

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

September 16, 2022

The Arkansas Legislative Council met at 9:00 a.m., Friday, August 26, 2022, 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. Representative Carlton Wing was recognized to give the morning prayer.

Minutes of the Previous Meeting

Co-Chair Rice referred members to the minutes of the last Legislative Council meeting held on July 21, 2022 (Exhibit C), and asked if there were any questions. There were no questions.

Representative Stephen Meeks moved that the minutes of the July 21, 2022 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Rice recognized Mr. Kevin Anderson, Assistant Director, Bureau of Legislative Research - Fiscal Division, to present the July 2022 General Revenue Report (Exhibit D). Before giving the monthly report, Mr. Anderson introduced Dr. Carlos Silva, the new BLR Legislative Economist. Mr. Anderson began the report by stating this data is for the first month of Fiscal Year 2023 (July 2022). The collections of Gross General Revenues year-to-date of approximately \$615.9 million have increased \$15.5 million, or 2.6% above the \$600 million collected last fiscal year-to-date. Mr. Anderson further reported, the Net General Revenue Available for Distribution this month of \$541.9 million, increased \$27.1 million, or 5.3% from the \$514.9 million available for distribution in July 2021. The cumulative deviation of collections from the forecast for July 2022 reflects \$26.6 million above the forecast.

Co-Chair Rice recognized members for questions. After questions, this concluded the July 2022 General Revenue report.

Report of the Executive Subcommittee

Co-Chair Rice recognized Co-Chair Jeff Wardlaw to present the report of the Executive Subcommittee (Exhibit E). Co-Chair Wardlaw reported that the subcommittee met on Thursday, August 18, 2022, and heard from representatives of the Department of Education regarding a proposed emergency rule for provisional educator licensure. After hearing discussion by the subcommittee, the department was asked to withdraw the rule, and no action was taken on that item. The subcommittee also authorized BLR to enter into a contract with Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. to represent the BLR regarding a subpoena for documents. In addition to those items, the subcommittee recommended approval to the full ALC, of the Addendum to the ALC rules, incorporating responsibilities given to the ALC under the provisions of Act 3 of the special session, related to the promulgation of rules in disbursement of funds for

the School Safety Grant Program. This concluded the report of the Executive Subcommittee. Co-Chair Rice recognized members for questions. After questions, Co-Chair Wardlaw made a motion(s).

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

Co-Chair Wardlaw moved to adopt the Addendum to the ALC Rules, regarding the School Safety Grant Program. The motion was seconded and passed by separate voice vote of the ALC House and Senate members.

Reports 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 the Administrative Rules Subcommittee met on Thursday, August 25, 2022. The subcommittee adopted a report of the Executive Subcommittee concerning its approval of emergency rules. The subcommittee also reviewed and filed the quarterly reports that were submitted by the Department of Correction and the Arkansas Parole Board. The subcommittee received agency updates concerning outstanding rulemaking, pursuant to Act 595 of 2021. The subcommittee also filed the August 2022 monthly written updates, pursuant to Act 595 of 2021. All other rules were reviewed and approved. This concluded the report of 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.

Claims Review & Litigation Reports Oversight Subcommittee

Co-Chair Rice recognized Representative Bruce Cozart to present the report of the Claims Review & Litigation Reports Oversight Subcommittee (Exhibit F.3). Representative Cozart reported that the Claims Review & Litigation Reports Oversight Subcommittee met on Monday, August 22, 2022, concerning litigation reports oversight and reviewed seven (7) litigation cases. The subcommittee also reviewed one (1) proposed settlement submitted by the Arkansas Rehabilitation Services. Concerning claims review, the subcommittee affirmed the ruling of the Claims Commission for three (3) reissuance of warrants, one (1) awarded claim, one (1) negotiated settlement agreement, and fourteen (14) denied and dismissed claims. The subcommittee declined to consider five (5) claims that were submitted outside the statutory timeframe for appeals of the Claims Commission decision, under Ark. Code Ann. § 19-10-211(a). This concluded the report for the Claims Review & Litigation Reports Oversight Subcommittee, and there were no questions.

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

Game and Fish/State Police Subcommittee

Co-Chair Rice recognized Senator Blake Johnson to present the report of the Game and Fish/State Police Subcommittee (Exhibit F.4). Senator B. Johnson reported that the Game and Fish/State Police Subcommittee met on Tuesday, August 23, 2022. The Arkansas State Police provided general updates regarding law enforcement in the state. The Game and Fish Commission gave a report on ongoing conservation projects and initiatives. This concluded the report of the Game and Fish/State Police Subcommittee, and there were no questions.

Senator Blake Johnson moved that the report of the Game and Fish/State Police Subcommittee be adopted. The motion was seconded and passed by voice vote.

Hospital and Medicaid Study Subcommittee

Co-Chair Rice recognized Senator Mathew Pitsch to present the report of the Hospital and Medicaid Study Subcommittee (Exhibit F.6). Senator Pitsch reported that the Hospital and Medicaid Study Subcommittee met on Tuesday, August 23, 2022. The subcommittee heard a report from 3M Health Information Systems about modernizing the hospital inpatient payment system for Arkansas Medicaid. The subcommittee learned that seven (7) states are using a per diem or cost-based, hospital-based, inpatient payment system like Arkansas, and that forty-three (43) states are using some form of a diagnosis related group payment system. This concluded the report of the Hospital and Medicaid Study Subcommittee, and there were no questions.

Senator Mathew Pitsch moved that the report of the Hospital and Medicaid Study 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 Thursday, August 11, 2022, and gave final approval of the first round of the ARP ESSR funds. Senator Dismang also reported that the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, August 23, 2022, and gave final approval of the second round of ARP ESSR appropriation requests from the Department of Education. One item, a Restricted Reserve Fund Transfer for the Department of Military, was held to receive more information and have further discussion. Two items were a late submission and were not placed on the agenda, but were discussed for the subcommittee's information. Attachment 1 is a Restricted Reserve Fund Transfer request of \$1 million to the Arkansas Department of Energy and Environment - Division of Environmental Quality (ADEQ) for the Used Tire Recycling and Accountability Program. Attachment 2 is a Cash Appropriation request from the Arkansas Department of Energy and Environment - Division of Environmental Quality (ADEQ) for the same amount and purpose, and will give the Division spending authority to use the restricted reserve funds. This concluded the report of the PEER Subcommittee, and there were no questions.

Senator Jonathan Dismang moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted, and that ALC refer the requests from the Arkansas Department of Energy and Environment - Division of Environmental

Quality (ADEQ) for the Used Tire Recycling and Accountability Program, to Joint Performance Review (JPR), working in conjunction with the Arkansas Legislative Audit.

Co-Chair Rice recognized members for questions on the motion.

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

Senator Jonathan Dismang then moved to suspend the rules to take up the ARP ESSR request for the Department of Education (*handout*). The motion was seconded and passed by voice vote.

Senator Dismang moved to approve the Department of Education request of \$773,998 in ARP Appropriation to send ESSR funds to the Rector School District. The motion was seconded and passed by voice vote.

Policy-Making Subcommittee

Co-Chair Rice recognized Senator Linda Chesterfield to present the report of the Policy-Making Subcommittee (Exhibit F.9). Senator Chesterfield reported the Policy-Making Subcommittee met Wednesday, August 24, 2022, and heard from Senator Terry Rice and Representative Jeff Wardlaw, requesting approval of the Employee Benefits Actuarial Consulting Services contract between The Segal Group, Inc. and the Bureau of Legislative Research (BLR). The subcommittee voted to recommend approval of this contract. This concluded the report for the Policy-Making Subcommittee, 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.

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, August 23, 2022, and reviewed methods of finance, discretionary grants, and services contracts. In addition, the disclosure of a proposed contract between the Arkansas Insurance Department and Senator Kim Hammer was reviewed.

The subcommittee heard a report from Secretary Mitch Rouse, Department of Transformation and Shared Services (DTSS), that after further consideration, the DTSS – Office of State Procurement would not move forward with the study proposed early this year for the development of a statewide contract for potential savings for the state. Per the amended ALC rules in April 2022, this report will conclude the study requested by the end of the year on this request. No items were held. This concluded the report of the Review Subcommittee.

**Senator Kim Hammer was recognized and stated, he will abstain from voting on the Review Subcommittee Report, only.*

Co-Chair Rice then recognized members for questions on the report, and also recognized Mr. Richard Cooper, Assistant Director, Construction & Maintenance & Arkansas Correctional Industries, and Mr. Lamont Wimbley, CFO, Department of Corrections, to respond to questions.

Senator Scott Flippo moved that the report of the Review Subcommittee be adopted. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Rice recognized Representative Frances Cavanaugh to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Representative Cavanaugh reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Wednesday, August 24, 2022, and reviewed and/or approved the requests, continuations, and reports listed as Items 1 – 30 on the report. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

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

Lottery Oversight Subcommittee

Co-Chair Rice recognized Representative Gary Deffenbaugh to present the report of the Lottery Oversight Subcommittee (Exhibit F.12). Representative Deffenbaugh reported that the Lottery Oversight Subcommittee met on Wednesday, August 24, 2022, and heard testimony and reviewed the following items: Office of Arkansas Lottery report, the Arkansas Division of Higher Education report, and the Arkansas Division of Higher Education Academic Challenge and Workforce Challenge Scholarship award and student status report. This concluded the report of the Lottery Oversight Subcommittee, and there were no questions.

Representative Gary Deffenbaugh moved that the reports of the Lottery Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Highway Commission Review and Advisory Subcommittee

Co-Chair Rice 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 Thursday, August 25, 2022, and heard testimony and discussed the following items: the progress of each Highway Construction Project of \$10 million or more; the Federal National Electric Vehicle Infrastructure Formula Program update; the July and August 2022 monthly updates of the ALC Efficiency Study recommendation rules for implementation; and the proposed contract with Data Transfer Solutions (DTS) to develop a maintenance management system for the implementation of Efficiency Study Rule Recommendations #7. 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.

Employee Benefits Division Oversight Subcommittee

Co-Chair Rice recognized Senator Kim Hammer, to present the report of the Employee Benefits Division Oversight Subcommittee (Exhibit F.14). Senator Hammer reported that the Employee Benefits Division Oversight Subcommittee met on Wednesday, August 24, 2022, and approved actions of the State Board of Finance, which met on August 16, 2022. The actions approved were the adoption of the EBD Quarterly Report for the fourth quarter of 2022, to approve changes to the EBD drug formulary, and the approved RFP for the Actuary Employees Assistance Program. The subcommittee also heard a Pharmacy Benefits Manager update. This concluded the report of the Employee Benefits Division Oversight Subcommittee, and there were no questions.

Senator Kim Hammer moved that the report of the Employee Benefits Division Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Co-Chair Rice informed members that a MAPD meeting map will be sent to the entire Legislature via email, to inform them and their constituents of the meeting dates to learn more about the ARBenefits Group Medicare Advantage (PPO) plan designed for Arkansas State and Public School retirees.

Co-Chair Rice recognized Co-Chair Wardlaw who stated that the EBD Director, Mr. Jake Bleed would also be providing a "1-800" number to members for their use and to share with their constituents.

Occupational Licensing Review

Co-Chair Rice recognized Senator Breanne Davis, to present the report of the Occupational Licensing Review Subcommittee (Exhibit F.15). Senator Davis reported that the Occupational Licensing Review Subcommittee met on Thursday, August 25, 2022, to receive reports on occupational authorizations from the Arkansas Department of Health and the Veterinary Medical Exam Board. This concluded the report of the Occupational Licensing Review Subcommittee, and there were no questions.

Senator Breanne Davis 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.10 and noted action by the Legislative Council is needed for Items H.07(b), H.07(c), and H.09(b).

Co-Chair Rice then recognized Mr. Mark White, Deputy Director and Chief of Staff, Legal, and Legislative Affairs, Department of Human Services (DHS), to present the report regarding assisted living facility reimbursements rates under the Living Choices Assisted Living Waiver.

After the presentation, Co-Chair Rice recognized members for questions on the report. After questions, this concluded the DHS report.

Co-Chair Rice referred members back to the Employee Benefits Division Oversight Subcommittee report and stated the motion made to approve this report will need to be expunged and restated, due to an error within the original report.

Representative Stephen Meeks made a motion to expunge the previous motion made on the Employee Benefits Division Oversight Subcommittee report. The motion was seconded and passed by voice vote.

Employee Benefits Division Oversight Subcommittee

Co-Chair Rice recognized Senator Kim Hammer, to present the (corrected) report of the Employee Benefits Division Oversight Subcommittee (Exhibit F.14). Senator Hammer reported that the Employee Benefits Division Oversight Subcommittee met on Wednesday, August 24, 2022, and approved the actions of the State Board of Finance, which met on August 16, 2022. The actions approved were the adoption of the EBD Quarterly report for the fourth quarter of 2022, and approval of the RFP for the Actuary Program. The subcommittee held the EBD Drug Formulary changes and the RFP for the Employee Assistance program until next month. The subcommittee also heard a RFP for Pharmacy Benefits Manager updates. This concluded the report of the Employee Benefits Division Oversight Subcommittee, and there were no questions.

Senator Kim Hammer moved that the (corrected) report of the Employee Benefits Division Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Co-Chair Rice re-referred members to the items that require action and recognized Mr. Jeff King, Deputy Director, and Ms. Leslie Fiskens, Chief of Legislative Affairs, DPHT – Division of State Parks, to respond to questions.

H.07. Department of Parks, Heritage, and Tourism:

- b. Division of State Parks**, Request for favorable advice of a real property acquisition with Mount Nebo State Park, submitted pursuant to A.C.A. § 22-4-106;

H.07. Department of Parks, Heritage, and Tourism:

- c. Division of State Parks**, Request for review of the General Revenue Comparisons, submitted pursuant to Section 20 of Act 174 of the 2022 Fiscal Session;

After the agency's presentation, Co-Chair Rice recognized members for questions.

On Item H.7(b), Senator Jimmy Hickey, Jr. requested for the Division of State Parks to bring the real property acquisition with Mount Nebo State Park back to ALC for review, before final approval.

After questions, Co-Chair Rice requested a motion on Item H.7(b).

Representative Stephen Meeks moved to give favorable advice on the real property acquisition with Mount Nebo State Park. The motion was seconded and passed by voice vote.

With no questions on Item H.07(c), Co-Chair Rice requested a motion.

Senator Mathew Pitsch moved to file the request for review of the General Revenue Comparisons as reviewed. The motion was seconded and passed by voice vote.

Co-Chair Rice referred members to Item H.9(b), and recognized Ms. Anne Laidlaw, Director, and Mr. Chris Bell, Administrator, Real Estate Services Section, Division of Building Authority, to respond to questions.

H.09. Department of Transformation and Shared Services:

- b. Division of Building Authority, Request for the Legislative Council's review of the sale of property below the appraised price, submitted pursuant to A.C.A. § 22-6-601(h)(2);**

Co-Chair Wardlaw made a motion to hold the request for review of the sale of property from the Division of Building Authority, until the next ALC meeting scheduled for September 16, 2022.

Senator Jimmy Hickey, Jr. was recognized to ask questions on the motion, asking if there was any time restraint related to the request. The agency responded there are none.

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

New Interim Study Proposals and Interim Resolutions

Co-Chair Rice referred members to the ISP's listed on the agenda as Items J.01 and J.02, and noted action by the Legislative Council is needed for those items. There were no questions from members.

Senator Joyce Elliott moved to batch the Interim Study Proposals and refer them to the requested committees. The motion was seconded and passed by voice vote.

J.01. Interim Study Proposal 2021-132, by Representative Jeff Wardlaw, Requesting that the Legislative Council of the Ninety-Third General Assembly request that the House Committee on Insurance and Commerce conduct a study of health insurance coverage reform in this state and recommend policies and procedures to implement the state's strategic plan for health insurance coverage reform.

ISP 2021-132 was referred to the House - Insurance and Commerce Committee.

J.02. Interim Study Proposal 2021-133, by Senator Kim Hammer, Requesting the Legislative Council to refer to the Senate Committee on City, County, and Local Affairs, a request to study the creation of a state-level division dedicated to coordinating and providing assistance to local volunteer fire departments.

ISP 2021-133 was referred to the Senate Committee on City, County, and Local Affairs.

Adjournment

At 10:07 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