

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

May 19, 2023

The Arkansas Legislative Council met at 9:00 a.m., Friday, December 16, 2022, in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair Jeff Wardlaw called the meeting to order and recognized a quorum of members present. Representative David Hillman was recognized to give the morning prayer.

Point of Personal Privilege

Co-Chair Wardlaw recognized Senator Missy Irvin and Representative Jack Ladyman to present on behalf of the Arkansas Senate and the House of Representatives, a citation to Mr. Phil Price, Sr. Legislative Analyst, Bureau of Legislative Research (BLR), as he nears retirement on December 31, 2022. Mr. Price has dedicated 40 years to serving the public and state government. He served as analyst of several legislative committees/subcommittees, including the committees on Public Health, Welfare and Labor. Members of the Arkansas Legislative Council (ALC) and BLR staff acknowledged and applauded Mr. Price for his great service to state government.

Minutes of the Previous Meeting

Co-Chair Wardlaw referred members to the minutes of the last Legislative Council meeting held on November 18, 2022, and asked if there were any questions. There were no questions.

Representative Charlene Fite moved that the minutes of the November 18, 2022, meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Wardlaw recognized Dr. Carlos Silva, Legislative Economist, to present the November 2022 General Revenue Report (Exhibit D). Dr. Silva began the report stating, the collections of Gross General Revenues year-to-date are approximately \$3,372 million, an increase of \$195 million, or 6.2% above the \$3,176 million collected last fiscal year-to-date. Dr. Silva further reported, the Net General Revenue Available for Distribution this month of \$2,927 million, increased \$154 million, or 5.6% from the \$2,773 million available for distribution in November 2021. The cumulative deviation of collections from the forecast for November 2022 reflects \$12 million above the forecast. This concluded the November 2022 General Revenue report.

Point of Personal Privilege

Co-Chair Wardlaw recognized The Honorable Jimmy Hickey, Jr., Arkansas Senate Pro Tempore and The Honorable Matthew J. Shepherd, Speaker of the Arkansas House of Representatives, to recognize legislative members who will not return for the 94th General Assembly. Pro Tempore Hickey asked each outgoing Senate member to stand as he expressed appreciation and gave a short

farewell speech. Speaker Shepherd followed with the same for House members. Applause was given by legislative members, staff, and those in the audience.

Report of the Executive Subcommittee

Co-Chair Wardlaw recognized Co-Chair Terry Rice to present the report of the Executive Subcommittee (Exhibit E). Co-Chair Rice reported that the Executive Subcommittee met on Thursday, December 15, 2022, and reviewed and approved an emergency rule regarding school safety for the Arkansas Department of Education, Division of Elementary and Secondary Education. In addition, the subcommittee also authorized BLR to enter Memorandums of Understanding (MOUs) with Institutions of Higher Education and the EBD regarding data to be provided to the Segal Group, Inc., for preparation of fiscal impact statements on legislation required by Act 112 of 2022. This concluded the report of the Executive Subcommittee, 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.

Co-Chair Wardlaw then referred members to the standing subcommittee reports.

Reports of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Representative Les D. Eaves to present the report of the Administrative Rules Subcommittee (Exhibit F.1). Representative Eaves reported the Administrative Rules Subcommittee met on Thursday, December 15, 2022. The subcommittee filed a report of the ALC - Medical Marijuana Oversight Subcommittee regarding its review of a rule concerning medical marijuana. The subcommittee approved two (2) agency requests for the expedited repeal of rules not meeting the definition of a rule under the Arkansas Administrative Procedures Act, pursuant to Act 65 of 2021. Pursuant to Act 1076 of 2021, the Subcommittee reviewed a report of the House and Senate Committees on Agriculture, Forestry, and Economic Development relating to the review and sunset of state agency rules pertaining to milk and cattle production, and voted to accept the agencies' final rule reports, such that the rules therein shall remain in effect. Pursuant to Act 517 of 2019 and Act 595 of 2021, the subcommittee received agency updates concerning outstanding rulemaking. The subcommittee also filed the December 2022 monthly written updates, pursuant to Act 595 of 2021. At the agency's request, two (2) rules by the Department of Human Services were pulled from consideration prior to the meeting. The subcommittee reviewed and approved one rule from the Department of Human Services, with a change by the agency to exempt federally qualified health centers. All other rules were reviewed and approved as noted in the report. This concluded the report of the Administrative Rules Subcommittee.

**Co-Chair Jeff Wardlaw submitted a letter of disclosure recusing himself from voting on a rule found on the December 2022 Administrative Rules report, and also stepped away from the chair's seat during discussion of; Vice Co-Chair Jim Dotson temporarily presided in his place.*

Representative Les D. Eaves moved that the report of the Administrative Rules Subcommittee be adopted.

Vice Co-Chair Dotson recognized Representative Jon Eubanks for questions. Representative Eubanks requested to make a substitute motion.

Representative Jon Eubanks made a substitute motion to adopt the report, with the exception of the DHS - Division of Medical Services rule, regarding living choices waiver rate adjustment, which should be referred to the JBC - Administrative Rules Subcommittee in January 2023. The motion was seconded by Senator Bart Hester.

Vice Co-Chair Dotson recognized members for questions, before accepting the substitute motion. Vice Co-Chair Dotson also recognized Mr. Mark White, (acting) Secretary, Department of Human Services, to respond to questions from members. After questions, Senator Chesterfield was recognized to speak.

Senator Linda Chesterfield moved that the report of the Administrative Rules Subcommittee be adopted.

Vice Co-Chair Dotson, did not accept the motion made by Senator Linda Chesterfield, in order to recognize additional members for questions.

After questions, Vice Co-Chair Dotson recognized Representative Eaves to speak.

Representative Les D. Eaves withdrew his original motion to adopt the Administrative Rules Subcommittee report as presented.

Vice Co-Chair Dotson then recognized Representative Eubanks to repeat his motion.

Representative Jon Eubanks made a substitute motion to adopt the report, with the exception of the DHS - Division of Medical Services rule, regarding living choices waiver rate adjustment, which should be referred to the JBC - Administrative Rules Subcommittee in January 2023. The motion was seconded.

Senator Kim Hammer made a request to divide the votes by chamber. With the Vice Co-Chair seeing the appropriate number of hands (3) to do so, the voice votes were divided by chambers, starting with the House of Representatives members of ALC, first.

After voice vote of the House of Representatives ALC members, Vice Co-Chair Dotson stated the motion passed.

After voice vote of the Senate ALC members, Co-Chair Terry Rice stated the motion failed.

Senator Stephanie Flowers requested a roll call vote. By a show of the appropriate number of hands (3), a roll call vote was initiated.

Prior to the roll being called, Senator Flowers reflected on the outcome of the votes, and withdrew her request for a roll call vote. She stated if the motion failed in one of the chambers, then the motion should fail in its entirety.

Seeing an additional number of hands, Vice Co-Chair Dotson stated he would move forward with the roll call to ensure accuracy with the Senate votes.

After the roll was called, the motion failed, with a nine (9) to ten (10) vote from Senate members.

Vice Co-Chair Dotson recognized Senator Chesterfield for a motion.

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

**Co-Chair Wardlaw returned to continue presiding over the meeting.*

Claims Review & Litigation Reports Oversight Subcommittee

Co-Chair Wardlaw 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 Thursday, December 15, 2022, concerning litigation reports oversight and reviewed sixteen (16) litigation cases. The subcommittee also reviewed one (1) proposed settlement submitted by the University of Arkansas System. Concerning claims review, the subcommittee affirmed the ruling of the Claims Commission for ten (10) reissuance of warrants, one (1) awarded claim, and ten (10) denied and dismissed claims. The subcommittee declined to consider one (1) claim which was submitted outside the statutory timeframe for appeals of the Claims Commission decision, under Ark. Code Ann. § 19-10-211(a). Finally, pursuant to Ark. Code Ann. § 19-5-601(e), the Treasurer of the State submitted a claim for additional general and special revenues that the City of Calico Rock should have received based on the Census count. The subcommittee approved inclusion of this amount in the Claims appropriation bill. 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.

Medical Marijuana Oversight Subcommittee

Co-Chair Rice recognized Senator Bill Sample to present the report of the Medical Marijuana Oversight Subcommittee (Exhibit F.7). Senator Sample reported that the Medical Marijuana Oversight Subcommittee met on Wednesday, December 14, 2022, and discussed the Department of Finance and Administration rules presented regarding licensure of medical marijuana facilities. The Arkansas Cannabis Industry Association and a panel of industry professionals expressed concerns for the state's contracted seed-to-sale software provider, BioTrack. BioTrack provided a report of responses to prior complaints levied against them and the plans for improvements to their services. This concluded the report for the Medical Marijuana Oversight Subcommittee, and there were no questions.

Senator Bill Sample 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 Wardlaw recognized Representative Michelle Gray to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8).

Representative Gray reported that the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, December 13, 2022. The subcommittee received reports, reviewed items, and approved requests for the following: various temporary appropriations; American Rescue Plan Act appropriations; Infrastructure Investment and Jobs Act appropriations; and Restricted Reserve Fund transfers. Several items were held in the subcommittee, as noted in the report. The subcommittee moved that all held items be referred to Joint Budget Committee (JBC) due to the upcoming Regular Session. This concluded the report of the PEER Subcommittee.

Representative Michelle Gray moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted. The motion was seconded.

Co-Chair Wardlaw recognized Senator Chesterfield for a substitute motion.

Senator Linda Chesterfield moved that all American Rescue Plan Act Appropriation request items (B.1 - B.19) be adopted. The motion was seconded.

Co-Chair Wardlaw recognized members to speak for or against the motion.

The substitute motion made by Senator Chesterfield, failed.

Co-Chair Wardlaw then recognized Representative Gray for her motion.

Representative Michelle Gray moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted. The motion was seconded by Senator Jimmy Hickey, Jr. 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 that the Review Subcommittee met on Tuesday, December 13, 2022, and reviewed methods of finance, discretionary grants, and services contracts. The subcommittee reviewed a timber sale for DHS and approved a disclosure of an ABA lease agreement. This concluded the report of the Review Subcommittee.

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 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 14, 2022, and reviewed reports and requests listed as Items 1-12 on the report. This concluded the request of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no 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.

Lottery Oversight Subcommittee

Co-Chair Wardlaw recognized Representative Rick Beck to present the report of the Lottery Oversight Subcommittee (Exhibit F.12). Representative Beck reported that the Lottery Oversight Subcommittee met on Wednesday, December 14, 2022, and heard testimony and reviewed the following items: Office of Arkansas Lottery report, the Arkansas Division of Higher Education invoice for reimbursement, and the Arkansas Division of Higher Education recommendations for the Academic Challenge and Workforce Challenge programs. The subcommittee also adopted the annual subcommittee report to the Arkansas Legislative Council (ALC). This concluded the report of the Lottery Oversight Subcommittee, and there were no questions.

Representative Rick Beck moved that the report 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 Tuesday, December 13, 2022, and heard testimony and reviewed the following items: the Quarterly Land Conveyances report; the Annual Expenditure of Revenues report; the 2022 fourth quarter and the 2023 first quarter reports on the progress of each highway construction project at \$10 million or more; September to December 2022 monthly updates of the ALC Efficiency Study Recommendations Rules for Implementation; proposed legislation for filing during the Regular Session; and reviewed the Act 789 report for 2023. 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, December 14, 2022. The subcommittee heard and reviewed the Employee Benefits Division (EBD) contract amendment to add the Employee Assistance Program and Actuarial Service - Amendment 4, presented by Jake Bleed, Director, Employee Benefits Division. This concluded the report of the Employee Benefits Division Oversight Subcommittee.

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

Senator Hammer made a request on behalf of the Subcommittee to have Jake Bleed make a verbal report on an update of the "opt-out" process for the Medicare Advantage Part D, with Prescription Drug plan, which officially began in November. After the report, Co-Chair Wardlaw recognized members for questions.

Reports of Interim or Special Committees

Co-Chair Wardlaw referred members to reports of interim or special committees, listed as items G.1 - G.3 on the agenda. Co-Chair Wardlaw recognized Representatives Jack Ladyman, Charlene Fite, and Senator Kim Hammer, for comments on their provided report. After comments, Co-Chair Wardlaw made a motion.

Co-Chair Wardlaw stated, without objection, all committee reports provided under this agenda item are considered adopted by ALC.

Co-Chair Wardlaw then recognized Senators Joyce Elliott and Keith Ingram for questions or comments regarding the ARPA funds, under the PEER Subcommittee report.

Review of Communications

Co-Chair Wardlaw referred members to the communications listed on the agenda as Items H.01 - H.09 and noted that action by Legislative Council was needed for Items H.1(a), H.1(b), and H.3(c).

H.01 - Arkansas Teacher Retirement System:

- a. Request for the Legislative Council's retrospective review of the imminent need partial equity ownership investments, submitted pursuant to A.C.A. § 19-11-1303;
 - i. Franklin Park Corporate Finance Access Fund II, L.P.
- b. Request for Legislative Council's review of an Investment Summary, submitted pursuant to A.C.A. §19-11-1302.
 - i. Arrowstreet Global ACWI Alpha Extension 130/30/20 L.P.;
 - ii. DIF Infrastructure VII Cooperatief U.A. and DIF Infrastructure VII SCSp;
 - iii. Alpine Investors IX, L.P.;
 - iv. Franklin Park Venture Capital Opportunity Fund, L.P.; and
 - v. Franklin Park International Fund XI, L.P.

With no questions from members, Co-Chair Wardlaw requested a motion.

Representative Charlene Fite moved to file the request (H.1(a)) from the Arkansas Teachers Retirement System, as reviewed. The motion was seconded and passed by voice vote.

Representative Charlene Fite moved to file the request (H.1(b)) from the Arkansas Teachers Retirement System, as reviewed. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw referred members to Item H.3(c) and requested a motion.

H.3(c) - Arkansas Economic Development Commission, Division of Rural Services, Request for approval of funding for the Arkansas Game and Fish Wildlife Grants for Cycle I of Fiscal Year 2023, submitted pursuant to Section 41 of Act 876 of 2019 Regular Session.

Co-Chair Rice moved to approve the request from the Division of Rural Services for approval of funding. The motion was seconded and passed by voice vote.

Adjournment

At 10:45 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