

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, November 15, 2019

The Arkansas Legislative Council met at 9:00 a.m., Friday, October 18, 2019, 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. The members present are listed on the sign-in sheets.

Minutes of the Previous Meeting

Co-Chair Wardlaw referred the members to the minutes of the last Legislative Council meeting on September 20, 2019 (Exhibit C) and asked if there were any questions. There were no questions.

Senator Joyce Elliott moved that the minutes of the September 20, 2019 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Reports of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Senator Kim Hammer to present the report of the Administrative Rules Subcommittee (Exhibit E.1). Senator Hammer reported that the Administrative Rules Subcommittee met on October 16, 2019, and reviewed and approved all rules on the agenda.

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.

Higher Education Subcommittee

Co-Chair Wardlaw recognized Representative David Whitaker to present the report of the Higher Education Subcommittee (Exhibit E.5). Representative Whitaker reported that the Higher Education Subcommittee met on October 17, 2019, and heard information on the higher education funding formula. Mr. Nick Fuller, Deputy Director of the Division of Higher Education, spoke on “How we Got Here”—The Funding Formula Breakdown Prior to the Current Productivity Funding Formula. Ms. Beth Stewart, Senior Research Specialist of the Division of Higher Education, explained the Weighting and Metrics of the Current Productivity Funding Formula. Ms. Sonia Hazelwood, Associate Director for Research Analytics of the Division of Higher Education, distributed a brief synopsis of the Economic Securities Report showing the Value of Post-Secondary Education. The full report will be forwarded to committee staff for distribution to the subcommittee in the coming months. Representative Whitaker further reported, the subcommittee plans to hear from the institutions on how the current funding formula is impacting them.

This concluded the report of the Higher Education Subcommittee, and there were no questions.

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

Hospital and Medicaid Study Subcommittee

Co-Chair Wardlaw recognized Representative Fredrick Love to present the report of the Hospital and Medicaid Study Subcommittee (Exhibit E.6). Representative Love reported that the subcommittee met on September 26, 2019, and heard testimony regarding the following items:

- Challenges facing rural hospitals by Mr. Rex Jones, CEO, Magnolia Regional Medical Center;
- Opportunities for diversity, equity, and inclusion by Dr. Brian Gittens, Vice Chancellor for Diversity, Equity and Inclusion, University of Arkansas for Medical Sciences (UAMS);
- UAMS Regional Programs by Mr. Sterling Moore, Vice Chancellor for Regional Campuses, UAMS;
- UAMS Sickle Cell Clinic Update by Ms. Colin Montgomery from the UAMS Adult Sickle Cell Program; and
- Mental health issues facing Pre-K – 12th Grade and Higher Education students by Dr. Kim Bloss, College of Education, Southern Arkansas University.

This concluded the report of the Hospital and Medicaid Study Subcommittee, and there were no questions.

Representative Fredrick Love moved that the report of the Hospital and Medicaid Study Subcommittee be adopted. The motion was seconded and passed by voice vote.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Wardlaw recognized Representative DeAnn Vaught to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit E.8). Representative Vaught reported that the subcommittee met on October 15, 2019, and approved one item: a reallocation of resources for the Department of Human Services. The subcommittee also reviewed several items, including the following: cash fund appropriation increase requests; budget classification transfer request(s) for fiscal year 2020; a miscellaneous federal grant appropriation request for fiscal year 2020; and various reports assigned to the subcommittee. The subcommittee referred two (2) items to the Arkansas Legislative Council without recommendations: a rainy day fund release request in the amount of one (1) million dollars in funding and a cash fund appropriation increase request in the amount of one (1) million dollars in spending authority. Representative Vaught further reported the two requests are for the Department of Agriculture to support grants and projects in the Buffalo River watershed.

This concluded the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee.

Representative DeAnn Vaught moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee, with the exception of the two requests that were referred to the Arkansas Legislative Council, be adopted. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw requested Secretary Wes Ward, Department of Agriculture, and Mr. Jake Bleed, DFA State Budget Director, to come forward to respond to questions.

Co-Chair Wardlaw recognized Senator Terry Rice for questions. Senator Rice expressed his concerns with putting smaller business agricultural farmers at a disadvantage, as those who seem to have political activism successes in the Buffalo River area, grow. Senator Rice asked Secretary Ward if the Nature Conservancy could act as a land acquiring agent for the State of Arkansas. Secretary Ward stated that he would not consider the Nature Conservancy a land acquiring agent for the State of Arkansas, but for this particular case, Nature Conservancy did perform work in their area of expertise, as there was some partnership/collaboration with the Nature Conservancy to protect the Hot Springs recharge area.

Senator Rice asked if any extra precautions were taken when trying to figure the amount the agency is willing to pay versus what it is being required to pay. Secretary Ward responded that from a state's perspective, they are always trying to come up with the best cost for the value of a property by using all internal-agency resources and enlisting several different components to ensure all are following processes and procedures. Senator Rice made further comments.

Co-Chair Wardlaw recognized Representative Keith Slape for questions. Representative Slape asked Secretary Ward who would be allowed on the Buffalo River Conservation Committee. Secretary Ward responded that with the creation of the Buffalo River Conservation Committee by Executive Order 19-14, the Secretary of the Department of Agriculture and other related agencies will have final authority over those who participate or are involved. The decisions will lie with the four-member executive committee. He further stated that the committee will be a broad combination of members (The committee is composed of the Cabinet Secretaries of the Department of Agriculture; the Department of Energy and Environment; the Department of Parks, Heritage, and Tourism; and the Department of Health). Representative Slape expressed his concerns about landowners who do not want to participate in the program. Secretary Ward stated that it will be up to the landowner to participate, as they will not be forced, demonized, nor publicized for not participating.

Co-Chair Wardlaw recognized Senator Missy Irvin for questions. Senator Irvin stated that the Buffalo River flows through Searcy, Marion, Baxter, and Newton counties. Senator Irvin further asked if Secretary Ward or the Governor's Office visited with any of the elected officials of those counties. Secretary Ward responded, "no". Senator Irvin expressed her concerns with the Department of Agriculture not making contact with the elected officials that represent, not only landowners, but residents of those counties, in order to gain input from those people before the decision was made to create the Buffalo River Conservation Committee and program.

Senator Irvin requested to make a motion to hold the item until a meeting with the elected officials of those counties, those who represent the Buffalo River Conservation Committee and watershed, the Governor's office, and the residents within the mentioned counties, can properly meet for discussion.

Co-Chair Wardlaw stated the motion is an acceptable motion, at the proper time.

Co-Chair Wardlaw recognized Senator Kim Hammer for questions. Senator Hammer asked, in regards to the Governor's office letter dated October 1, 2019 about improvements, waste water, and septic tank systems, if the cities within the watershed are currently under the jurisdiction of the Department of Health. Secretary Ward responded there may be some overlap in responsibilities with each agency involved. Senator Hammer further questioned if the Department of Health has the responsibility of monitoring the program, why more funds are needed? Secretary Ward stated it would be an opportunity to supplement additional funding from the Governor and private donations to those programs in order to get more projects completed. Secretary Ward further stated there will be no changes to current statutory or regulatory responsibilities within each respective department.

Co-Chair Wardlaw recognized Representative Dan Douglas for questions. Representative Douglas expressed his concerns with stream bank erosion and asked if funds could be used by landowners to prevent or slow down stream bank erosion, if the landowner chose to utilize the funds. Secretary Ward stated USDA programs are in place to find mechanisms to help landowners get assistance to improve the land.

Co-Chair Wardlaw recognized Representative Wooten for questions. Representative Wooten expressed his concerns and asked, who the opportunity is going to best serve, the agency or the small land owners? Secretary Ward responded that the intent of the program is not to create any additional burdens or requirements on the landowners, but to get additional funding for those within the watershed.

Co-Chair Wardlaw recognized Representative Payton. Representative Payton asked why the funds for this program do not come from the Governors GIF fund. Jake Bleed responded that the GIF fund no longer exists, as it was replaced by the DEF fund, Development and Enhancement Fund, in which the appropriations are authorized by the General Assembly to release Rainy Day funds.

Co-Chair Wardlaw recognized Senator Irvin for a motion. Senator Irvin made a motion to hold the item until a meeting with the elected officials of those counties, those who represent the Buffalo River Conservation Committee and watershed, the Governor's office, and the people who live within the mentioned counties, can properly meet for discussion, including discussion on the Rainy Day fund request. And after discussion, to then send the issue back to the Performance Evaluation and Expenditure Review (PEER) Subcommittee for review.

Co-Chair Wardlaw recognized Senator Jimmy Hickey, Jr. for questions on the motion. Senator Hickey stated that he understood the Buffalo River Conservation Committee could give the Department of Agriculture recommendations but not identify and distribute funds, because the disbursements would come from the Department of Agriculture. Senator Hickey asked, as part of the motion, that staff find out if that information is correct and re-work any issues to identify the problems and report back to the PEER subcommittee.

The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Wardlaw recognized Representative Marcus Richmond to present the report of the Review Subcommittee (Exhibit E.10). Representative Richmond reported that the Review Subcommittee met on October 15, 2019, and reviewed and approved all of the agenda items including methods of finance, grants, and service contracts. Representative Richmond reported a contract with the Division of Community Corrections was recommended for ratifications. Representative Richmond reported that no items were held. This concluded the report of the Review Subcommittee, and there were no questions.

Representative Marcus Richmond moved that the report of the Review Subcommittee be adopted. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw recognized Representative Richmond for a second motion.

Representative Richmond made a motion to have the Department of Human Services (DHS) to continue to provide a monthly report to the Review Subcommittee regarding the assessments being done under the Optum contract. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw recognized Senator Linda Chesterfield for a point of personal privilege. Senator Chesterfield extended her appreciation to all members of the General Assembly who attended or participated in the Philander Smith College Legislative Appreciation Day.

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Wardlaw recognized Representative Jim Wooten to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit E.11). Representative Wooten reported that the Uniform Personnel Classification and Compensation Plan Subcommittee met on October 15, 2019, and reviewed communications, reports, and requests from several state agencies and higher education institutes. The subcommittee adopted a motion to add additional information to the agenda that includes the amount of salary up to 15% and 30% above the entry rate, along with matching, to show a total compensation amount for certain reviewable items. The subcommittee also held an item for further review in November 2019, from the Department of Transformation and Shared Services-Division of Building Authority in regards to a pool position. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

Representative Jim Wooten moved that the report of the Uniform Personnel Classification and Compensation Plan Subcommittee be adopted. The motion was seconded, and passed by voice vote.

Lottery Oversight Subcommittee

Co-Chair Wardlaw recognized Representative Chris Richey to present the report of the Lottery Oversight Subcommittee (Exhibit E.12). Representative Richey reported that the Lottery Oversight Subcommittee met on September 25, 2019 and heard testimony regarding the most recent activities and operations of the Office of the Arkansas Lottery from Bishop Woosley,

Director of the DFA-Office of Arkansas Lottery; an update on the 2020 Census Complete Count from Mr. Allen Green, Partnership Specialist, Chicago RCC, United States Census Bureau; and presentations of Historically Black Colleges and Universities, from Dr. Jerome Green, President, Shorter College; Ms. Carla Martin, Vice Chancellor for Finance & Administration, University of Arkansas at Pine Bluff; Dr. Carlos Clark, Provost and Executive Vice President of Academic Affairs, Arkansas Baptist College; and Dr. Roderick L. Smothers, President, Philander Smith College. This concluded the report of the Lottery Oversight Subcommittee, and there were no questions.

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

Highway Commission Review and Advisory Subcommittee

Co-Chair Wardlaw recognized Senator Jonathan Dismang to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit E.13). Senator Dismang reported that the Highway Commission Review and Advisory Subcommittee met on October 16, 2019, and was provided an overview of Amendment 42 of the Arkansas Constitution regarding the State Highway Commission. The subcommittee also received an update from Guidehouse, LLC on the status of their study on the Department of Transportation, as required by Act 298 of 2019. This concluded the report of the Highway Commission Review and Advisory Subcommittee, and there were no questions.

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

Review of Communications

Co-Chair Wardlaw referred members to the communications listed as Exhibit G.1 through Exhibit G.11 on the agenda, and noted that action by the Legislative Council is needed for the following items:

- 1) Arkansas Teacher Retirement System, Request for the Legislative Council's review of the partial equity ownership investments with the following, submitted pursuant to A.C.A § 19-11-1302:
 - a. Aeolus Catastrophe Keystone PF Fund, LP;
 - b. AxInfra NA II, LP;
 - c. BTG Pactual Open Ended Core US Timberland Fund, LP;
 - d. Clearlake Capital Partners VI, LP.

Co-Chair Wardlaw asked if there were any questions or discussion in regards to Exhibit G.2. There were no questions.

Senator Cecile Bledsoe moved that the investments of the Arkansas Teacher Retirement System be adopted and filed as reviewed. The motion was seconded, and passed by voice vote.

Co-Chair Wardlaw asked if there were any questions or discussion regarding the other items listed under Communications. There were no questions concerning the other communications listed on the agenda.

Interim Study Proposals

Co-Chair Wardlaw referred members to the new interim resolution listed as Exhibit I.1 on the agenda and asked Senator Jason Rapert to come forward to present.

1. **Interim Resolution 2019-001, by Senator Jason Rapert**, requesting the Arkansas Legislative Council designate the day of November 7, 2019 as “Victims of Communism Memorial Day” in Arkansas.

Seeing no questions on Interim Resolution 2019-001, Senator Bart Hester made a motion to adopt Interim Resolution 2019-001. The motion was seconded, and passed by voice vote.

Adjournment

At 9:50 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, Representative

Marty Garrity
Executive Secretary