

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

November 19, 2021

The Arkansas Legislative Council met at 9:00 a.m., Thursday, October 28, 2021, 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. The members present are listed on the sign-in sheets.

Point of Personal Privilege

Co-Chair Rice recognized Senator Missy Irvin to announce the Senate Education Committee meeting scheduled after Legislative Council on October 28, 2021 is cancelled and will be rescheduled to November 16, 2021, at 3:00 p.m., to discuss bringing forth much needed reforms in regard to the Arkansas Athletics Association and its investigation of high school student, Nick Smith Jr.

Minutes of the Previous Meeting

Co-Chair Rice referred members to the minutes of the last Legislative Council meeting held on September 17, 2021 (Exhibit C), and asked if there were any questions. There were no questions.

Co-Chair Terry Rice moved that the minutes of the September 17, 2021 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Rice recognized Ms. Ellie Stinnett, Legislative Economist, Bureau of Legislative Research, to present the September 2021 General Revenue Report (Exhibit D.1). Co-Chair Rice also recognized Mr. John Shelnett, Economic Analysis and Tax Research, Department of Finance & Administration (DF&A), in case there were questions on the October 19, 2021 Official General Revenue Forecast report (Exhibit D.2).

Ms. Stinnett reported, gross general revenues are down 2.2% for the first 3 months of this fiscal year (FY21-22). The net general revenues are down 2%. Ms. Stinnett further reported, the net available for distribution is down 1.1%. The state is currently \$249.1 million above the forecast, The forecast has been revised and will reflect in the upcoming monthly report. The forecast revisions were dated for October 2021. The gross receipt taxes are up 10.4% and the total income taxes are down 9.9%. This concluded the September 2021 General Revenue report, and there were no questions.

Report of the Executive Subcommittee

Co-Chair Rice recognized Co-Chair Wardlaw to present the report of the Executive Subcommittee (Exhibit E). Co-Chair Rice reported that the Executive Subcommittee met Wednesday, September 22, 2021, and Thursday, September 23, 2021, and heard public comments related to its ongoing employee health benefit study. The subcommittee met again on Wednesday, September 29, 2021, and reviewed the broadband consulting service contract between the Arkansas Economic Development Commission (AEDC) and Broadband Development Group, LLC. This review was final under the authority granted to the subcommittee by the full Arkansas Legislative Council (ALC). The subcommittee met again on Thursday, September 30, 2021, and Monday, October 4, 2021, and reviewed and approved emergency rules for Arkansas Department of Health (ADH) - Emergency Medical Services, and the State Board of Nursing. This concluded the report of the Executive Subcommittee, and there were no questions.

Co-Chair Jeff Wardlaw moved that the report of the Executive Subcommittee be adopted. The motion was seconded and passed by voice vote.

Supplemental Agenda

Co-Chair Rice requested a motion to suspend the ALC Rules to take up the supplemental agenda.

Senator Missy Irvin made a motion to suspend the rules to take up the supplemental agenda. The motion was seconded by Senator Cecile Bledsoe and passed by voice vote.

Co-Chair Rice recognized Mr. Michael Keck, Institutional Relations Liaison, UAMS, to present the request for approval (Exhibit A - Supplemental Item), submitted pursuant to Section 27 of Act 1005 of 2021, of the Rural Broadband I.D. grant applications for the City of Russellville – Award Amount \$75,000, and the City of Berryville – Award Amount \$75,000. Mr. Keck stated that UAMS is pulling the request for Phillips County – Award Amount \$73,826.46, for further review.

Co-Chair Rice recognized Representative Jim Dotson, and Senators Bart Hester and Linda Chesterfield for questions. After questions, Co-Chair Rice requested a motion.

Senator Jane English made a motion to approve the grant applications for the City of Russellville – Award Amount \$75,000 and the City of Berryville – Award Amount \$75,000. The motion was seconded and passed by voice vote.

That concluded the request from University of Arkansas Medical Sciences (UAMS), Institute for Digital Health & Innovation.

Co-Chair Rice recognized Mr. Billy Parrish, Bureau of Legislative Research (BLR), and Mr. Solomon Graves, Secretary, Department of Corrections to present the request for review of account transfers (Exhibit B - Supplemental Item). The request was submitted from the Department of Finance & Administration (DF&A) for the Department of Corrections, Division of Correction in the amount of \$3 million.

Co-Chair Rice recognized Senators Bart Hester, Kim Hammer, Joyce Elliott, and Linda Chesterfield, and Representative David Ray for questions. After questions, Co-Chair Rice requested a motion.

Senator Joyce Elliott made a motion to approve the account transfers from the Department of Finance & Administration (DF&A) for the Department of Corrections, Division of Correction in the amount of \$3 million. The motion was seconded and passed by voice vote.

Co-Chair Rice recognized Representative Jim Wooten for questions of the Department of Finance & Administration in regard to a \$10 million legal situation that involves UAMS, DFA, and a group in the state of Virginia. Co-Chair Rice made a request of DF&A to receive a report of this situation at the next ALC meeting, scheduled for November 2021.

Report of the Standing Subcommittees

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Wardlaw recognized Mr. Billy Parrish, BLR, to present items for legislative review and/or approval from the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.1). Mr. Parrish presented the Performance Evaluation and Expenditure Review (PEER) Subcommittee requests for various temporary appropriations, American Rescue Plan Act appropriations, Miscellaneous Federal Grant appropriations, and a reclassification request from the Department of Health.

Co-Chair Rice recognized Representatives Michelle Gray, Jim Dotson, Stephen Meeks, Charlene Fite, Jack Ladyman, and Senators Kim Hammer and Joyce Elliott for questions. Co-Chair Rice also recognized Mr. Shane Broadway, ASU System, Dr. Jeff Robertson, Associate Vice President for Academic Affairs Arkansas Tech University, Ms. Laury Fiorello, Vice President of Administration & Finance, Arkansas Tech University, Ms. Tonya Williams, Director of the Division of Child Care and Early Childhood Education, DHS, Mr. Mark White, Chief of Staff and Chief Legislative and Intergovernmental Affairs, DHS, and Mr. Chris Richey, former Arkansas Representative (2013-2020), CEO, Boys & Girls Club of Saline County, to respond to questions.

Senator Jane English moved that the Various Temporary Appropriation Request for the Department of Education – Division of Elementary and Secondary Education (Exhibit F.1a) be approved. The motion was seconded and passed by voice vote.

Senator Joyce Elliott moved that the American Rescue Plan Appropriations requests for Federal Awards for Arkansas State University – Jonesboro, Arkansas State University – Mountain Home, Arkansas Tech University, University of Arkansas at Little Rock, University of Arkansas Community College at Hope - Texarkana, University of Arkansas Community College at Batesville, Arkansas State University – Mid-South, Department of Health, Arkansas State University – Three Rivers, Department of Human Services – Division of Childcare and Early Childhood Education, and Department of Human Services – Aging, Adult, and Behavioral Health Services, Arkansas State University – Jonesboro, Arkansas State University - Henderson State, and the Department of Finance and Administration – Disbursing Officer (Exhibit F.1b), be reviewed and approved. The motion was seconded and passed by voice vote.

Representative Stephen Meeks moved that the Miscellaneous Federal Grant Appropriation Requests from the Department of Labor and Licensing – Appraiser Licensing Board, Department of Education – Division of Higher Education, Department of Human Services – Division of Aging, Adult, and Behavioral Health – Community Mental Health, Department

of Human Services – Division of Aging, Adult, and Behavioral Health – State Opioid Response, and Office of the Prosecutor Coordinator (Exhibit F.1c), be reviewed. The motion was seconded and passed by voice vote.

Representative Michelle Gray moved that the Miscellaneous Federal Grant Appropriation reclassification to an American Rescue Plan Appropriation (ARP) request for \$17.4 million and \$3.8 million for the Department of Health (Exhibit F.1d(i)) be reviewed and approved. The motion was seconded and passed by voice vote.

Representative Michelle Gray moved that the reclassification request for a \$40 million Miscellaneous Federal Grant Appropriation (MFG) for the Department of Health, and the return of the \$40 million American Rescue Plan Appropriation (ARP) for the Department of Health to the Department of Finance & Administration ARP Holding account (Exhibit F.1d(ii)), be reviewed and approved. The motion was seconded and passed by voice vote.

Co-Chair Rice recognized Senator Missy Irvin, who requested to receive CARES Act and American Rescue Plan Appropriation (ARP) account balances.

Co-Chair Rice recognized Representative Jim Dotson, who requested clarification from UAMS on contracts that were approved from the ALC - Supplemental Agenda. Mr. Mark Golden, UAMS, and Mr. Michael Keck, UAMS, were recognized to respond.

Representative Dotson made a motion to expunge the previous vote to approve the grant applications for the City of Russellville – Award Amount \$75,000 and the City of Berryville – Award Amount \$75,000, and hold them until further information can be provided. The motion was seconded.

Co-Chair Rice recognized Representatives Stephen Meeks and Mark Lowery, and Senators Missy Irvin, Linda Chesterfield, Bob Ballinger, and Breanne Davis for questions on the motion.

Co-Chair Rice recognized Senator Jane English for a motion.

Senator English moved for immediate consideration of the motion on the floor. The motion was seconded and passed by voice vote.

Representative Dotson made a motion to expunge the previous vote to approve the grant applications for the City of Russellville – Award Amount \$75,000 and the City of Berryville – Award Amount \$75,000, and hold them until further information can be provided. The motion was seconded, but did not pass by voice vote. The original vote on these items will stand.

This concluded the presentation of items for the Performance Evaluation and Expenditure Review (PEER) Subcommittee.

Review Subcommittee

Co-Chair Rice recognized Ms. Kathy Schmidt, BLR, to present items for legislative review from the Review Subcommittee (Exhibit F.2). Ms. Schmidt presented the Review Subcommittee various methods of finance, discretionary grants, and other services contracts. This concluded the report for the Review Subcommittee.

Co-Chair Rice recognized Representatives Jack Ladyman, Frances Cavanaugh, Stephen Meeks, Jim Wooten, Mark Lowery, and Rick Beck, and Senators Missy Irvin and Ricky Hill for questions. Co-Chair Rice also recognized Ms. Melissa Stone, Director, DHS-Division of Developmental Disabilities Services, Mr. Mark White, DHS, Ms. Elizabeth Pitman, Director, DHS-Division of Medical Services, Ms. Mischa Martin, Director, DHS-Division of Children and Family Services, Mr. Mike Preston, Secretary, Department of Commerce, Mr. David Bell, CFO, Department of Commerce, to respond to questions.

Senator Linda Chesterfield moved to file the methods of finance (F.2a) as reviewed. The motion was seconded and passed by voice vote.

Senator Linda Chesterfield moved to file the discretionary grants (F.2b) as reviewed. The motion was seconded and passed by voice vote.

Co-Chair Jeff Wardlaw moved to file the construction related contracts (F.2c(i)) as reviewed. The motion was seconded and passed by voice vote.

Senator Linda Chesterfield moved to file the intergovernmental contracts (F.2c(ii)) as reviewed. The motion was seconded and passed by voice vote.

Representative Stephen Meeks moved to file the out-of-state contracts (F.2c(iii)) as reviewed. The motion was seconded and passed by voice vote.

Senator Linda Chesterfield moved for immediate consideration on agenda item F.2c(iv). The motion was seconded and passed by voice vote.

Co-Chair Jeff Wardlaw moved to file the in-state contracts (F.2c(iv)) as reviewed. The motion was seconded and passed by voice vote.

This concluded the presentation of items for the Review Subcommittee.

Point of Personal Privilege

Co-Chair Rice recognized Senator Linda Chesterfield for a point of personal privilege. Senator Chesterfield stated that ALC approved raises for employees in categories 1-5, due to a severe shortage of employees. Senator Chesterfield requested to place on the upcoming ALC agenda, discussion of the implementation process.

**Co-Chair Rice stepped away from the chair.*

Co-Chair Wardlaw responded, he would receive affirmation from Co-Chair Rice to send that request to ALC - Uniform Personnel Classification and Compensation Plan Subcommittee, for its next meeting.

(Standing Subcommittees presentations continued.)

Uniform Personnel Classification and Compensation Plan Subcommittee

Co-Chair Rice recognized Mr. Tony Robinson, BLR, to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.3). Mr. Robinson presented various personnel position and classification requests from multiple agencies. Mr. Robinson stated the request from the Department of Labor and Licensing, Motor Vehicle Commission (F.3i), to establish a special rate of pay, have been pulled from the agenda at the agency's request.

Co-Chair Rice recognized Representatives Frances Cavanaugh and Stephen Meeks, and Senators Joyce Elliott and Kim Hammer for questions. Co-Chair Rice recognized Mr. John C. "Smokey" Campbell, Director, Arkansas Racing Commission, and Mr. Alan McVey, Chief of Staff, DF&A, to respond.

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

Senator Linda Chesterfield moved to file agenda items F.3(a-k) with the exception of agenda item F.3(i), as reviewed. The motion was seconded and passed by voice vote.

This concluded the presentation of items for the Uniform Personnel Classification and Compensation Plan Subcommittee.

Review of Communications

Co-Chair Rice referred members to the communication listed on the agenda as Item H.3(a) and H.3(b) and noted that action by the Legislative Council is needed for those items.

3. Arkansas Teacher Retirement System:

- a. Request, submitted pursuant to A.C.A § 19-11-1303, for the Legislative Council's retrospective review of the partial equity ownership investments;
 - i. LaSalle Asia Opportunity Fund VI, L.P.;
 - ii. LBA Logistics Value Fund IX, L.P.;
 - iii. CFM Systematic Global Macro, L.P. Series 1;
 - iv. Chatham Asset Private Debt and Strategic Capital Fund III, L.P.;
 - v. Almanac Realty Securities IX, L.P.;
 - vi. Morgan Stanley Prime Property Fund, LLC;
 - vii. RREEF Core Plus Industrial Fund, L.P.; and
 - viii. Clearlake Capital Partners VII, L.P.

- b. Request for Legislative Council's review of an Investment Summary, submitted pursuant to A.C.A. §19-11-1302.
 - i. Juniperus Insurance Opportunity Fund Limited;
 - ii. Bison Capital Partners VI, L.P.;
 - iii. Franklin Park Venture Fund XIV, L.P.; and
 - iv. Franklin Park Corporate Finance Access Fund II, L.P.

Co-Chair Wardlaw made a motion to file Items H.3(a) and H.3(b) for the Arkansas Teacher Retirement System as approved. The motion was seconded and passed by voice vote.

New Business

Co-Chair Rice acknowledged department secretaries to present their department reports, pursuant to Act 413 of 2021.

Department of Commerce

Co-Chair Rice recognized Mr. Mike Preston, Secretary, Department of Commerce, to present the report. Mr. Preston gave updates on the department divisions, as well as significant department projects. After the report, Co-Chair Rice recognized Senators Kim Hammer, Linda Chesterfield, and Representative Frances Cavanaugh for questions.

Representative Cavanaugh requested to receive a report on the number of dollars that were incorrectly released to citizens, from unemployment benefits.

Senator Hammer requested to receive information on the number of citizens on unemployment as of this day, and any data on the number of those citizens who may be unemployed due to vaccination mandates. Senator Hammer stated if the form does not have a "box" asking that information, he recommends adding that to track the data.

Secretary Preston stated he would provide that information to the full ALC.

Department of Veteran's Affairs

Co-Chair Rice recognized Col. Nathaniel "Nate" Todd, Secretary, Colonel (ret.) Erica Ingram, Chief of Staff, and Mr. William (Bill) Wussick, Assistant Director for State Veterans Cemeteries, Arkansas Department of Veteran's Affairs, to present the report. The agency representatives gave updates on the department divisions, as well as significant department projects.

After the report, Co-Chair Rice recognized Representatives Mark Berry, Co-Chair Wardlaw, David Ray, and Senators Missy Irvin and Kim Hammer for questions.

**Co-Chair Rice stepped away from the chair.*

Department of Labor and Licensing

Co-Chair Wardlaw recognized Mr. Daryl E. Bassett, Secretary, Department of Labor and Licensing, to present the report. Mr. Bassett gave updates on the department divisions, significant department projects, and transformation examples. After the report, Co-Chair Rice recognized Senator Kim Hammer, and Representatives Jack Ladyman and David Ray, for questions.

Senator Hammer requested to receive a list of fund balances for each division within the Department of Labor and Licensing. Secretary Bassett stated he would provide that information.

Seeing no further questions, all departmental reports were concluded.

Adjournment

At 12:05 p.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, House

Marty Garrity
Executive Secretary