

**REPORT
OF THE
COMMITTEE ON POLICY MAKING
OF THE
ARKANSAS LEGISLATIVE COUNCIL**

May 19, 2023

Dear ALC Co-Chairs:

The Policy Making Subcommittee of the Arkansas Legislative Council met Monday, May 15, 2023, at 11:00 a.m. in Room B of the Big MAC Building, Little Rock, Arkansas. House Co-Chair Jack Ladyman called the meeting to order and saw a quorum of members present. The members present are listed on the sign-in sheet.

Co-Chair Ladyman recognized Co-Chair Linda Chesterfield for opening remarks, welcoming members to the subcommittee.

Co-Chair Ladyman then recognized Representative Les Warren to present the request to approve the actuarial consulting services contract between BLR and Osborn, Carreiro & Associates, Inc. (*Attachment 1*).

After questions from members, Co-Chair Ladyman recognized Co-Chair Chesterfield to make a motion.

Senator Linda Chesterfield made a motion to approve the contract. The motion was seconded and passed by voice vote.

Co-Chair Chesterfield was recognized to give an overview of the committee funds allocated for Fiscal Year 2024 (*Attachment 2*). After the overview, Co-Chair Ladyman recognized members for questions. Senator Kim Hammer stated for the record, the Arkansas PANS/PANDAS Advisory Panel will sunset at the end of the year (2023), and therefore, will no longer require funding to be allocated.

Co-Chair Ladyman then requested a motion to approve the committee funds allocated.

Representative DeAnn Vaught made a motion to approve the committee funds allocated for Fiscal Year 2024. The motion was seconded and passed by voice vote.

There being no further business to come before the subcommittee, the meeting adjourned.

Respectfully submitted,

Representative Jack Ladyman, Co-Chair and Senator Linda Chesterfield, Co-Chair

JL:LC/sla

ACTUARIAL CONSULTANT SERVICES AGREEMENT

This Actuarial Consultant Services Agreement (this “Agreement”) is between Osborn, Carreiro & Associates, Inc. (“Osborn”), located at 124 W. Capitol Ave., Ste. 1690, Little Rock, AR, 72201, and the Bureau of Legislative Research (“BLR”), located in the State Capitol Building, Room 315, 500 Woodlane Street, Little Rock, Arkansas 72201.

Osborn and the BLR hereby agree as follows:

1. **Services to be performed.** The BLR hereby retains Osborn to provide consultant and actuarial services as required by the Joint Committee on Public Retirement and Social Security Programs (the “Committee”) and other committees of the Arkansas General Assembly, to include the following (the “Services”):
 - Provide cost analysis, as requested for proposed legislation;
 - Attend committee meetings, as requested, to provide routine actuarial consultation on technical, policy, legal, or administrative questions;
 - Communicate new developments/trends in public retirement programs and provide improvement recommendations;
 - Assist in preparation of proposed changes to governing retirement laws;
 - Provide consultation and advisory services in the policy and administrative problems of new legislative implementation;
 - Provide consultation and advisory services to legislative committees or task forces for actuarial projects, as approved by the legislative committee or task force;
 - Develop and provide various tables and factors as needed by legislative committees;
 - Keep committees advised on developments in federal legislation and regulations regarding financing, benefits, vesting, fiduciary responsibility, disclosure, etc.;
 - Be readily accessible to committee members and staff; and
 - Be available for periodic educational discussions with committees and staff.

A request for services to be provided under this Agreement for a legislative committee or task force, other than the Committee, shall first be submitted to the Legislative Council for approval, or the Executive Subcommittee of the Legislative Council during a legislative session, prior to provision of the services.

2. **Deliverables.** Osborn will prepare reports and analyses based on requests of the Committee or other committees of the General Assembly (the “Deliverables”) to be provided to the BLR for use by the Committee and other committees of the Arkansas General Assembly. Except for the following, the BLR will own the Deliverables: (a) working papers of Osborn; (b) pre-existing Osborn materials or studies used in the provision of the Services and the Deliverables; (c) Osborn know-how and processes used in the provision of the Services and Deliverables as well as any and all intellectual property owned by Osborn that may be employed in providing the Services and Deliverables. Osborn is providing the Services and Deliverables for the use and benefit of the Committee and the Arkansas General Assembly. The Services and Deliverables are not for a third party’s use, benefit or reliance, other than members of the General Assembly. Except as described in Section 8 of this

Agreement, Osborn shall not discuss the Services or disclose the Deliverables until such time that the BLR provides Osborn notice that the BLR has disclosed the Services and Deliverables to third parties.

3. **Term and Termination.** The term of this Agreement will commence on July 1, 2023 and terminate on June 30, 2025, with an option to renew for an additional six (6) month period upon mutual agreement of the parties if the need of the Committee or the Arkansas General Assembly merits an extension.

Either party may terminate the Agreement by giving ten (10) days prior written notice.

4. **Fees and Expenses.** The Fees and Expenses related to this Agreement are outlined in the Fee Schedule that is incorporated in this Agreement by reference as Attachment A. The maximum amount BLR will pay to Osborn for the provision of the Services is One Hundred and Seventy-Five Thousand Dollars (\$175,000). This total contract amount includes the time spent in the completion of the Services, as well as other administrative costs including without limitation secretarial, bookkeeping, budget preparation, monitoring, and auditing services. The total maximum contract amount will cover any and all expenses for travel related to performing the Services under this Agreement. With the exception of the months during a regular legislative session, Osborn shall submit itemized invoices to the BLR on a monthly basis, based upon the per hour pricing set forth in the Fee Schedule. For work performed during a regular legislative session, Osborn shall submit an itemized invoice no later than thirty (30) days after sine die adjournment of the Arkansas General Assembly.
5. **Governing Law.** This Agreement shall be governed by the laws of the State of Arkansas, without regard to Arkansas's conflict of law principles. Osborn agrees that any claims against the BLR whether arising in tort or in contract, shall be brought before the Arkansas State Claims Commission as provided by Arkansas law, and shall be governed accordingly. Nothing in this Agreement shall be construed as a waiver of sovereign immunity of the BLR, the Committee, or the Arkansas General Assembly.
6. **Assignment.** This Agreement may not be assigned without the prior written consent of both parties, which either party may withhold for any reason. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.
7. **Amendment.** This Agreement may be amended upon agreement of both parties to the Agreement and the approval of the Legislative Council. Any amendment to this Agreement must be in writing and signed by both parties.
8. **Confidentiality.** "Confidential Information" under this Agreement means non-public information that a party marks as "confidential" or "proprietary" or that otherwise should be understood by a reasonable person to be confidential in nature. Confidential information does not include any information which is (a) rightfully known to the recipient prior to its disclosure; (b) released to any other person or entity (including governmental agencies) without restriction; (c) independently developed by the recipient without use of or reliance on Confidential Information; or (d) or later becomes publicly available without violation of this Agreement or may be lawfully obtained by a party from a non-party.

Each party will protect the confidentiality of Confidential Information that it receives under the Agreement except as required by applicable law, rule, regulation, or professional standard, without the other party's prior written consent. Due to the BLR being a public entity within the State of Arkansas, all terms of this Agreement, including but not limited to fee and expense structure, are subject to disclosure under the Freedom of Information Act of 1967, Ark. Code Ann. § 25-19-101, *et seq.*

If disclosure of Osborn's Confidential Information is required by law, rule, regulation, or professional standard, (including any subpoena or other similar form of process), the BLR shall provide Osborn with prior prompt written notice thereof.

In consideration of Osborn's and BLR's agreement to provide one another with access to their respective Confidential Information, Osborn and BLR each agrees to maintain in confidence all Confidential Information of the other. Except as provided in this Agreement, neither Osborn nor BLR shall in any manner disclose any Confidential Information of the other to any person, entity, firm or company whatsoever, without the express written consent of the other. Osborn and BLR shall each take all steps necessary to ensure that their respective affiliates, officers, employees, independent contractors, agents and other representatives (collectively "Representatives") maintain the Confidential Information in confidence.

9. **Restriction of Boycott of Israel.** Osborn hereby certifies and agrees that it is not currently engaged in, and agrees for the duration of the Agreement not to engage in, a boycott of Israel.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Osborn and BLR have executed this Agreement this ____ day of May, 2023.

Osborn, Carreiro & Associates, Inc.:

Steve Osborn, President

Date

BUREAU OF LEGISLATIVE

RESEARCH:

Marty Garrity, Director

Date

DRAFT

ATTACHMENT A – FEE SCHEDULE

DRAFT

Osborn, Carreiro & Associates, Inc.

ACTUARIES • CONSULTANTS • ANALYSTS

One Union National Plaza, Suite 1690
124 West Capitol Avenue
Little Rock, Arkansas 72201
(501)376-8043 fax (501)376-7847

March 2, 2021

Bureau of Legislative Research
Director's Office
500 Woodlane Street
State Capitol Building, Room 315
Little Rock, AR 72201

RE: Actuarial Consultant Services Agreement
Attachment A

Ladies and Gentlemen:

This letter provides an update of our actuarial fees involved with the continuance of our contract with the Joint Committee on Public Retirement and Social Security Programs (Committee) for the period beginning July 1, 2023 and ending June 30, 2025. The hourly rates by position described in the proposal is as follows:

	Price per Hour	No. Positions
Lead Actuary, Primary Contact	\$230	1
Supervising Actuary	\$275	1
Support Actuary	\$150	2
Support Staff	\$90	1

The maximum price per project (where a project is a cost impact study for a legislative proposal) during each legislative session is shown below. The maximum price per month based on the amount of work requested by the Committee or other legislative committees as directed by BLR is also shown in the table below:

<u>Description</u>	<u>Price per Project (during Sessions)</u>	<u>Price per Month (during Interims)</u>
Professional Hourly Rates	\$1,800	\$4,000
Subcontractors	0	0
Travel	0	0
Additional Goods & Services	0	0
Total Price per Project/Month	\$1,800	\$4,000

The work completed during Interims may be on one proposal or multiple proposals and may span several months as services are requested during these periods. The maximum contract amount for the services during the biennium covered by this contract would be \$175,000.

Osborn, Carreiro and Associates also certifies that:

1. Any cost not identified on this schedule but subsequently incurred will be the responsibility of the Vendor.
2. This pricing quotation is good for a 180-day acceptance period.
3. We certify the following:
 - a. Prices in this proposal have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition;
 - b. No attempt has been made nor will be to induce any other person or firm to submit a proposal for the purpose of restricting competition;
 - c. The person signing this proposal is authorized to represent the company and is legally responsible for the decision as to the price and supporting documentation provided as a result of this proposal; and
 - d. The prices in this proposal have not been knowingly disclosed by the proposer and will not be prior to award to any other proposer.

Please let us know if you need any additional information. We are looking forward to continuing to work with the committee.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA
Vice President & Actuary

Interim Committee Balances
for the
Bureau of Legislative Research

Attachment 2

(July 1, 2022 - June 30, 2023) APRIL 2023									
PER DIEM/MILEAGE & EXPENSES					OUT OF STATE TRAVEL				SPECIAL EXPENSES
COMMITTEE TITLE	FY 2022 - 23 BEGINNING		% EXPENDED	ENDING BALANCE	FY 2022 - 23 BEGINNING		% EXPENDED	ENDING BALANCE	EXPENDED
ECONOMIC AND TAX POLICY JOINT	\$ 7,500.00		0%	\$ 7,500.00	\$ -		0%	\$ -	
LEGISLATIVE FACILITIES JOINT	\$ 7,500.00		0%	\$ 7,500.00	\$ -		0%	\$ -	
SENATE EDUCATION	\$ 53,000.00	5,514.67	10%	\$ 47,485.33	\$ 5,950.00		0%	\$ 5,950.00	
SENATE JUDICIARY	\$ 20,000.00	529.63	3%	\$ 19,470.37	\$ 5,950.00		0%	\$ 5,950.00	
SENATE PUBLIC HEALTH, WELFARE & LABOR	\$ 50,000.00	7,422.00	15%	\$ 42,578.00	\$ 5,950.00		0%	\$ 5,950.00	
SENATE TRANS, TECH, LEGIS AFFAIRS	\$ 10,000.00		0%	\$ 10,000.00	\$ 5,950.00		0%	\$ 5,950.00	
SENATE REVENUE & TAX	\$ 10,000.00		0%	\$ 10,000.00	\$ 5,950.00		0%	\$ 5,950.00	
SENATE AGRI, FORESTRY & ECONOMIC DEV	\$ 19,000.00	2,731.48	14%	\$ 16,268.52	\$ 5,950.00		0%	\$ 5,950.00	
SENATE CITY, COUNTY & LOCAL AFFAIRS	\$ 14,000.00	2,964.79	21%	\$ 11,035.21	\$ 5,950.00		0%	\$ 5,950.00	
SENATE INSURANCE & COMMERCE	\$ 14,000.00	879.59	6%	\$ 13,120.41	\$ 15,000.00		0%	\$ 15,000.00	
SENATE STATE AGENCY & GOVT'L AFFAIRS	\$ 50,000.00	675.91	1%	\$ 49,324.09	\$ 7,000.00		0%	\$ 7,000.00	
JOINT PERFORMANCE REVIEW	\$ 90,000.00	7,895.38	9%	\$ 82,104.62	\$ 10,500.00		0%	\$ 10,500.00	
JOINT PUBLIC RETIREMENT & SS PRGM	\$ 30,000.00		0%	\$ 30,000.00	\$ -		0%	\$ -	
SENATE CHILDREN & YOUTH	\$ 20,000.00	3,323.88	17%	\$ 16,676.12	\$ 8,500.00		0%	\$ 8,500.00	
JT ADV COM & TECH	\$ 34,000.00	1,152.86	3%	\$ 32,847.14	\$ 14,450.00		0%	\$ 14,450.00	
HOUSE EDUCATION	\$ 122,000.00	19,087.34	16%	\$ 102,912.66	\$ 17,000.00		0%	\$ 17,000.00	
HOUSE JUDICIARY	\$ 40,000.00	1,796.79	4%	\$ 38,203.21	\$ 17,000.00		0%	\$ 17,000.00	
HOUSE PUBLIC HEALTH, WELFARE & LABOR	\$ 128,000.00	24,266.51	19%	\$ 103,733.49	\$ 17,000.00	3,258.63	19%	\$ 13,741.37	
HOUSE PUBLIC TRANSPORTATION	\$ 20,000.00	3,048.34	15%	\$ 16,951.66	\$ 17,000.00		0%	\$ 17,000.00	
HOUSE REVENUE & TAX	\$ 20,000.00		0%	\$ 20,000.00	\$ 17,000.00		0%	\$ 17,000.00	
HOUSE AGING & LEGIS AFFAIRS	\$ 47,000.00	18,227.77	39%	\$ 28,772.23	\$ 17,000.00		0%	\$ 17,000.00	
HOUSE AGRI, FORESTRY & ECONOMIC DEVELP	\$ 50,000.00	9,428.58	19%	\$ 40,571.42	\$ 17,000.00		0%	\$ 17,000.00	
HOUSE CITY, COUNTY & LOCAL AFFAIRS	\$ 50,000.00	12,950.87	26%	\$ 37,049.13	\$ 17,000.00		0%	\$ 17,000.00	
HOUSE INSURANCE & COMMERCE	\$ 50,000.00	1,911.65	4%	\$ 48,088.35	\$ 17,000.00		0%	\$ 17,000.00	
HOUSE STATE AGENCIES & GOVT'L AFFAIRS	\$ 88,000.00	4,867.81	6%	\$ 83,132.19	\$ 17,000.00		0%	\$ 17,000.00	
Child Maltreatment Investigations Oversight Committee	\$ 5,000.00		0%	\$ 5,000.00	\$ -			\$ -	
Code Revision Commission	\$ 5,000.00	1,241.56	25%	\$ 3,758.44	\$ -			\$ -	
Governor's Emergency Fund Review	\$ 5,000.00	1,463.30	29%	\$ 3,536.70	\$ -			\$ -	
Arkansas PANS/PANDAS Advisory Council	\$ 10,000.00	513.61	5%	\$ 9,486.39	\$ -			\$ -	
Alzheimer's Disease and Dementia Advisory Council	\$ 10,000.00	1,798.75	18%	\$ 8,201.25				\$ -	
Arkansas Legislative Arts and Technology Boot Camp	\$ 50,000.00	3,505.86	7%	\$ 46,494.14				\$ -	
UNALLOCATED INTERIM COMMITTEE	\$ 290,199.00		0%	\$ 290,199.00	\$ 10,097.00			\$ 10,097.00	
GRAND TOTAL	\$ 1,419,199.00	137,198.93		\$ 1,282,000.07	\$ 277,197.00			\$ 277,197.00	\$ -
JOINT ENERGY	\$ 65,806.00	13,676.06	21%	\$ 52,129.94					

PER DIEM/MILEAGE & EXPENSES				OUT OF STATE TRAVEL			
COMMITTEE TITLE	FY 2022 - 23 BEGINNING	FY 2023-24 ALLOCATIONS		FY 2022 - 23 BEGINNING	FY 2023-24 ALLOCATIONS	TASK FORCE EXPIRATION DATE	
ECONOMIC AND TAX POLICY JOINT	\$ 7,500.00	\$ 7,500.00					
LEGISLATIVE FACILITIES JOINT	\$ 7,500.00	\$ 7,500.00					
SENATE EDUCATION	\$ 53,000.00	\$ 53,000.00		\$ 5,950.00	\$ 5,950.00		
SENATE JUDICIARY	\$ 20,000.00	\$ 20,000.00		\$ 5,950.00	\$ 5,950.00		
SENATE PUBLIC HEALTH, WELFARE & LABOR	\$ 50,000.00	\$ 50,000.00		\$ 5,950.00	\$ 5,950.00		
SENATE TRANS, TECH, LEGIS AFFAIRS	\$ 10,000.00	\$ 10,000.00		\$ 5,950.00	\$ 5,950.00		
SENATE REVENUE & TAX	\$ 10,000.00	\$ 10,000.00		\$ 5,950.00	\$ 5,950.00		
SENATE AGRI, FORESTRY & ECONOMIC DEV	\$ 19,000.00	\$ 19,000.00		\$ 5,950.00	\$ 5,950.00		
SENATE CITY, COUNTY & LOCAL AFFAIRS	\$ 14,000.00	\$ 14,000.00		\$ 5,950.00	\$ 5,950.00		
SENATE INSURANCE & COMMERCE	\$ 14,000.00	\$ 14,000.00		\$ 15,000.00	\$ 15,000.00		
SENATE STATE AGENCY & GOV'T'L AFFAIRS	\$ 50,000.00	\$ 50,000.00		\$ 7,000.00	\$ 7,000.00		
JOINT PERFORMANCE REVIEW	\$ 90,000.00	\$ 90,000.00		\$ 10,500.00	\$ 10,500.00		
JOINT PUBLIC RETIREMENT & SS PRGM	\$ 30,000.00	\$ 30,000.00		\$ -	\$ -		
SENATE CHILDREN & YOUTH	\$ 20,000.00	\$ 20,000.00		\$ 8,500.00	\$ 8,500.00		
JT ADV COM & TECH	\$ 34,000.00	\$ 34,000.00		\$ 14,450.00	\$ 14,450.00		
HOUSE EDUCATION	\$ 122,000.00	\$ 122,000.00		\$ 17,000.00	\$ 17,000.00		
HOUSE JUDICIARY	\$ 40,000.00	\$ 40,000.00		\$ 17,000.00	\$ 17,000.00		
HOUSE PUBLIC HEALTH, WELFARE & LABOR	\$ 128,000.00	\$ 128,000.00		\$ 17,000.00	\$ 17,000.00		
HOUSE PUBLIC TRANSPORTATION	\$ 20,000.00	\$ 20,000.00		\$ 17,000.00	\$ 17,000.00		
HOUSE REVENUE & TAX	\$ 20,000.00	\$ 20,000.00		\$ 17,000.00	\$ 17,000.00		
HOUSE AGING & LEGIS AFFAIRS	\$ 47,000.00	\$ 47,000.00		\$ 17,000.00	\$ 17,000.00		

PER DIEM/MILEAGE & EXPENSES				OUT OF STATE TRAVEL			
COMMITTEE TITLE	FY 2022 - 23 BEGINNING	FY 2023-24 ALLOCATIONS		FY 2022 - 23 BEGINNING	FY 2023-24 ALLOCATIONS	TASK FORCE EXPIRATION DATE	
HOUSE AGRI, FORESTRY & ECONOMIC DEVELP	\$ 50,000.00	\$ 50,000.00		\$ 17,000.00	\$ 17,000.00		
HOUSE CITY, COUNTY & LOCAL AFFAIRS	\$ 50,000.00	\$ 50,000.00		\$ 17,000.00	\$ 17,000.00		
HOUSE INSURANCE & COMMERCE	\$ 50,000.00	\$ 50,000.00		\$ 17,000.00	\$ 17,000.00		
HOUSE STATE AGENCIES & GOVT'L AFFAIRS	\$ 88,000.00	\$ 88,000.00		\$ 17,000.00	\$ 17,000.00		
Child Maltreatment Investigations Oversight Committee	\$ 5,000.00	\$ 5,000.00					
Code Revision Commission	\$ 5,000.00	\$ 5,000.00					
Governor's Emergency Fund Review	\$ 5,000.00	\$ 5,000.00					
Arkansas PANS/PANDAS Advisory Council	\$ 10,000.00	\$ 10,000.00					
Alzheimer's Disease and Dementia Advisory Council	\$ 10,000.00	\$ 10,000.00					
UNALLOCATED INTERIM COMMITTEE	\$ 340,199.00	\$ 340,199.00		\$ 10,097.00	\$ 10,097.00		
GRAND TOTAL	\$ 1,419,199.00	\$ 1,419,199.00		\$ 277,197.00	\$ 277,197.00		
JOINT ENERGY	\$ 65,806.00	\$ 65,806.00					