

**MINUTES OF THE MEETING**  
**OF THE**  
**ARKANSAS LEGISLATIVE COUNCIL**

**December 15, 2023**

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The Arkansas Legislative Council met at 9:00 a.m., Friday, November 17, 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 Mary Bentley 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 October 20, 2023 (Exhibit C), and asked if there were any questions. There were no questions.

**Representative DeAnn Vaught moved that the minutes of the October 20, 2023, meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.**

*Co-Chair Wardlaw stated without objection, Item D - Act 413 Presentations would be moved to the end of the agenda.*

**Other Business**

Co-Chair Wardlaw recognized Ms. Amy Fecher, Director, and Mr. Carlos Borromeo, Deputy Director, Investments & Finance, of the Arkansas Public Employees Retirement System (APERS), to expound upon the agency's \$442 million loss for the quarter, which includes investments and operating expenses. Ms. Fecher stated the numbers are reported every quarter to APERS Board of Trustees and the numbers that have been reported are as of September 30th, the first quarter of FY24. She continued stating the fund has since gained \$152 million. As of November 15th, the fund was at \$10.4 billion. Ms. Fecher referred members to a handout for viewing (*Handout: Ex. J.02 - APERS*). After statements, Co-Chair Wardlaw recognized members for questions.

**Revenue Report**

Co-Chair Wardlaw recognized Dr. Carlos Silva, Legislative Economist, BLR, to present the October 2023 General Revenue Report (Exhibit E). Dr. Silva reported, the collections of Gross General Revenues year-to-date are approximately \$2,717.7 million, a decrease of \$73.1 million, or 2.6% below the \$2,790.85 million collected last fiscal year-to-date. Dr. Silva further reported, the Net General Revenue Available for distribution of \$2,289.1 million, decreased \$165.9 million, or 6.8% from the \$2,454.99 million available for distribution in October 2022. The Cumulative Deviation is above the forecast at \$115 million. This concluded the October 2023 General Revenue report. Co-Chair Wardlaw recognized members for questions. Mr. Jim Hudson, Secretary, Mr. Robert Brech, and Dr. John Shelnett, 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, November 16, 2023, and reviewed and approved emergency rules for the Department of Education regarding payments under the Educational Freedom Accounts, and from the Department of Commerce regarding the BEAD Program. Notice of this action was sent to all members and alternates of ALC, and the review and approval will be effective upon adjournment of the ALC meeting, Friday, November 17, 2023. The subcommittee also heard from representatives of the Insurance Department, the Arkansas School Board Association, and Meadors, Adams, & Lee Insurance, Inc., concerning its study on Education Facilities Property Insurance. The Subcommittee will meet again on December 14th to continue its study on school property insurance. All ALC members and alternates are encouraged to attend the meetings.

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

### Standing Committee Presentations

#### Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Senator Kim Hammer to present the report of the Administrative Rules Subcommittee (Exhibit G.1). Senator Hammer reported the Administrative Rules Subcommittee met on Thursday, November 16, 2023. The Subcommittee reviewed the following: quarterly reports by the Department of Corrections and the Arkansas Parole Board, pursuant to Act 595 of 2021. The subcommittee received agency updates on outstanding rulemaking, filed monthly written updates, and considered agency requests for exclusion of one act from the Act 595 reporting requirements. At the request of the Department of Agriculture and the Department of Human Services, two (2) rules were pulled from consideration prior to the meeting. All other rules were reviewed and approved as noted in the report. This concluded the report of the Administrative Rules Subcommittee, and there were no questions.

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

#### Employee Benefits Division Oversight Subcommittee

Co-Chair Wardlaw recognized Senator Ronald Caldwell to present the report of the Employee Benefits Division Oversight Subcommittee (Exhibit G.4). Senator Caldwell reported that the Employee Benefits Division Oversight Subcommittee met on Wednesday, November 15, 2023. The subcommittee reviewed and approved contract amendments for Navitus Health Solutions LLC and HMO Partners Inc. The Segal Group, Inc. presented the Diabetes Management Program Study Report on nutrition, obesity, and lifestyle management. Professional doctors came and discussed obesity. UnitedHealthcare provided Group Medicare Advantage (PPO) Plan updates. This concluded the report of the Employee Benefits Division Oversight Subcommittee, and there were no questions.

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

Game & Fish/State Police Subcommittee

Co-Chair Wardlaw recognized Senator Ricky Hill to present the report of the Game & Fish/State Police Subcommittee (Exhibit G.5). Senator Hill reported the Game & Fish/State Police Subcommittee met on Monday, November 13, 2023, to hear testimony regarding Federal Laws concerning firearms. Representative Josh Miller made the following statements:

- **Public Comment:**

There will be an opportunity for the public to provide comments to the Subcommittee on each of the topics we take up in this study. There will be a link on the General Assembly website for public comment sign up and there will be a sign up sheet at the committee meeting. Only those members of the public who have signed up in one of those two ways will be allowed to come forward and present their comments to the Subcommittee.

- **Member Participation:**

I want to invite and encourage all members of the General Assembly to attend these meetings and participate as we work towards recommendations to present to the Legislative Council next year. Although only members of the Subcommittee will be permitted to make motions and vote on the recommendations during this phase, we welcome input from all members of the General Assembly.

- **Next Meeting:**

Our next meeting will be December 11 at 1:00 p.m. in this room and we will begin hearing informational presentations regarding hunting laws related to firearms.

This concluded the report of the Game & Fish/State Police Subcommittee, and there were no questions.

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

Higher Education Subcommittee

Co-Chair Wardlaw recognized Representative Charlene Fite to present the report of the Higher Education Subcommittee (Exhibit G.6). Representative Fite reported that the Higher Education Subcommittee met at the Ouachita Baptist University campus, on Monday, October 23, 2023, and heard testimony from representatives of school districts and institutions of higher education regarding the alignment of professional learning communities in Arkansas. This concluded the report of the Higher Education Subcommittee, and there were no questions.

**Representative Charlene Fite moved that the report of the Higher Education Subcommittee be adopted. The motion was seconded and passed by voice vote.**

Highway Commission Review and Advisory Subcommittee

Co-Chair Wardlaw recognized Representative Ron McNair to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit G.7). Representative McNair reported that the Highway Commission Review and Advisory Subcommittee met on Monday, November 13, 2023, and heard testimony on reports from the Office of Internal Audit and the Arkansas Department of Transportation (ArDOT). 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.**

Occupational Licensing Review Subcommittee

Co-Chair Wardlaw recognized Representative Stephen Meeks to present the report of the Occupational Licensing Review Subcommittee (Exhibit G.11). Representative Meeks reported that the Occupational Licensing Review Subcommittee met on Thursday, November 16, 2023, to discuss recommendations regarding licenses that were heard on October 16th and October 19th. The Subcommittee approved motions to further develop the recommendations, prior to inclusion in the Subcommittee's final report. This concluded the report of the Occupational Licensing Review Subcommittee, and there were no questions.

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

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 the PEER Subcommittee met on Tuesday, November 14, 2023. The subcommittee received reports, reviewed requests, and approved the following: Various Temporary Appropriations; American Rescue Plan Act Appropriations; Infrastructure Investment and Jobs Act Appropriations; and Restricted Reserve Fund Transfers. Two (2) items in the report for the Department of Public Safety (DPS) are held in the subcommittee - they are a \$500,000 Restricted Reserve Fund transfer (F.2), and a Cash Fund appropriation for the department to make grants and nonprofits for security enhancements (H.5). This concluded the report of the PEER Subcommittee.

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

Co-Chair Wardlaw then recognized members for questions, as well as Mr. Mike Hagar, Secretary, Department of Public Safety, and Mr. AJ Gary, Director, Department of Emergency Management (ADEM), to discuss the held items and respond to questions. Related documents were handed to members for their viewing (*Handout: Ex. G.12- PEER*).

Senator John Payton requested a list of entities that received grant monies from the federal grant related to security.

Representative Mindy McAlindon requested that DPS submit a quarterly report on the distribution of grant monies including the name of the entity that received grant funds and the amount received. The first report will be due January 1, 2024.

Senator Kim Hammer made recommendations to: Change the eligibility criteria regarding the entity to read: "Must be described under section 501(c)(3) of the Internal Revenue code of 1986 (IRC) and or exempt from tax under section 501(a) of such code."; and those entities that have already received federal grant monies should be first in line to receive the state funds grants. He further recommended that entities that have already received federal grant monies should be first in line to receive the state fund grants.

Members also requested information on a timeline for awarding the grant monies, and a list of any entities that applied for the federal grant monies, but due to a lack of funding, were not awarded any federal grant funds. The agency is also asked to include whether the amounts will exceed \$500,000.

**Representative Mark Berry moved that ALC Co-Chairs be given authority to approve the Restricted Reserve Transfer in the associated appropriation amount of \$500,000 for the Department of Public Safety, upon receipt of written guidelines for distribution of the grant program, to include: more specific definitions regarding what constitutes being under threat; what expenditures will be allowed to be covered by the grant funds; and parameters regarding amounts for individual grant awards. The ALC Co-Chairs will provide a copy of the guidelines to all ALC members and alternates. The motion was seconded.**

**Senator Linda Chesterfield was recognized to give an additional motion. Senator Chesterfield moved for immediate consideration of the motion on the floor. The motion was seconded and passed by voice vote.**

**The motion made by Representative Mark Berry, passed by voice vote.**

#### Policy-Making Subcommittee

Co-Chair Wardlaw recognized Senator Linda Chesterfield to present the report of the Policy-Making Subcommittee (Exhibit G.13). Senator Chesterfield reported that the Policy-Making Subcommittee met on Thursday, November 16, 2023, and approved a request by Representative Jeff Wardlaw and Senator Terry Rice, requesting approval of a revision to the Committee Fund Allocations, to include special expenses of the committees, retroactive to July 1, 2023. A copy of the Committee Fund Allocations for this fiscal year, including deductions of special expenses as approved by the Subcommittee, is attached to the report (*Attachment 1*). This concluded the report of 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 Wardlaw recognized Senator Scott Flippo to present the report of the Review Subcommittee (Exhibit G.14). Senator Flippo reported that the Review Subcommittee met on Tuesday, November 14, 2023, and reviewed methods of finance, grants, and contracts. A contract for the Department of Human Services (DHS) was held (*pg. 11 of report*). All other items were reviewed. 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 continuation of the hold for the Department of Human Services. The motion was seconded and passed by voice vote.**

Co-Chair Wardlaw recognized Ms. Kristi Putnam, Secretary, Mr. Mitch Rouse, Chief of Staff, Ms. Mary Franklin, Director, Division of County Operations, and Ms. Sarah Cunningham, Chief Procurement Officer, Office of Procurement, all of the Department of Human Services, to discuss issues concerning the DHS contract. A handout was given to members for viewing (*Handout: Ex. G.14 -Review*). There was concern during the ALC-Review meeting about a request to raise funding from \$200,000 to around \$1.5 million dollars for a service contract. Mr. Rouse stated the agency would like to withdraw the request for an amendment to the services contract, as it is no longer needed. He went on to explain that an error was made by the agency, when it stated the agency overspent on that service contract, when in fact, they inflated the projected spending with the actual spending. Therefore, there was no overspend. The representatives of DHS provided further information and responded to member questions.

**Co-Chair Wardlaw stated, without objection, the DHS contract amendment is considered withdrawn.**

**Co-Chair Wardlaw then stated, without objection, the committee will move forward with hearing the DHS report - Item 7(a).**

**I.07 - DHS** - Co-Chair Wardlaw recognized Ms. Kristi Putnam, Secretary, Department of Human Services (DHS), for the verbal report on assisted living facility reimbursements, pursuant to Section 15 of Act 213 of 2022.

*\*Co-Chair Rice temporarily took the seat as chair.*

Upon conclusion of the report, Representative Mark Berry requested to receive information on the average time it takes to reimburse the facilities, and the time required by the federal government to reimburse the facilities.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Wardlaw recognized Representative Mark Berry to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit G.15). Representative Berry reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Wednesday, November 15, 2023. The subcommittee reviewed reports and requests listed as Items 1-4 as noted on the report, with the exception of Item 1.C, which was held for review by ALC. The Department of Finance & Administration was asked to determine if they had utilized the budgeted salary dollars for a surrendered position which was never been filled, and other line items. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

**Representative Mark Berry moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted, including Item 1.C, based on the data provided by the agency and the approval of the requesting member. 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 action by Legislative Council was needed for Item I.03. Co-Chair Wardlaw then requested a motion for Item I.03.

I.03. - Department of Commerce:

- a. Arkansas Economic Development Commission, Division of Rural Services, proposed approval of funding for Rural Community Grants and Rural Services Block Grant Programs for Cycle 1 of Fiscal Year 2024, submitted pursuant to Act 605 of 2023.

**Representative DeAnn Vaught moved to file the request from the Arkansas Economic Development Commission, Division of Rural Services, as approved. The motion was seconded and passed by voice vote.**

**New Business**

J.01 - Arkansas Legislative Council (ALC), Proposed change to the ALC Rules, to comply with the provisions of Act 11 of the First Extraordinary Session of the 94th General Assembly, which established a new vote threshold for approval of transfers from the Arkansas Reserve Fund Set Aside.

**Representative Kenneth Ferguson moved to approve the proposed change to the ALC Rules. The motion was seconded and passed by voice vote.**

**Interim Study Proposals**

Co-Chair Wardlaw referred members to Interim Study Proposal 2023-098, by Representative Karilyn Brown, a request that the Legislative Council refer to the House Committee on Judiciary a study of protections for alleged offenders involved in an investigation under the Child Maltreatment Act when a second opinion or differential diagnosis may be relevant as to whether the alleged victim was subject to abuse; and a study of ways to provide recourse for persons accused of maltreatment under the Child Maltreatment Act who are later exonerated.

**Co-Chair Wardlaw stated, with no objections, ISP 2023-098 is referred to the House Committee on Judiciary.**

**Act 413 Reports**

Co-Chair Wardlaw recognized Major General Jonathan Stubbs, Secretary, and Mr. Jeff Wood, Chief of Staff, Department of Military, 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.

*\*Co-Chair Rice temporarily took the seat as chair.*

Members requested to receive a report, presented at the April/May 2024 ALC meeting, on the progress of the Department of Military's efforts to be allowed on all high school and college campuses within the State of Arkansas for recruitment purposes, as well as any other needs of the department.

Co-Chair Wardlaw then recognized Mr. Joe Profiri, Secretary, Department of Corrections, 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.

Lastly, Co-Chair Wardlaw recognized Mr. Mike Hagar, Secretary, Department of Public Safety, 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.

**Adjournment**

At 12:30 p.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

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Representative Jeff Wardlaw  
Co-Chair, House

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Marty Garrity  
Executive Secretary