

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

November 17, 2023

The Arkansas Legislative Council met at 9:00 a.m., Friday, October 20, 2023, 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. Representative Matthew J. Shepherd, Speaker, House of Representatives, 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 September 15, 2023 (Exhibit C), and asked if there were any questions. There were no questions.

Co-Chair Jeff Wardlaw moved that the minutes of the September 15, 2023, meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Interim Resolution

Co-Chair Rice referred members to Interim Resolution 2023-001, by Senator Jim Dotson and additional House of Representatives and Senate members as sponsors, requesting that the Arkansas Legislative Council recognize the State of Israel's right to use decisive force in defending its citizens and eliminating terrorist threats; and reaffirm Arkansas's strong support for the State of Israel.

Without objection, Interim Resolution 2023-001 was adopted by voice vote.

Act 413 Reports

Co-Chair Rice recognized Mr. Jacob Oliva, Secretary, Department of Education, 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.

Co-Chair Rice then recognized Ms. Leslie Fiskens, Secretary, Ms. Kay Barnhill, Director, Office of Personnel Management, and Ms. Alex Johnston, Chief of Staff, all of the Department of Transformation and Shared Services, 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.

Point of Personal Privilege

Co-Chair Rice recognized Senator Missy Irvin for a point of personal privilege. Senator Irvin referenced an email and a broadcasting from Arkansas PBS, Ms. Courtney Pledger, Executive Director & CEO, which made inaccurate statements regarding "Medicaid cuts". Ms. Pledger was invited to attend ALC's October 2023 meeting to offer an explanation and apology to the state for the mishap. Ms. Pledger did not attend. Ms. Karen Watkins, CFO, PBS, did attend on behalf of Ms. Pledger. After her statements, Co-Chair Rice recognized members for questions or comments.

Revenue Report

Co-Chair Rice recognized Dr. Carlos Silva, Legislative Economist, BLR, to present the September 2023 General Revenue Report (Exhibit E). Dr. Silva reported, the collections of Gross General Revenues year-to-date are approximately \$2,057.8 million, a decrease of \$22.4 million, or 1.1% below the \$2,080.19 million collected last fiscal year-to-date. Dr. Silva further reported, the Net General Revenue Available for distribution of \$1,776.9 million, decreased \$73.3 million, or 4% from the \$1,850.2 million available for distribution in September 2022. The Cumulative Deviation is above the forecast at \$108 million. This concluded the September 2023 General Revenue report. Co-Chair Rice recognized members for questions or comments. Mr. Robert Brech and Ms. Whitney McLaughlin, Department of Finance & Administration (DF&A), were recognized to respond.

Report of the Executive Subcommittee

Co-Chair Rice recognized Co-Chair Jeff Wardlaw to present the report of the Executive Subcommittee (Exhibit F). Co-Chair Wardlaw reported that the Executive Subcommittee met on Thursday, October 19, 2023, and heard from representatives of the Insurance Department, the Arkansas School Boards Association, and consultants, Meadors, Adams & Lee concerning the study on Education Facilities Property Insurance. The subcommittee will meet again on November 16, 2023, to hear a presentation from the consultants concerning Weather Modeling and its impact on property insurance for these facilities. ALC members and alternates are encouraged to attend the meetings.

Two studies have been initiated by ALC Subcommittees. The first is the School Property Insurance Study being undertaken by the Executive Subcommittee. This study came about because of the significant school property insurance increases experienced by each one of our school districts. The Governor requested \$11 million out the Restricted Reserve Fund, which was approved by ALC, to assist the school districts with paying the increased premiums.

The second study is the Arkansas Firearms and Concealed Carry Laws study being undertaken by the Game & Fish/State Police Subcommittee. This study will look into the firearms laws in the state to determine necessary revisions to state law and to clarify any conflicts or misinterpretations by state agencies.

Both studies will result in proposed legislation that will have a direct impact on school districts, institutions of higher education, and constituents.

Additionally, a rule change will be presented in the November ALC meeting due to Act 11 of the Special Session that adds one (1) new vote threshold for the Arkansas Reserve Fund Set-Aside. This concluded the report of the Executive Subcommittee.

Co-Chair Jeff Wardlaw 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 Rice recognized Representative Brian Evans to present the report of the Administrative Rules Subcommittee (Exhibit G.1). Representative Evans reported the Administrative Rules Subcommittee met on Thursday, October 19, 2023. Pursuant to Act 595 of 2021, the subcommittee received agency updates on outstanding rulemaking, filed monthly written updates, and approved agency requests for exclusion of one act, from the Act 595 reporting requirements. One rule was held by the subcommittee for consideration at its November meeting, pending receipt of information requested by the subcommittee. 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 Evans 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 Rice recognized Senator Jimmy Hickey, Jr. to present the report of the Employee Benefits Division Oversight Subcommittee (Exhibit G.4). Senator Hickey reported that the Employee Benefits Division Oversight Subcommittee met on Wednesday, October 18, 2023. The subcommittee received an update from The Segal Group, Inc. on the Medicare Advantage Prescription Drug Plan costs and savings, and also received an update on the Diabetes Management Program Study Program on diabetes medication utilization and management. Additionally, the subcommittee reviewed and approved the EBD/Colonial Life and Accident Insurance Company contract amendment for additional services through November 22, 2024. This concluded the report of the Employee Benefits Division Oversight Subcommittee, and there were no questions.

Senator Jimmy Hickey, Jr. 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 Rice 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 Thursday, October 19, 2023, and heard a presentation by Ms. Jill Thayer, Chief Legal Counsel, Bureau of Legislative Research, regarding an Overview of the Arkansas Firearms and Concealed Carry Laws Study and Timeline. Comments were made informing the public of an opportunity for the public to provide comments to the Subcommittee on each of the topics that will be taken 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. All members are encouraged to attend and participate. Only members of the subcommittee will be

permitted to make motions and vote on the recommendations. The next meeting will be scheduled for Monday, November 13, 2023, at 1:00 p.m. 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.

Higher Education Subcommittee

Co-Chair Rice recognized Senator Dan Sullivan to present the report of the Higher Education Subcommittee (Exhibit G.6). Senator Sullivan reported that the Higher Education Subcommittee met jointly with the Joint Performance Review Committee (JPR) on Monday, October 16, 2023, and heard testimony from multiple institutions of higher education regarding their diversity, equity, and inclusion survey responses. This concluded the report of the Higher Education Subcommittee, and there were no questions.

Senator Dan Sullivan moved that the report of the Higher Education Subcommittee be adopted. The motion was seconded and passed by voice vote.

Lottery Oversight Subcommittee

Co-Chair Rice recognized Representative Mindy McAlindon to present the report of the Lottery Oversight Subcommittee (Exhibit G.9). Representative McAlindon reported that the Lottery Oversight Subcommittee met on Tuesday, October 17, 2023. The subcommittee heard testimony on the Office of Arkansas Lottery Activities and Operations report and reviewed rules and contracts. The rules were reviewed and approved. The subcommittee vetted and filed reports on business that was carried over. This concluded the report of the Lottery Oversight Subcommittee, and there were no questions.

Representative Mindy McAlindon moved that the report of the Lottery Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Medical Marijuana Oversight Subcommittee

Co-Chair Rice recognized Representative Jon Milligan to present the report of the Medical Marijuana Oversight Subcommittee (Exhibit G.10). Representative Milligan reported that the Medical Marijuana Oversight Subcommittee met on Monday, October 16, 2023. The subcommittee heard testimony regarding medical marijuana ownership, voting control, owner tax liability, and profitability. The subcommittee also heard testimony on rebates, a number of in state/out of state management contracts, and the responsibility for contract oversight. This concluded the report of the Medical Marijuana Oversight Subcommittee, and there were no questions.

Representative Jon Milligan moved that the report of the Medical Marijuana Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Occupational Licensing Review Subcommittee

Co-Chair Rice recognized Senator Jane English to present the report of the Occupational Licensing Review Subcommittee (Exhibit G.11). Senator English reported that the Occupational Licensing Review Subcommittee met on Monday, October 16, 2023, to receive reports from the following occupational authorization entities: Arkansas Board of Examiners in Speech-Language Pathology and Audiology; Arkansas Department of Labor and Licensing - Labors Standard Division; and the Arkansas State Board of Podiatric Medicine.

The subcommittee met again on Thursday, October 19, 2023, and approved a motion to take up a supplemental agenda and heard testimony on a report from the Arkansas Department of Finance & Administration - Arkansas State Racing Commission. This concluded the report of the Occupational Licensing Review Subcommittee, and there were no questions.

Senator Jane English 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 Rice recognized Senator Jonathan Dismang to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit G.12). Senator Dismang reported that the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, October 17, 2023. The subcommittee received reports, reviewed requests, and approved the following: Various Temporary Appropriation; American Rescue Plan Act Appropriations; Infrastructure Investment and Jobs Act Appropriations; and Restricted Reserve Fund Transfers. The subcommittee also moved to recommend ALC request Legislative Audit work with DFA's consultants and relevant hospitals to ensure compliance with the Cybersecurity Defense Checklist. This concluded the report of the PEER Subcommittee.

**Senator Jonathan Dismang submitted a letter of disclosure recusing himself from voting on two (2) items from the Arkansas Game and Fish Commission, found on the October 17, 2023, PEER Subcommittee agenda.*

Senator Jonathan Dismang moved to adopt the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee, excluding the action regarding the request to Arkansas Legislative Audit concerning hospital cybersecurity. The motion was seconded and passed by voice vote.

Representative Jeff Wardlaw, Co-Chair, moved that ALC request Legislative Audit to coordinate with DFA, DFA's consultants, Alvarez & Marshal (A & M), DIS, and relevant hospitals to ensure hospital compliance with the Cybersecurity Defense Checklist included in each hospital's sustainability plan. Upon completion of the audit by Legislative Audit, we ask that Legislative Audit notify DFA and the applicable hospital. In addition, I move we request Legislative Audit make this a priority. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw explained that with the motion in place, it gives him and Senator Terry Rice, authority as Co-Chairs of ALC Executive Subcommittee, to present the request to Legislative Audit.

Policy-Making Subcommittee

Co-Chair Rice recognized Representative Jack Ladyman to present the report of the Policy-Making Subcommittee (Exhibit G.13). Representative Ladyman reported that the Policy-Making Subcommittee met on Tuesday, August 29, 2023, and heard from Representative Jeff Wardlaw, ALC House Co-Chair and Ms. Marty Garrity, Director, Bureau of Legislative Research (BLR), to present the construction contract between the Bureau of Legislative Research and Kinco Constructors, LLC, for the construction of a secure walkway between the State Capitol and the Big MAC Building.

The subcommittee requested one technical change, clarifying when payment on monthly invoices are due, and voted to approve the contract with that change. The subcommittee's approval of the contract was final, as authorized by ALC at its August 2023 meeting. This concluded the report of the Policy-Making Subcommittee, and there were no questions.

Representative Jack Ladyman 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 Representative Les D. Eaves to present the report of the Review Subcommittee (Exhibit G.14). Representative Eaves reported that the Review Subcommittee met on Tuesday, October 17, 2023, and reviewed methods of finance, an alternative delivery project grants and contracts. Two contracts were held. The first contract for the Department of Health was held for additional information, which has been received. The second contract, for the Department of Human Services, was held for clarification. The Office of State Personnel (OSP) has confirmed Amendment 2 for September which would have added \$600,000 was not presented for legislative review at the ALC meeting. Therefore, Amendment 2 was revised in AASIS to only extend the date, and Amendment 3 was submitted for the October Review meeting for the annual \$600,000 amount. The report was adjusted to correct the error. All holds were removed. This concluded the report of the Review Subcommittee, and there were no questions.

Representative Les D. Eaves moved that the report of the Review Subcommittee be adopted, including Contract #17 on page 21, and Contract #18 on page 36. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Rice 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, October 18, 2023. The subcommittee reviewed reports and requests listed as Items 1-22 as noted on the report, with Items 9 & 13 requiring approval by the subcommittee. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee. Co-Chair Rice recognized members for questions. Mr. Alan McVey and Mr. Paul Gehring, Department of Finance & Administration, and Ms. Allison Hatfield, Chief of Staff, Department of Commerce, all were recognized to respond.

Senator Breanne Davis moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted. The motion was seconded and passed by voice vote.

**Co-Chair Wardlaw temporarily took the seat as chair.*

Review of Communications

Co-Chair Wardlaw referred members to the communications listed on the agenda as Items I.01- I.14 and noted that action by Legislative Council was needed for Item I.02 and I.03(a) and (b). Verbal Reports will be given for Items I.06 and I.08.

Co-Chair Wardlaw requested a motion for Item I.02.

I.02. Arkansas Public Employees Retirement System (APERS), Request to review an investment summary for Neuberger Bergman, LLC., submitted pursuant to A.C.A. §19-11-1302.

Representative DeAnn Vaught moved to file the request from the Arkansas Public Employees Retirement System (APERS), as reviewed. The motion was seconded and passed by voice vote.

I.03. 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. Post Road Special Opportunity Fund III, LP
- b. Request for the Legislative Council's review of partial equity ownership agreements, submitted pursuant to A.C.A. §19-11-1302.
 - i. EnCap Energy Transition Fund II, L.P.

Representative DeAnn Vaught moved to batch and file the two (2) requests from the Arkansas Teacher Retirement System (ATRS), as reviewed. The motion was seconded and passed by voice vote.

I.06-ADE - Co-Chair Wardlaw recognized Secretary Jacob Oliva, Department of Education, to provide a report on the Education Freedom Account (“EFA”) annual report for the inaugural year of EFAs, pursuant to Ark. Code Ann. §6-18-2510. This report covers the period between the launch of EFAs (June 19, 2023) and September 20, 2023. Members were recognized for questions or comments. Mr. Booth Rand, General Counsel, Mr. Jimmy Harris, Compliance Director, Mr. Russ Galbraith, Chief Deputy Commissioner, Arkansas Insurance Department, were recognized to respond.

I.08-DHS - Co-Chair Rice recognized Mr. Mitch Rouse, Chief of Staff, and Mr. Jay Hill, Director, Division of Aging, Adult, and Behavioral Health Services, Department of Human Services (DHS), for the verbal report on assisted living facility reimbursements, pursuant to Section 15 of Act 213 of 2022.

Interim Study Proposals

Co-Chair Rice referred members to Interim Study Proposal 2023-092, by Representative Lanny Fite and Senator Kim Hammer, which is an Act to streamline modification of child support when a payor parent has been recently released from incarceration to provide for the accurate reflection of the payor parent's income; to require the Division of Correction to screen inmates nearing release from incarceration and the Division of Community Correction to screen parolees and probationers under supervision for existing child support obligations; to provide for the sharing of information between the Office of Child Support Enforcement and the Division of Correction, Division of Community Correction, parole officers, and probation officers in order to facilitate a recently incarcerated parent's prompt payment toward the support of his or her minor child; and for other purposes.

Representative DeAnn Vaught moved to refer ISP 2023-092 to the House Judiciary Committee. The motion was second and passed by voice vote.

Co-Chair Rice referred members to Interim Study Proposal 2023-095, by Representative Charlene Fite, requesting that the Arkansas Legislative Council refer to the House Committee on Agriculture, Forestry, and Economic Development, a study concerning the development of a strategy to incentive long-term development of film and television production within the State of Arkansas.

After a short synopsis by Representative Charlene Fite, Co-Chair Rice recognized members for questions. Ms. Allison Hatfield, Chief of Staff, and Ms. Renee Doty, Arkansas Economic Development Commission (AEDC), were recognized to respond. Senator Jonathan Dismang referenced Act 517 and whether the Act removed a rebate option for film-makers.

Representative DeAnn Vaught moved to refer ISP 2023-095 to the House Committee on Agriculture, Forestry, and Economic Development. The motion was seconded and passed by voice vote.

Adjournment

At 10:50 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