

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

August 18, 2023

The Arkansas Legislative Council met at 9:00 a.m., Friday, July 21, 2023, 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 Ryan Rose was recognized to give the morning prayer.

Minutes of the Previous Meeting

Co-Chair Wardlaw referred members to the minutes of the last Legislative Council meeting held on June 16, 2023 (Exhibit C), and asked if there were any questions. There were no questions.

Senator Terry Rice moved that the minutes of the June 16, 2023, meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Report of a Standing Subcommittee

Co-Chair Wardlaw stated, without objection, the PEER report will be heard first.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Wardlaw recognized Representative Frances Cavanaugh to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit G.12). Representative Cavanaugh reported that the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, July 18, 2023. The subcommittee received reports, reviewed requests, and approved requests for the following: various temporary appropriations; American Rescue Plan Act appropriations; Infrastructure Investment and Jobs Act appropriations; Restricted Reserve Fund transfers; and the state's Central Services Fund deduction amount. This concluded the report of the PEER Subcommittee, and there were no questions.

Representative Frances Cavanaugh moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted. The motion was seconded and passed by voice vote.

Representative Frances Cavanaugh then moved to suspend the rules of ALC in order to take up the item on the ALC supplemental agenda. The motion was seconded and passed by voice vote.

Supplemental Agenda

Representative Cavanaugh stated the Department of Commerce-Arkansas Insurance Department, made a request through the Department of Finance & Administration (DF&A), for a transfer of \$190,471.93 from the Restricted Reserve Fund. The funds will cover 30% of the increase in the cost of property insurance premiums of eight (8) charter schools. This reflects the action taken in PEER for public schools.

Representative Frances Cavanaugh moved that a transfer of the funds in the amount off \$190,471.93, requested by the Arkansas Insurance Department be approved. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw informed members that the PEER report will be revisited at a later time during this meeting, once the proper data for review had been fully collected.

Act 413 Reports

Co-Chair Wardlaw recognized Mr. Shea Lewis, Interim Secretary, Department of Parks, Heritage, and Tourism, to report agency updates, pursuant to Act 413 of the 2021 Regular Session. Upon conclusion of the report, Co-Chair Wardlaw recognized members for questions.

PEER Report continued...

Co-Chair Wardlaw recognized Senator Bart Hester for a synopsis of the PEER item and to present a motion.

Senator Hester referenced Item B.07 of the PEER Report (American Rescue Plan Act Appropriation Request - Department of Parks, Heritage, and Tourism (DPHT) – Outdoor Recreation Grants Program for \$1,800,000). He stated the request was for outdoor projects in Russellville, Arkansas. However, the City of Russellville was just awarded a \$24 million federal grant. Therefore, the funds that were being requested can be used for a different purpose within that local area. Senator Hester stated the revised request would be presented at the next ALC-PEER meeting in August 2023.

Senator Bart Hester moved to expunge the original vote of the PEER report. The motion was seconded and passed by voice vote.

Senator Bart Hester then moved to adopt the Performance Evaluation and Expenditure Review (PEER) Subcommittee report, with the exception of Item B.07. The motion was seconded and passed by voice vote.

Act 413 Reports (*continued*)

Co-Chair Wardlaw recognized Mr. Wes Ward, Secretary, Department of Agriculture, to report agency updates, pursuant to Act 413 of the 2021 Regular Session. Upon conclusion of the report, Co-Chair Rice recognized members for questions.

Revenue Report

Co-Chair Wardlaw recognized Dr. Carlos Silva, Legislative Economist, BLR, to present the June 2023 General Revenue Report (Exhibit E). Dr. Silva reported, the collections of Gross General Revenues year-to-date are approximately \$8,850.0 million, an increase of \$76.9 million, or 0.9% above the \$8,773.12 million collected last fiscal year-to-date. Dr. Silva further reported, the Net General Revenue Available for Distribution of \$7,185.4 million, decreased \$292.0 million, or 3.9% from the \$7,477.4 million available for distribution in June 2022. He continued, stating the Cumulative Deviation from the forecast had been reset, and taking those changes into account, the updated forecast projected a surplus of \$1.16 billion for this fiscal year. This concluded the June 2023 General Revenue report. Co-Chair Wardlaw recognized members for questions. Mr. Larry Walther, Secretary, and Dr. John Shelnett, Economic Analysis and Tax Research, Department of Finance & Administration (DF&A), were recognized to respond.

Report of the Executive Subcommittee

Co-Chair Wardlaw recognized Co-Chair Terry Rice to present the report of the Executive Subcommittee (Exhibit F). Co-Chair Rice reported that the Executive Subcommittee met on Thursday, July 20, 2023, and reviewed and approved an emergency rule for the Department of Education, regarding Rules Governing Education Freedom Accounts. The review and approval of the emergency rule will be effective at 12:01 a.m. on August 1, 2023. The subcommittee authorized the Bureau of Legislative Research (BLR) to move forward with an RFP for consulting services related to the education facilities property insurance issues. Additionally, the Executive Subcommittee asked BLR to draft procedures and a timeline for a proposed study for the ALC - Game & Fish/Arkansas State Police Subcommittee, related to guns and concealed weapons, which will be considered by the Executive Subcommittee at its August 2023 meeting. 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.

Reports of the Standing Subcommittees (*continued*)

Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Representative Brian S. Evans to present the report of the Administrative Rules Subcommittee (Exhibit G.1). Representative Evans reported the Administrative Rules Subcommittee met on Thursday, July 20, 2023. The subcommittee adopted the Bureau of Legislative Research - Administrative Rules Review Section report of the Acts of the 2023 Regular Session Requiring New Rulemaking. The Subcommittee received and filed the quarterly reports on Administrative Directives, pursuant to Act 1258 of 2015, for the quarter ending June 30, 2023, by the Department of Corrections and the Arkansas Parole Board. Pursuant to Act 595 of 2021, the subcommittee received agency updates on outstanding rulemaking. All rules were reviewed and approved as noted in the report. This concluded the report of the Administrative Rules Subcommittee, and there were no questions.

Representative Brian S. Evans moved that the report of the Administrative Rules Subcommittee be adopted. The motion was seconded and passed by voice vote.

Game & Fish/State Police Subcommittee

Co-Chair Wardlaw recognized Representative Josh Miller to present the report of the Game & Fish/State Police Subcommittee (Exhibit G.5). Representative Miller reported the Game & Fish/State Police Subcommittee met on Monday, July 17, 2023, to discuss current concealed carry law, instruction, and enforcement from the Arkansas State Police, the Game & Fish Commission, and various concealed carry instructors and law enforcement officers. The subcommittee also heard updates regarding several conservation projects throughout the state from the Game & Fish Commission. This concluded the report of the Game & Fish/State Police Subcommittee, and there were no questions.

Representative Josh Miller moved that the report of the Game & Fish/State Police Subcommittee be adopted. The motion was seconded and passed by voice vote.

Employee Benefits Division Oversight Subcommittee

Co-Chair Wardlaw recognized Representative Aaron Pilkington to present the report of the Employee Benefits Division Oversight Subcommittee (Exhibit G.4). Representative Pilkington reported that the Employee Benefits Division Oversight Subcommittee met on Wednesday, July 19, 2023. The subcommittee approved the topic and timeline of the upcoming Diabetes Management Program Study, to be undertaken by the subcommittee at its next meeting in August 2023. The Employee Benefits Division also provided an update on the Pharmacy Benefits Manager (PBM) contract with Navitus and answered questions regarding members accessing claims. This concluded the report of the Employee Benefits Division Oversight Subcommittee, and there were no questions.

Representative Aaron Pilkington moved that the report of the Employee Benefits Division Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Wardlaw recognized Senator Scott Flipppo to present the report of the Review Subcommittee (Exhibit G.14). Senator Flipppo reported that the Review Subcommittee met on Tuesday, July 18, 2023, and reviewed methods of finance, discretionary grants, and service contracts. A disclosure of a loan agreement with a member of the General Assembly was approved. No items were held. This concluded the report of the Review Subcommittee, and there were no questions.

**Senator Jim Petty recused himself from voting on the July 2023 ALC - Review report, as he has personal interest in an item included on the report.*

Senator Scott Flipppo 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 Senator Breanne Davis to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit G.15). Senator Davis reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Wednesday, July 19, 2023. The subcommittee reviewed reports and requests listed as Items 1-20 on the report. Item 6, an OPM Surrender Pool (swap pool) request for the Arkansas State Police, and Item 10, an OPM Growth Pool position for the Public Service Commission, were both held for further review by ALC. It should be noted that Item 16, with Attachment 1, provides the final report from the Personnel Subcommittee regarding the payment of law enforcement officers' stipends, required by Act 561 of 2023, as well as the procedures to be used, the application for Group 2, and the stipends amount to be paid for Group 1, including reimbursements for certain institutions of higher education. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

Senator Breanne Davis moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted, including Item 6 & Item 10, following any explanations and discussion from ALC.

With all questions and discussion for Item 6 being satisfied, Co-Chair Wardlaw recognized Mr. Doyle Webb, Chairman, and Ms. Katie Anderson, Commissioner, Public Service Commission, to provide further explanation of Item 10. After discussion, Co-Chair Wardlaw returned to the motion made by Senator B. Davis.

The motion was seconded and passed by voice vote.

Review of Communications

Co-Chair Wardlaw referred members to the communications listed on the agenda as Items I.01- I.11 and noted that a verbal report will be given for Item I.06 - DHS and action by Legislative Council was needed for Item I.07(b).

Co-Chair Wardlaw referred members to Item I.06 for a verbal report from Ms. Kristi Putnam, Secretary, Department of Human Services (DHS), on assisted living facility reimbursements, pursuant to Section 15 of Act 213 of 2022.

Upon conclusion of the verbal report, Co-Chair Wardlaw referred members to Item I.07(b) and requested a motion.

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

- b. Division of State Parks,** Request to review the division's plan for the upcoming year regarding the amounts to be disbursed for each state park or other entity from the funds appropriated to the division for state operations, submitted pursuant to Section 18 of Act 344 of 2023.

Representative DeAnn Vaught moved to file the request from the Department of Parks, Heritage, and Tourism - Division of State Parks, as reviewed. The motion was seconded and

passed by voice vote.

Interim Study Proposals and Interim Resolutions

Co-Chair Wardlaw moved, without objection, to approve sending Interim Study Proposal 2023-085, by Representative Julie Mayberry, requesting the Legislative Council to request the Committee on Advanced Communications and Information Technology to study the impact artificial intelligence has on campaign advertising, election technology, consumer protection, and state information systems, to the Advanced Communications and Information Technology Committee.

Adjournment

At 10:15 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