mr. Jim Andrews, General Counsel, DPHT, came forward to respond to questions.

Higher Education Subcommittee

Co-Chair Rice recognized Senator Jane English to present the report of the Higher Education Subcommittee (Exhibit F.5). Senator English reported that the Higher Education Subcommittee met on Monday, December 13, 2021, and heard testimony regarding the following: computer science programs in higher education; K-12 career education industry opportunities; and working with the higher education curriculum. This concluded the report of the Higher Education Subcommittee, and there were no questions.

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

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Rice recognized Senator Jonathan Dismang to present the report from the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Senator Dismang reported that the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, December 14, 2021, and received reports, reviewed requests, and approved the following items: various temporary appropriation increases; CARES Appropriation Increase requests; American Rescue Plan Act appropriations; Rainy Day Act transfer request; and a Restricted Reserve Fund transfer. This concluded the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee, and there were no questions.

Senator Jonathan Dismang moved to adopt the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Rice recognized Senator Scott Flippo to present the report from the Review Subcommittee (Exhibit F.10). Senator Flippo reported that the Review Subcommittee met on Tuesday, December 14, 2021, and reviewed methods of finance, discretionary grants, and services contracts. Three (3) out-of-state contracts were held. The contract for the *Division of Information Systems* was held for questions and those questions have since been answered. The hold on contract #25 on page 13 of the report, has been released. Two (2) contracts, #14 and #15 on page 9 of the report, were held for *AETN*, as the agency pulled those contracts from legislative review. This concluded the report of the Review Subcommittee, and there were no questions.

Senator Scott Flippo moved that the report of the Review Subcommittee be adopted, including the review of the contract with the Division of Information Systems and Fischer International Identity, LLC. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Wardlaw recognized Representative David Hillman to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Representative Hillman reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Wednesday, December 15, 2021, and reviewed and approved the requests and reports listed as Items 1 - 11 on this report. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee.

Co-Chair Rice recognized Senators Bill Sample, Bart Hester, Missy Irvin, and Gary Stubblefield for questions or comments of the Arkansas Department of Corrections. Mr. Solomon Graves, Secretary, DOC, came forward to respond to questions.

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

Occupational Licensing Review

Co-Chair Rice recognized Representative Frances Cavanaugh to present the report of the Occupational Licensing Review Subcommittee (Exhibit F.15). Representative Cavanaugh reported that the Occupational Licensing Review Subcommittee met on Thursday, December 16, 2021, and received reports on occupational authorizations from the Arkansas State Medical Board and the Arkansas Department of Health. This concluded the report of the Occupational Licensing Review Subcommittee, and there were no questions.

Representative Frances Cavanaugh moved that the report of the Occupational Licensing Review Subcommittee be adopted. The motion was seconded and passed by voice vote.

Review of Communications

Co-Chair Rice referred members to the communications listed on the agenda as Items H.01, H.02(a)(b), H.04, and H.05, and noted action by the Legislative Council is needed for those items.

1. **Arkansas Public Employees Retirement System**, Request for the Legislative Council's review of the partial equity ownership investments with the following, submitted pursuant to A.C.A § 19-11-1302:
 - a. PGIM Agriculture Investments ("PAI" or the "Fund"), a subsidiary of PGIM Real Estate Finance, LLC; and
 - b. International Farming Corporation ("IFC"), and the IFC Core Farmland Fund Strategy, LP.

Senator Missy Irvin made a motion to file Item H.1 for the Arkansas Public Employees Retirement System, as reviewed. The motion was seconded and passed by voice vote.

2. **Arkansas Teacher Retirement System:**
 - a. Request, submitted pursuant to A.C.A. § 19-11-1303, for the Legislative Council's retrospective review of the imminent need partial equity ownership investments;
 - i. Franklin Park International Fund XI, L.P.;
 - ii. Franklin Park Venture Capital Opportunity Fund, L.P.;
 - iii. Riverside Value Fund I, L.P.; and
 - iv. Revenue Stream Generated by Tax Credits Associated with Highland Pellets.
 - b. Request for Legislative Council's review of an Investment Summary, submitted pursuant to A.C.A. §19-11-1302;
 - i. Landmark Real Estate Partners IX, L.P.

Senator Missy Irvin made a motion to file Items H.2(a) and H.2(b) for the Arkansas Teacher Retirement System, as reviewed. The motion was seconded and passed by voice vote.

4. **Department of Agriculture - Arkansas Natural Resources Commission:** Request for the Legislative Council's advice concerning the Biennium Plan of Work for the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program for Fiscal Years ending June 30, 2022 - June 30, 2023, submitted pursuant to Act 607 of 1997.

Senator Missy Irvin made a motion to file Item H.4 for the Department of Agriculture - Arkansas Natural Resources Commission with favorable advice. The motion was seconded and passed by voice vote.

5. **Department of Commerce - Arkansas Economic Development Commission, Division of Rural Services:** Proposed approval of funding for the Arkansas Game and Fish Wildlife Program Grant.

Senator Missy Irvin made a motion to file Item H.5 for the Department of Commerce - Arkansas Economic Development Commission, Division of Rural Services, as approved. The motion was seconded and passed by voice vote.

New Business

Co-Chair Rice referred members to Item I.01 - Department of Human Services (DHS) - Updates on Eligibility Determinations for Medicaid Long-Term Services and Supports and recognized Ms. Cindy Gillespie, Secretary, Ms. Mary Franklin, Director of County Operations, and Mr. Mark White, Deputy Director and Chief of Staff, Legal, and Legislative Affairs, DHS, to present the agency updates.

After the presentation, Co-Chair Rice made remarks in regard to the presentation. After his remarks, Co-Chair Rice recognized Representatives Jack Ladyman, Jon Eubanks, Co-Chair Wardlaw, Jim Dotson, and Frances Cavanaugh, and Senators Joyce Elliott, Dan Sullivan, and Kim Hammer for questions.

Senator Hammer requested to receive a breakdown from DHS of providers who are awaiting Medicaid claim payments, that are delayed beyond 30, 60, and 90 days, and to provide that information to ALC; and also a copy of the workforce-to-workload report from the Medicaid division.

Adjournment

At 10:20 a.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

Representative Terry Rice
Co-Chair, Senate

Marty Garrity
Executive Secretary