

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL (ALC)
MAY 2025

The Arkansas Legislative Council met at 9:00 a.m., Friday, December 20, 2024, 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-Elect Glenn Barnes was recognized to give the morning prayer.

Point of Personal Privilege

Co-Chair Wardlaw recognized Senator Joshua Bryant for a point of personal privilege. Senator Bryant introduced Ms. Kylie Sutton, Rogers, AR, and Colonel Mike Hagar, Secretary, Department of Public Safety, to share the story of how Kylie assisted an officer in need. Colonel Hagar expressed his greatest appreciation on behalf of the Arkansas State Police and Senator Bryant presented Kylie with a Senate Citation for her courage and heroic acts.

Co-Chair Wardlaw then recognized Representative Matthew Shepherd, Speaker of the House, and Senator Bart Hester, President Pro Tempore of the Senate, to acknowledge Senator Linda Chesterfield, Representatives Lanny Fite, Charlene Fite, Mark Berry, and Josh Miller - all were attending their last ALC meeting as a state legislator. Both, the Speaker and President Pro Tempore expressed great appreciation for the service each member has provided to their respective chambers, their constituents, and to other members.

Speaker Shepherd was also recognized for his service and tenure as the Speaker of the Arkansas House of Representatives and Senator Terry Rice was recognized, as it was his last time to serve as co-chair for ALC.

Report of the Executive Subcommittee

Co-Chair Wardlaw recognized Senator Terry Rice to present the report of the Executive Subcommittee (Exhibit E). Senator Rice reported that the Executive Subcommittee met on Thursday, December 19, 2024, and heard a presentation from Representative Wardlaw on the firearms study. The subcommittee adopted the final report and draft legislation. Co-Chair Wardlaw then recognized Representative Josh Miller, Co-Chair, ALC-Game & Fish/State Police Subcommittee to give an overview of the Firearms and Concealed Carry Laws Study report which included the following additions to the draft legislation:

- Added Section 21 to JLC174, amending Arkansas Code § 11-5-117, allowing an employee of a private employer to store his or her handgun in his or her vehicle in the parking lot of the private employer; and
- Included JLC152, to prohibit local government from regulating knives or knife-making components.

Co-Chair Rice continued, stating the Executive Subcommittee also heard from Perr & Knight and approved the release of two (2) RFP's for the selection of a Captive Manager and Broker related to the

state property insurance study. The subcommittee also recommended approval of an amendment to the ALC rules. The amendment changes the name and jurisdiction of the ALC Hospital and Medicaid Subcommittee to include "Developmental Disabilities", and repealed the ALC Policy-Making Subcommittee, transferring its powers to the Executive Subcommittee. This concluded the report of the Executive Subcommittee.

Senator Terry Rice moved that the report of the Executive Subcommittee be adopted, apart from the ALC Rules Amendment. The motion was seconded and passed by voice vote.

Senator Terry Rice moved to adopt the amendment to the ALC Rules. After questions from members on the rules, the motion was seconded and passed by voice votes from both the House of Representatives and the Senate.

Minutes of the Previous Meeting

Co-Chair Wardlaw referred members to the minutes of the last Legislative Council meeting held on November 15, 2024 (Exhibit C) and asked if there were any questions. There were no questions.

Representative Bruce Cozart moved that the minutes of the November 15, 2024 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, Bureau of Legislative Research (BLR), to present the November 2024 General Revenue Report (Exhibit D). Dr. Silva reported that the collections of Gross General Revenues year-to-date are approximately \$3,249.86 million, a decrease of \$74.5 million, or 2.2% below the \$3,324.35 million collected last fiscal year-to-date.

He further reported that the Net General Revenue available for distribution of \$2,737.2 million, decreased \$25.3 million, or 0.9% from the \$2,762.5 million available for distribution in November 2023. He stated the decline seems to be a similar trend when looking at surrounding states. The Cumulative Deviation of the forecast is \$10.9 million. This is an update provided by DF&A, which is a difference of 0.4% from what was provided in November 2024. This concluded the November 2024 General Revenue report.

Standing Subcommittee Presentations

Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Representative Brian S. Evans to present the report of the Administrative Rules Subcommittee (Exhibit F.1). Representative Evans reported that the Administrative Rules Subcommittee met on Thursday, November 19, 2024. The Subcommittee received agency updates on outstanding rulemaking from the 2023 Regular Session, and filed a written update related to rulemaking from the 2024 Fiscal Session. At the agencies' request, two (2) rules were pulled from consideration prior to the meeting: Department of Agriculture and Department of Energy and Environment, Division of Environmental Quality. The subcommittee voted to not approve one (1) rule from the Department of Commerce, State Insurance Department. 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.

Representative Brian Evans moved that the report of the Administrative Rules Subcommittee be adopted.

Senator Mark Johnson was recognized for a substitute motion.

Senator Mark Johnson made a substitute motion that Rule #128 is pulled from the Administrative Rules report and voted on separately, and to then adopt the Administrative Rules report. The motion failed by voice vote.

Senator Mark Johnson then requested a roll call and with three (3) hands visible, the roll was called, starting with the Senate. With a vote of 35 yeas to 17 nays, the substitute motion passed.

Co-Chair Wardlaw recognized Mr. Booth Rand, General Counsel and Mr. Alan McClain, Commissioner, Arkansas Insurance Department, and Ms. Allison Hatfield, Chief of Staff, and Mr. Jake Windley, Director of Legislative Affairs and Policies, Department of Commerce, to present Rule #128 to members, and respond to questions.

Prior to the presentation, Co-Chair Wardlaw recognized Senator Bart Hester for a motion.

Senator Bart Hester moved for immediate consideration of Rule #128; and to adopt the recommendation to not approve Rule #128. The motion was seconded and failed by voice vote.

Senator Linda Chesterfield was recognized for a motion and moved to adopt Rule #128. The motion was seconded.

Co-Chair Wardlaw recognized members to speak to or ask questions on the motion. Senator Jim Dotson asked Co-Chair Wardlaw to clarify the proper way to vote on the motion.

After discussion from members, Co-Chair Wardlaw recognized Senator Linda Chesterfield. Senator Chesterfield moved for immediate consideration of Rule #128, however Co-Chair Wardlaw explained, the procedures on a rule are to move forward without objection, which is set forth in the Constitution, therefore a motion to adopt a rule cannot be made. Discussion continued amongst members.

Co-Chair Wardlaw then explained, he will state "without objection, Rule #128 is reviewed and approved". If there is an objection, a vote must be taken on the objection. If the objection is adopted, another vote is necessary for Rule #128 to not be approved.

Co-Chair Wardlaw moved, without objection, Pharmacy Rule #128 stands approved. Senator Jim Dotson made an objection to the motion and requested a vote to not approve Rule #128. Senator Ricky Hill seconded the motion. The motion failed by voice vote.

Note: An "aye" or "yes" vote means you agree with the objection and the disapproval of the rule; a "no" vote means you don't agree with the objection and want the rule to stand as approved.

With three (3) hands visible, a roll call was rendered, starting with the House of Representatives. With a vote of 19 yeas to 31 nays, the motion failed, and Rule #128 was reviewed and approved.

Claims Review & Litigation Reports Oversight Subcommittee

Co-Chair Wardlaw recognized Representative DeAnn Vaught to present the report of the Claims Review & Litigation Reports Oversight Subcommittee (Exhibit F.3). Representative Vaught reported that the Claims Review & Litigation Reports Oversight Subcommittee met on Thursday, December 19, 2024. The Subcommittee reviewed two (2) litigation reports and one (1) litigation settlement. The Subcommittee affirmed the ruling of the Claims Commission as to four (4) awarded claims; three (3) denied and dismissed claims; and one (1) negotiated settlement agreement. The Subcommittee reversed the decision of the Claims Commission concerning one (1) awarded claim and amended the decision of the Claims Commission concerning one awarded claim, as outlined in the report. This concluded the report of the Claims Review & Litigation Reports Oversight Subcommittee, and there were no questions.

Representative DeAnn Vaught moved that the report of the Claims Review & Litigation Reports Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Employee Benefits Division (EBD) Oversight Subcommittee

Co-Chair Wardlaw recognized Senator Jimmy Hickey, Jr. to present the report of the Employee Benefits Division Oversight Subcommittee (Exhibit F.4). Senator Hickey reported that the Employee Benefits Division Oversight Subcommittee met on Wednesday, December 18, 2024. The Subcommittee reviewed and approved the following actions of the Arkansas State Board of Finance, including EBD Formulary and Medical Drugs Recommendations for December 2024: an EBD contract with Catilize Health, Inc.; and employer contributions for Plan Year 2025. The Subcommittee also heard the following fiscal impact statement presentations from Patrick Klein, Vice President and Consulting Actuary, The Segal Group: United Healthcare Medicare Advantage Prescription Drug Rate Increase; Removal of Specified Budget for Vacant Positions; and Emergency Rule #128. 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.

** Co-Chair Terry Rice proceeded with chairing the meeting, as Co-Chair Wardlaw momentarily stepped away.*

Highway Commission Review and Advisory Subcommittee

Co-Chair Rice recognized Senator Blake Johnson to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit F.7). Senator Johnson reported that the Highway Commission Review and Advisory Subcommittee met on Wednesday, December 18, 2024, and heard testimony on September to December 2024 monthly updates of the ALC Efficiency Study Recommendations Rules for Implementation Reports; Quarterly Land Conveyances report; annual Expenditure of Revenues report; proposed legislation for filing during the 2025 Regular Session; Infrastructure Investment and Jobs Act (IIJA) report; and reports on the progress of each Highway Construction Project of \$10 million or more. This concluded the report of the Highway Commission Review and Advisory Subcommittee, and there were no questions.

Senator Blake Johnson moved that the report of the Highway Commission Review and Advisory Subcommittee be adopted. The motion was seconded and passed by voice vote.

Hospital and Medicaid Study Subcommittee

Co-Chair Rice recognized Senator Missy Irvin to present the report of the Hospital and Medicaid Study Subcommittee (Exhibit F.8). Senator Irvin reported that the Hospital and Medicaid Study Subcommittee met on Monday, December 16, 2024, and heard recommendations from the Senate and House Committees on Public Health, Welfare, and Labor regarding approval of the Prior Authorization Proposals, submitted pursuant to Act 575 of 2023. The Subcommittee approved the recommendations and approved a prior authorization proposal submitted by Ambetter, without recommendation from the Public Health Committees. This concluded the report of the Hospital and Medicaid Study Subcommittee, and there were no questions.

Senator Missy Irvin moved that the report of the Hospital and Medicaid Study Subcommittee be adopted. The motion was seconded and passed by voice vote.

Lottery Oversight Subcommittee

Co-Chair Rice recognized Senator Ronald Caldwell to present the report of the Lottery Oversight Subcommittee (Exhibit F.9). Senator Caldwell reported that the Lottery Oversight Subcommittee met on Tuesday, December 17, 2024, and heard testimony regarding the Office of Arkansas Lottery Commission and Director's Report; Arkansas Division of Higher Education (ADHE) Scholarship Recipient's Report; and received recommendations for the Arkansas Academic Challenge Scholarship Program. The Subcommittee also adopted their Annual Report to ALC. Senator Jimmy Hickey, Jr. made a motion to direct BLR staff to draft a one-page report information sheet outlining the procedure for filing and considering lottery bills, as set out in the Code and the Joint Rules; the one-page report shall indicate that the passage of Issue 1 by the people of Arkansas will impact this process; and the information sheet should be sent to all members of the General Assembly. The motion was carried by voice-vote. This concluded the report of the Lottery Oversight Subcommittee, and there were no questions.

Senator Ronald Caldwell moved that the report of the Lottery Oversight 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 F.12). Senator Dismang reported that the PEER Subcommittee met on Tuesday, December 17, 2024. 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. This concluded the report of the PEER Subcommittee, and there were no questions.

Senator Jonathan Dismang moved to adopt the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Rice recognized Senator Scott Flippo to present the report of the Review Subcommittee (Exhibit F.14). Senator Flippo reported that the Review Subcommittee met on Tuesday, December 17, 2024, and reviewed the agenda items, including methods of finance, alternative delivery construction projects, discretionary grants, and services contracts, with the exception of the appropriation for legislative salaries. No items were held. 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. The motion was seconded and passed by voice vote.

Uniform Personnel Classification and Compensation Plan Subcommittee

**Senator Petty stated due to personal involvement of an item on the Personnel report, he will refrain from voting on this report.*

Co-Chair Rice recognized Senator Breanne Davis to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.15). Senator Davis reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Wednesday, December 18, 2024. The Subcommittee approved one (1) new special compensation and setup plan for the Department of Veterans Affairs and reviewed a miscellaneous federal grant for Forensic Administrator at the Crime Lab. The Subcommittee also reviewed two (2) reports: Department of Higher Education (ADHE), regarding the use of provisional positions by the four-year institutions; and the Personnel Actions report from the Office of Personnel Management regarding the use of Special Entry and Labor Market Rates by state agencies, as well as the first set of special compensation awards and recruitment incentives paid by DHS. 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. The motion was seconded and passed by voice vote.

Reports of Interim or Special Committees

Co-Chair Rice referred members to the Joint Public Health, Welfare, & Labor Committees, Report of the Arkansas Legislative Study on Mental and Behavioral Health, submitted pursuant to Act 512 of 2023. There were no questions from members.

Review of Communications

Co-Chair Rice referred members to the communications listed on the agenda as Items H.01 - H.11 and noted that action by Legislative Council was needed for Item H.03(a), H.04(a), H.04(c) and K.01, and verbal reports will be given by DHS on Item H.07(a).

H.03(a) - Arkansas Teacher Retirement System: Request for the Legislative Council's review of partial equity ownership agreements submitted pursuant to A.C.A. §19-11-1302.

- i. Long Wharf Real Estate Partners VII, L.P.
- ii. Riverside Value Fund II, L.P.
- iii. NovaCap International Technologies VII, L.P.
- iv. Revelstoke Capital Partners Fund IV, L.P.
- v. Peak Rock Capital Fund IV, L.P.

Senator Missy Irvin moved to file the request from Arkansas Teacher's Retirement System, as reviewed. The motion was seconded and passed by voice vote.

H.04(a) Department of Commerce, Arkansas Development Finance Authority: Request for the Legislative Council's review of the following Program Fact Sheets, submitted pursuant to A.C.A. §15-5-212(b).

- i. Hospital Revenue Bonds, (Washington Regional Medical Center)
- \$57,800,000 Series 2024
- ii. Multifamily Housing Revenue Bonds (Artspace Little Rock)
- \$15,125,000 Series 2024

Senator Missy Irvin moved to file the request from Department of Commerce, Arkansas Development Finance Authority, as reviewed. The motion was seconded and passed by voice vote.

**Co-Chair Wardlaw resumed with chairing the meeting.*

H.04(c) - Arkansas Economic Development Commission, Division of Rural Services: Request to approve funding for the Rural Services Block Grant Program for FY2025, submitted pursuant to Section 48 of Act 1010 of the 2021 Regular Session; and Arkansas Game and Fish Wildlife Grants for FY2025, submitted pursuant to Section 41 of Act 876 of the 2019 Regular Session.

Senator Missy Irvin moved to approve the request from Department of Commerce, Arkansas Development Finance Authority. The motion was seconded and passed by voice vote.

H.07(a) - Co-Chair Wardlaw recognized Ms. Kristi Putnam, Secretary, Department of Human Services to present the Monthly report on assisted living facility reimbursement rates under the Living Choices Assisted Living Waiver, submitted pursuant to Section 15 of Act 213 of 2022;

K.01 - Arkansas Legislative Council (ALC) - Proposed Amendments to ALC Rules. (*Amendments to the ALC Rules were adopted as part of the Executive Report.*)

Adjournment

At 10:41 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