

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Friday, October 16, 2020

The Arkansas Legislative Council met at 9:00 a.m., Friday, September 18, 2020, in Committee Room A of the Big Mac Building, Little Rock, Arkansas. Co-Chair Cecile Bledsoe 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 Bledsoe referred the members to the minutes of the last Legislative Council meeting on August 21, 2020, (Exhibit C) and asked if there were any questions. There were no questions.

Co-Chair Bledsoe moved that the minutes of the August 21, 2020 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Bledsoe recognized Mr. Richard Wilson to present the August 2020 Arkansas Revenue Report (Exhibit D). Mr. Wilson began by reporting the state is \$306 million above revenue for the last two months in FY20-21, in comparison to the same months in FY19-20, with a growth rate of 29.6%. The net is ahead at \$239.6 million, in comparison to the same months in FY19-20, with a growth rate of 26.3%. Mr. Wilson further stated, gross receipt taxes for the month are up 10% and income taxes are up 52%, mostly due to the shifting of the due date for income taxes.

Co-Chair Bledsoe recognized members for questions. With no more questions, this concluded the revenue report.

Report of the Executive Subcommittee

Co-Chair Bledsoe recognized Co-Chair Jeff Wardlaw to present the report of the Executive Subcommittee (Exhibit E). Co-Chair Wardlaw reported that the Executive Subcommittee met at 12:00 p.m. on August 31, 2020. The subcommittee reviewed and approved an emergency rule for the Department of Commerce - Arkansas Economic Development Commission (AEDC) regarding the Supplemental Emergency Arkansas Rural Connect Coronavirus Emergency Rule. The review and approval was effective at 12:01 a.m., on September 2, 2020.

Co-Chair Wardlaw then reported that the Executive Subcommittee also met at 12:30 p.m. on September 17, 2020. The subcommittee reviewed and approved an emergency rule for the Department of Commerce - Arkansas Insurance Department (AID) regarding Rule 121: Declaratory Orders - this proposed regulation implements Ark. Code Ann. §25-15206 which states that each agency shall provide by rule for the filing and prompt disposition of petitions for declaratory orders as to the applicability of any rule, statute, or order enforced by it. The review and approval of the rule was effective upon adjournment of the Legislative Council meeting, September 18, 2020.

This concluded the reports of the Executive Subcommittee. After questions, Co-Chair Wardlaw made a motion.

Co-Chair Wardlaw moved that the Arkansas Insurance Department Emergency Rule request be referred back to the ALC-Executive Subcommittee for reconsideration and all other items on the report be adopted. The motion was seconded and passed by voice vote.

Reports of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Bledsoe recognized Representative Dan Sullivan to present the report of the Administrative Rules Subcommittee (Exhibit F.1). Representative Sullivan reported that the Administrative Rules Subcommittee met on September 16, 2020. The subcommittee adopted reports of the Executive Subcommittee concerning its approval of an emergency rule. The subcommittee reviewed and filed the quarterly reports that were submitted by the Department of Correction and the Arkansas Parole Board, in accordance to Act 1258 of 2015. The Medical Board's Rule 46 was referred to the Public Health, Welfare, and Labor Committee, all other rules on the agenda were reviewed and approved, including four (4) rules with changes agreed upon by the agency, as noted in the report. The subcommittee also reviewed and heard agency updates on delinquent rulemaking, under Act 517 of 2019.

This concluded the report of the Administrative Rules Subcommittee, and there were no questions.

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

Claims Review Subcommittee

Co-Chair Bledsoe recognized Senator Missy Irvin to present the report of the Claims Review Subcommittee (Exhibit F.3). Senator Irvin reported that the Claims Review Subcommittee met on September 17, 2020, and affirmed the rulings of the Arkansas Claims Commission as to two (2) unpaid bills, two (2) awarded claims, one (1) negotiated settlement and eight (8) denied and dismissed claims, appealed by the claimants.

This concluded the report of the Claims Review Subcommittee, and there were no questions.

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

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Bledsoe recognized Representative DeAnn Vaught to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Representative Vaught reported that the PEER subcommittee met on September 15, 2020, and approved the following items: shared service appropriation, various temporary appropriation requests, a rainy day fund transfer, and CARES appropriation requests. The subcommittee reviewed several other items and received monthly reports. One of the reviewed items was a

request for a pay plan appropriation from the Court of Appeals (Item E.1). A motion was made to recommend to Court of Appeals and the Department of Finance and Administration to submit an additional request for appropriation to Legislative Council to consider compensation for law clerks for the months in fiscal year 2021 in which salary was not equal to salary of Supreme Court Law Clerks as required in ACA § 16-12-108(f)(1). The request will be presented after the adoption of the PEER report.

Representative DeAnn Vaught moved that the report of the PEER Subcommittee be adopted. The motion was seconded and passed by voice vote.

Representative Vaught stated the Court of Appeals request is attached to the PEER report (*Exhibit F.08*).

Co-Chair Bledsoe recognized Ms. Rita Gruber, Chief Judge, Court of Appeals, and Ms. Ann Soloman, Chief Staff Attorney to present the request.

After presentation, Co-Chair Bledsoe recognized members for questions. After questions, Co-Chair Bledsoe recognized Senator Jimmy Hickey to make a motion.

Senator Hickey made a motion to approve the request from the Court of Appeals in the amount of \$205,878.55 additionally for the pay plan appropriation. The motion was seconded and passed by voice vote.

Review Subcommittee

Co-Chair Bledsoe recognized Senator Scott Flippo to present the report of the Review Subcommittee (Exhibit F.10). Senator Flippo reported that the Review Subcommittee met on September 15, 2020, and reviewed various methods of finance, grants and services contracts. No items were held and all items were reviewed. This concluded the report of the Review Subcommittee.

Co-Chair Bledsoe recognized Co-Chair Wardlaw for questions, who requested DHS to come forward to respond. Mr. Mark White, Chief of Staff and Chief Legislative and Intergovernmental Affairs Officer, Department of Human Services (DHS), came forward.

Co-Chair Bledsoe recognized Co-Chair Wardlaw, Representatives Fred Love, Dan Sullivan, and Senators Kim Hammer, Linda Chesterfield, Terry Rice, and Missy Irvin for questions. Senator Kim Hammer requested information regarding the amount Optum had been fined by the Department of Human Services and the reason for the fine. Mr. White stated he would provide that information.

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

Co-Chair Bledsoe recognized Representative Jim Wooten to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Representative Wooten reported that the Uniform Personnel Classification and Compensation Plan Subcommittee met on September 15, 2020, and received and discussed various reports that required no action, listed as Items 1-4. The subcommittee reviewed requests that did require action, listed as Items 5-9 on the report.

This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee.

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.

Highway Commission Review and Advisory Subcommittee

Co-Chair Bledsoe recognized Senator Jonathan Dismang to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit F.13). Senator Dismang reported that the Highway Commission Review and Advisory Subcommittee met on September 16, 2020 and heard recommendations on Procurement and Information Technology by Guidehouse, LLP from their study of the Arkansas Department of Transportation as required by Act 298 of 2019. The subcommittee also heard responses to the recommendations by the Arkansas Department of Transportation and by members of the public.

This concluded the report of the Highway Commission Review and Advisory Subcommittee, and there were no questions.

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

Arkansas Health Insurance Marketplace Oversight Subcommittee

Co-Chair Bledsoe recognized Senator Kim Hammer to present the report of the Arkansas Health Insurance Marketplace Oversight Subcommittee (Exhibit F.14). Senator Hammer reported that the Arkansas Health Insurance Marketplace Oversight Subcommittee met on August 31, 2020, and heard the Secretary of Commerce discuss issues that are affecting the Arkansas economy during the Covid-19 Pandemic. The subcommittee also heard from the Secretary of Health and a former part-time MD at the Conway Human Development Center about different opinions and conflicting medical research on how to treat Covid-19 patients.

This concluded the report of the Arkansas Health Insurance Marketplace Oversight Subcommittee, and there were no questions.

Senator Kim Hammer moved that the report of the Arkansas Health Insurance Marketplace Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Occupational Licensing Review

Co-Chair Bledsoe recognized Senator Missy Irvin to present the report of the Occupational Licensing Review Subcommittee (Exhibit F.15). Senator Irvin reported that the Occupational Licensing Review Subcommittee met on September 14, 2020, and heard testimony regarding the following reports from occupational authorization entities:

- Arkansas State Board of Registration for Professional Soil Classifiers;
- Arkansas State Board of Physical Therapy;
- Arkansas State Plant Board: Feed and Fertilizer Division;
- Arkansas Department of Health, Engineering; and
- Presentation of draft legislation from recommendations regarding occupational authorizations.

This concluded the report of the Occupational Licensing Review Subcommittee. Co-Chair Bledsoe recognized Senator Joyce Elliott for questions. After questions, Co-Chair Bledsoe recognized Senator Irvin for a motion.

Senator Missy Irvin moved that the report of the Occupational Licensing Review Subcommittee be adopted. The motion was seconded and passed by voice vote.

Review of Communications

Co-Chair Bledsoe referred members to the communications listed as Items H.1 – H.10 on the agenda, and noted that no action by the Legislative Council is needed for those items.

There were no questions.

Business Carried Over

Co-Chair Bledsoe recognized Mr. Jake Bleed, Director of Budget, Department of Finance and Administration, to present the CARES Act appropriation request. The request was made by Department of Finance and Administration (DFA) - Disbursing Office for allocated funds of \$150,000,000 approved by the CARES ACT Steering Committee for cities and counties to respond to the COVID-19 pandemic. After the presentation, Co-Chair Bledsoe recognized members for questions.

Co-Chair Bledsoe informed members there was a “Handout” that would provide detailed information on this request. Co-Chair Bledsoe recognized Representative Jim Dotson for questions. Representative Dotson asked if any of the funds could be used to help residents cover costs of past due or back utility bills. Mr. Bleed responded but stated Mr. Paul Louthian, Director, Office of Accounting, Department of Finance and Administration (DFA), could better answer. Mr. Louthian responded those funds could be used for utility bills, rent/mortgage assistance, and food bank assistance.

Co-Chair Bledsoe recognized Senator Chesterfield for questions. Senator Chesterfield asked if there was a list of the items or services that would be reimbursable. Mr. Louthian stated that a list of expenditures will be presented at the next CARES Act Steering Committee on September 23, 2020, in hopes of being pre-approved by the committee.

Senator Chesterfield continued, asking if someone from the Municipal League could come forward. Co-Chair Bledsoe recognized Mr. Blake Gary, Legal Counsel, Arkansas Municipal League. Senator Chesterfield asked Mr. Gary what the agency is doing for outreach, to specifically, the Black Mayors Association. Mr. Gary stated they are reaching out to *all* the mayors in all 499 cities of the state.

Co-Chair Bledsoe recognized Senator Bruce Maloch for questions. Senator Maloch expressed how he would like to see funds to assist the state's convention centers and visitor bureaus. Co-Chair Bledsoe recognized Ms. Elizabeth Smith, Chairman, CARES Act Steering Committee to speak. Ms. Smith stated that with the monies that are being returned or will be returned to the fund, the committee does plan to look closer into assisting convention centers and others alike.

Co-Chair Bledsoe then recognized Senator Keith Ingram for questions. Senator Ingram asked if the reimbursements of the funds will be setup similarly to the FEMA setup. Mr. Louthian stated as he understands FEMA, it will be. It will be setup according to the guidelines of the CARES Act guidelines on the federal level.

Co-Chair Bledsoe recognized Senator Jonathan Dismang for questions. Senator Dismang expressed that he would like to have a clear cut process in place and stay within the guidelines of the federal CARES Act perimeters when approving the reimbursement requests. Mr. Louthian responded that the agency has contracted with *Setech* and *Hagerty Consulting* because of their expertise in this area.

Co-Chair Bledsoe recognized Representative Fredrick Love for questions. Representative Love expressed his concern with providing the cities and counties with money to assist minorities and others, and there being subjectivity with minorities - being told to apply for mortgage/rent assistance through other entities of DHS. Mr. Louthian explained that the monies are there to assist any and everyone who qualifies. He further stated that the confusion may come when citizens have already received funds for mortgage or rent assistance and try to apply for additional assistance through the same source. At that time, they may be directed to another source or program.

Co-Chair Bledsoe recognized Representative Mark Lowery for questions. Representative Lowery asked, as we open up more restaurants and events, the contact tracing numbers are showing that only 3% of transmit ability happened through restaurants – if we follow the science and open up for business, will the advertising and promotion companies benefit from these monies. Mr. Gary responded that yes, the AMP Commission is funded through hotel and restaurant tax and that money goes back into advertising and promoting.

Co-Chair Bledsoe recognized Representative Jim Dotson for questions. Representative Dotson asked about the proposal the Steering Committee had approved for hotels and restaurants through the Parks and Tourism department. Mr. Louthian responded they have not finalized the request but are working as quickly as possible to outline that program. Ms. Smith responded that Secretary Hurst is planning on presenting the request at the next regular meeting.

Co-Chair Bledsoe recognized Representative Dan Sullivan for questions. Representative Sullivan asked are there considerations to allow hotel and restaurant businesses to rescue themselves, by lifting some of the restrictions so they may open back up, in order to help themselves. Mr. Gary

stated (*speaking on convention centers*), he has not had any cities to come to him specifically to make that request, although most cities want their businesses to reopen.

Co-Chair Bledsoe recognized Senator Irvin for questions. Senator Irvin made comments to support the monies going to cities and counties and to encourage legislators to contact their county mayors and judges and make sure they are clear in the need to communicate and contact the Municipal League and Association of Counties to utilize the money as best as they can.

Co-Chair Bledsoe recognized Representative Jim Wooten for questions. Representative Wooten asked questions regarding convention centers and restaurants, and the lack of transmission of the COVID-19 virus at those general locations. He stated that those places may not have a high rate because people are not attending.

Mr. Matt Gilmore, Public Health Programs Policy Coordinator, Department of Health responded they are currently looking into what can be changed with the situation, but the decision lies with the governor, Secretary of Health and others.

After questions from members, Co-Chair Bledsoe recognized Senator Linda Chesterfield for a motion.

Senator Chesterfield made a motion to approve the CARES Act Appropriation request from the Department of Finance and Administration in the amount of \$150,000,000.

The motion was seconded and passed by voice vote.

Adjournment

At 10:20 a.m., the meeting was adjourned as there was no further business to come before the Legislative Council.

Respectfully submitted,

ATTEST:

Senator Cecile Bledsoe
Co-Chair, Senate

Marty Garrity
Executive Secretary