

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

June 18, 2021

The Arkansas Legislative Council met at 9:00 a.m., Friday, May 21, 2021, 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. Co-Chair Wardlaw recognized Ms. Marty Garrity, Director, Bureau of Legislative Research to begin the seat selection process for members of the Arkansas Legislative Council.

Minutes of the Previous Meeting

Co-Chair Wardlaw referred the members to the minutes of the last Legislative Council meetings on November 20, 2020, December 18, 2020, and March 29, 2021 (Exhibit C), and asked if there were any questions. There were no questions.

Co-Chair Wardlaw moved that the minutes of the November 20, 2020, December 18, 2020, and March 29, 2021 meetings of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Wardlaw recognized Ms. Ellie Stinnett, Legislative Economist, Bureau of Legislative Research, to present the April 2021 General Revenue Report (Exhibit D). Ms. Stinnett reported, being ten (10) months into Fiscal Year 2021-2022, the cumulative gross revenues are up \$649.3 million or 11.2% from the same period of last year. The net general revenue is up 11.1%. On the graph, the net general revenues available for distribution are \$716.8 million above the forecast. The gross receipt taxes are up 11.2% and the total income taxes are up 11.6%, both as of the same period from last year. That concluded the revenue report.

Co-Chair Wardlaw recognized Senator Linda Chesterfield and Representative Jack Ladyman for questions or comments. Representative Jack Ladyman asked, on page one of Exhibit D, regarding the Economic Development Incentive Fund - why is there such a high decrease in percentage as compared to the other funds in that category. Mr. Kevin Anderson, Assistant Director - Fiscal, Bureau of Legislative Research, stated he would research and provide that information.

Co-Chair Wardlaw recognized Mr. John Shelnut, Director, Economic Analysis and Tax Research, Department of Finance & Administration to proceed with the General Revenue Forecast report. After review of the report, Co-Chair Wardlaw asked members if there were any questions. With no questions, that concluded the forecast report.

Report of the Executive Subcommittee

Co-Chair Wardlaw recognized Co-Chair Terry Rice to present the report of the Executive Subcommittee (Exhibit E). Co-Chair Rice reported that the Executive Subcommittee met December 29, 2020, January 18, 2021, February 2, 2021, February 23, 2021, March 11, 2021, March 22, 2021, April 21, 2021, April 26, 2021, May 6, 2021, and May 12, 2021, and reviewed and approved various emergency rules and conducted a procurement process to hire a consultant to study the state and public school life and health insurance program. A copy of the emergency rules and the report of the Executive Subcommittee meetings and action were sent to all ALC members and alternates before and after each emergency rule was considered, in accordance with ALC Rule 22. At its meeting on May 12, 2021, the Executive Subcommittee voted to approve the July 2021 ALC meeting to be scheduled for July 23, 2021, with all ALC subcommittee meetings to be held the dates of July 19 - 22 to accommodate the legislative conference schedules. In addition, the subcommittee voted to recommend changes to the ALC Rules to the full ALC and those proposed changes were sent out to all ALC members and their alternates on May 13, 2021. This concluded the report of the Executive Subcommittee.

Co-Chair Wardlaw explained that the rules will be voted on by each chamber separately and separate from the Executive Subcommittee report.

Co-Chair Terry Rice moved that the report of the Executive Subcommittee, without the proposed ALC Rules changes be adopted. The motion was seconded and passed by voice vote.

Senator Jane English moved that the ALC Rules be voted on by the Senate and the House of Representatives separately. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw recognized Ms. Jill Thayer, Legal Counsel, Bureau of Legislative Research to present the changes made to the Arkansas Legislative Council (ALC) rules. After a brief overview of those changes, Co-Chair Wardlaw recognized Senators Larry Teague and Joyce Elliott, and Representative Mark Lowery for questions. After questions, Co-Chair Wardlaw requested a motion from the House of Representatives ALC members.

Vice Co-Chair, Representative Jim Dotson made a motion to approve the recommended changes to the ALC Rules. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw requested a motion from the Senate ALC members.

Senator Jane English made a motion to approve the recommended changes to the ALC Rules. The motion was seconded and passed by voice vote.

The ALC Rules, including all changes, were adopted as of May 21, 2021.

Supplemental Agenda

Co-Chair Wardlaw moved on to the Supplemental Agenda and requested a motion to suspend the rules to take up the supplemental agenda.

House of Representatives Speaker Matthew J. Shepherd made a motion to suspend the rules and take up the supplemental agenda. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw referred members to the Governor's Letter on the supplemental agenda. After review of the request for approval for employment by the Stuttgart School District for Representative David Tollett, Co-Chair Wardlaw requested a motion, as there were no questions from members.

Representative DeAnn Vaught made a motion to approve the Governor's Letter request for employment with Stuttgart School District for Rep. David Tollett. The motion was seconded and passed by voice vote.

Reports of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Representative Les Eaves to present the report of the Administrative Rules Subcommittee (Exhibit F.1). Representative Eaves reported that the Administrative Rules Subcommittee met on Thursday, May 6, 2021, upon referral from the Executive Subcommittee to consider and make recommendations to the Executive Subcommittee concerning the emergency promulgation of a Department of Agriculture - State Plant Board rule concerning Dicamba. The Administrative Rules Subcommittee heard testimony from the agency and members of the public and made no recommendations. The Administrative Rules Subcommittee also met on Wednesday, May 19, 2021. The subcommittee adopted the subcommittee rules, and also adopted the Executive Subcommittee report concerning emergency rules. The subcommittee reviewed and filed the quarterly reports that were submitted by the Department of Correction and Arkansas Parole Board. Two (2) rules by the State Board of Finance were pulled from the agenda by the agency, all other rules were reviewed and approved. The subcommittee also received an agency update on delinquent rule-making under Act 517 of 2019. This concluded the report for the Administrative Rules Subcommittee, and there were no questions.

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

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Wardlaw recognized Representative Michelle Gray to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.6). Representative Gray reported the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, May 18, 2021, and adopted rules for the biennium and approved a request for American Rescue Plan Act appropriation. The subcommittee reviewed requests for cash funds appropriation, miscellaneous federal grant appropriations, budget classification transfers, and pay plan appropriations, and received monthly reports. This concluded the report for

Performance Evaluation and Expenditure Review (PEER) Subcommittee, and there were no questions.

Representative Michelle Gray moved that the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee be adopted. The motion was seconded, and passed by voice vote.

Policy-Making Subcommittee

Co-Chair Wardlaw recognized Senator Linda Chesterfield to present the report of the Policy-Making Subcommittee (Exhibit F.7). Senator Chesterfield reported the Policy-Making Subcommittee met on Wednesday, May 19, 2021, and heard from Senator Kim Hammer and Representative Les Warren requesting approval of the Actuarial Consulting Services contract between Osborn, Carreiro, & Associates and the Bureau of Legislative Research for the benefit of the Joint Committee on Public Retirement & Social Security Programs. The subcommittee recommended approval of the contract. The subcommittee also heard a presentation from Senator Terry Rice and Representative Jeff Wardlaw requesting approval of the Employee Health Benefits Consulting Services contract between The Segal Group Inc. and the Bureau of Legislative Research, for the benefit of the Executive Subcommittee. The subcommittee voted to recommend approval of this contract. The subcommittee also reviewed the standing committee fund allocations for mileage and per diem for Fiscal Year 2022. The subcommittee recommended approval of the committee funds allocations that are set forth in the attachment of this report. The balances will be effective as of July 1, 2021. This concluded the report for 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 Representative Ken Bragg to present the report of the Review Subcommittee (Exhibit F.8). Representative Bragg reported the Review Subcommittee met on Tuesday, May 18, 2021, and reviewed various methods of finance, discretionary grants, and professional/consultants service agreements. A method of finance (MOF) from the Arkansas State Police, Troop B Headquarters, for \$5,343,069.89 was held for additional questions.

Colonel William (Bill) Bryant, Director, Arkansas State Police, Mr. John Smith, CFO, Department of Public Safety, and Mr. Mike Moyer, Captain, Arkansas State Police came forward to respond to member questions. After questions and response, this concluded the report of the Review Subcommittee.

Representative Ken Bragg moved that the report of the Review Subcommittee, including the Method of Finance (MOF) for Arkansas State Police 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 F.11). Representative McNair reported

that the Highway Commission Review and Advisory Subcommittee met on Tuesday, May 18, 2021. The subcommittee discussed the I-40 bridge over the Mississippi River with representatives of the Highway department. ArDot is available to provide ALC with updates on the inspection efforts on the I-55 bridge that also crosses the Mississippi River. Co-Chair Wardlaw asked members if there were questions on the report, there were none.

With that, Co-Chair Wardlaw recognized Ms. Lorie Tudor, Director, Arkansas Department of Transportation (ArDOT), and Mr. Rex Vines, Deputy Director, ArDOT, to respond to questions from ALC members about the I-40 and I-55 bridges.

Co-Chair Wardlaw recognized Senators Mark Johnson, Trent Garner, Bob Ballinger, Kim Hammer, Jonathan Dismang, and Ben Gilmore, and Representatives Stephen Meeks, Deborah Ferguson, Frances Cavanaugh, and Howard Beaty, Jr., for questions.

Representative Beaty, Jr. requested for ArDOT to provide ALC members with the dates of inspections and who performed the inspections of the I-40 and I-55 bridges from 2016 - current. Director Tudor stated she would get that information to the committee.

Co-Chair Wardlaw recognized Senator Linda Chesterfield for a motion.

Senator Chesterfield made a motion for immediate consideration. The motion was seconded and passed by voice vote.

This concluded the report of the Highway Commission Review and Advisory Subcommittee.

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.

Review of Communications

Co-Chair Wardlaw referred members to the communications listed on the agenda as Items H.2, H.3, H.6(a), and H.6(b), and noted that action by the Legislative Council is needed for those items.

Co-Chair Wardlaw referred members to the communication listed as Item H.2 –

2. Arkansas Infant and Child Death Review Panel, Annual Report on the Arkansas Infant and Child Death Review Program, for review year 2020, submitted pursuant to A.C.A. § 20-27-1707.

Co-Chair Rice made a motion to refer Item H.2 for the Arkansas Infant and Child Death Review Panel to the Senate Interim Committee on Children and Youth and the House Committee on Aging, Children and Youth, Legislative and Military Affairs. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw referred members to the communication listed as Item H.3 -

3. Arkansas Teacher Retirement System, request, submitted pursuant to A.C.A § 19-11-1303, for the Legislative Council's retrospective review of the partial equity ownership investments;

(February 2021):

- a. ISQ Global Infrastructure Fund III, L.P.;
- b. Franklin Park Corporate Finance Access Fund, L.P.;
- c. Franklin Park International Fund X, L.P.;
- d. Greenbriar Equity Fund V, L.P.; and

(March 2021):

- e. Riverside Fund V SQ-A, L.P.

Co-Chair Rice made a motion to file Item H.3 requests from the Arkansas Teacher Retirement System as reviewed. The motion was seconded and passed by voice vote.

Co-Chair Wardlaw referred members to the communication listed as Item H.6(a) and H.6(b) -

6. Department of Commerce:

- a. 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. Public Safety Charges Revenue Bonds, Series 2020 - (\$85,810,000);
 - ii. Charter School Revenue and Revenue Funding Bonds - Series 2020A - (\$17,395,000); Series 2020B - (\$2,460,000);
 - iii. State Agency Conservation Bonds, Series 2020 - (\$19,177,303);
 - iv. Academics Plus Charter School Project, Tax Exempt Series 2020 - (\$32,000,000);
 - v. Healthcare Facilities Revenue Refunding Bonds, Convertible Rate Series 2021 (\$51,580,000);
 - vi. Healthcare Revenue Bond - (\$85,160,000);
 - vii. Refunding Revenue Bond, Series 2021 - (\$13,830,000);
 - viii. Multifamily Housing Revenue Bonds, Series 2020 - \$10,000,000);

Co-Chair Rice made a motion to file Item H.6(a) requests for the Arkansas Development Finance Authority as reviewed. The motion was seconded and passed by voice vote.

- b. Arkansas Economic Development Commission, Division of Rural Services, request for Legislative Council review of Rural Community and County Fair Building Grants for Cycle II of Fiscal Year 2021, submitted pursuant to Section 49 of Act 180 of the 2020 Fiscal Session.

Co-Chair Rice made a motion to approve Item H.6(b) for the Arkansas Economic Development Commission, Division of Rural Services as approved. The motion was seconded and passed by voice vote.

New Business

Co-Chair Wardlaw recognized Ms. Amy Fecher, Secretary, DTSS, Mr. Jake Bleed, Director of Employee Benefits Division, DTSS, Mr. Courtney R. White, FSA, MAAA, Principal, Consulting Actuary, Milliman, and Mr. Larry Walther, Secretary, DFA, to provide an update on the Employee Benefits Division (EBD) Health Plans.

Co-Chair Rice recognized Senators Kim Hammer, Ricky Hill, and Linda Chesterfield for questions.

Co-Chair Wardlaw, for informational purposes, stated that as in Senate Bill 693, none of the information being presented today is final. The proposals will have to go through the ALC - Personnel Subcommittee and the Arkansas Legislative Council (ALC) with a report from the ALC - Personnel Subcommittee. Final approval of the rates will take place in ALC, either at the June 2021 or July 2021 meeting.

Co-Chair Wardlaw recognized Representatives Rick Beck, Frances Cavanaugh, Stephen Meeks, Jim Wooten, and Deborah Ferguson, and Senators Jonathan Dismang, Clark Tucker, Joyce Elliott, and Mark Johnson, and Jimmy Hickey, Jr. for questions or comments.

Senator Jonathan Dismang requested EBD to provide a summary of the law and regulation changes and the costs that were associated with the state health plans, since 2014. Mr. Bleed stated he would provide that information.

This concluded the presentation.

New Interim Study Proposals and Interim Resolutions

Co-Chair Wardlaw referred members to the Interim Study Proposals, and asked if there were any objections to refer them to their respective committees.

Interim Study Proposal 2021-002, by Representative Jamie Scott - an Act concerning family treatment and rehabilitation programs for addicted women and their children; and for other purposes, was referred to the House Committee on Aging, Children and Youth, Legislative and Military Affairs.

Interim Study Proposal 2021-006, by Representative Carlton Wing - a study regarding consumer protection of senior citizens from predatory practices; and safeguarding against financial exploitation of retirees for Arkansans was referred to the House Committee on Aging, Children and Youth, Legislative and Military Affairs.

Interim Study Proposal 2021-009, by Representative Marsh Davis - an act to amend the Arkansas Industrial Hemp Production Act; and for other purposes was referred to the House Committee on Agriculture, Forestry, and Economic Development.

With no objections, Co-Chair Wardlaw made a motion to refer Interim Study Proposals (ISPs) 2021-002, 2021-006, and 2021-009 to their respective committees. The motion was seconded and passed by voice vote.

Adjournment

At 11:32 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, Representatives

Marty Garrity
Executive Secretary