

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL

May 20, 2022

The Arkansas Legislative Council met at 9:00 a.m., Friday, April 22, 2022, 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.

Minutes of the Previous Meeting

Co-Chair Rice referred members to the minutes of the last Legislative Council meeting held on January 28, 2022 (Exhibit C), and asked if there were any questions. There were no questions.

Co-Chair Rice moved that the minutes of the January 28, 2022 meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Rice recognized Mr. Kevin Anderson, Assistant Director, Bureau of Legislative Research - Fiscal Division, to present the March 2022 General Revenue Report (Exhibit D). Mr. Anderson reported, after adjustments, collections of Gross General Revenues year-to-date of approximately \$5.9 million have increased \$415.2 million, or 7.6% above the \$5.5 million collected last fiscal year-to-date. Mr. Anderson further reported, as of the end of March 2022, the state is \$456 million above forecast with three (3) months remaining in the fiscal year, and there may also be an estimated \$300 million surplus, as of the end of April 2022. Co-Chair Rice recognized members for questions. Co-Chair Rice also recognized Dr. John Shelnett, Ms. Whitney McLaughlin, and Mr. Charlie Collins, all of Department of Finance & Administration (DF&A), and Ms. Doralee Chandler, Director, Alcohol Beverage Control (ABC) to respond to questions. After questions, this concluded the March 2022 General Revenue report.

Point of Personal Privilege

Co-Chair Rice recognized Senator Missy Irvin for a point of personal privilege. Senator Irvin recognized two (2) Arkansas teams that will attend the world robotics competition (2022 *FIRST* Championship) in Houston, Texas - the *Rocky Balboabots* of Bentonville, Arkansas and the *Mechanically Challenged* team from Viola, Arkansas.

Report of the Executive Subcommittee

Co-Chair Rice recognized Vice Co-Chair, Representative Jim Dotson to present the report of the Executive Subcommittee (Exhibit E). Vice Co-Chair Dotson reported that the Executive Subcommittee met on March 7, 2022, and proposed changes to the ALC Rules which were recommended for adoption by the full ALC. The subcommittee also voted to move the date of the April 15, 2022 ALC meeting to April 22, 2022. Several emergency actions were also taken during the month of March 2022. The Executive Subcommittee also met on April 21, 2022, and authorized the Bureau of Legislative Research (BLR) to issue a RFP to engage a consultant to provide fiscal impact services for legislation pertaining to state and teacher health insurance programs. The adoption of the rules for ALC requires separate votes from both the House of Representatives and the Arkansas Senate. This concluded the report of the Executive Subcommittee, and there were no questions.

Vice Co-Chair Dotson made a motion to accept the proposed changes to the ALC rules. The motion was seconded and passed by voice vote from the House of Representatives.

Co-Chair Rice made a motion to accept the proposed changes to the ALC rules. The motion was seconded and passed by voice vote from the Arkansas Senate.

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

Report of the Standing Subcommittees

Administrative Rules Subcommittee

Co-Chair Rice recognized Senator Kim Hammer to present the report of the Administrative Rules Subcommittee (Exhibit F.1). Senator Hammer reported that the Administrative Rules Subcommittee met on Wednesday, April 20, 2022. The subcommittee adopted the report of the Executive Subcommittee concerning its approval of an emergency rule. The subcommittee reviewed and filed a quarterly report submitted by the Department of Corrections – Arkansas Parole Board. The subcommittee reviewed three (3) agency rules recommending an expedited process for occupational licensure, pursuant to Act 135 of 2021. The subcommittee also filed the February, March, and April 2022 monthly written agency updates, pursuant to Act 595 of 2021. At the state agency's request, one (1) rule by the Division of Elementary and Secondary Education, and one (1) rule by the State Insurance Department were pulled from consideration. With the agency's agreement, one (1) rule for the Arkansas State Police was held for further discussion between the agency and the legislative sponsor. All other rules were reviewed and approved. This concluded the report of the Administrative Rules Subcommittee, and there were no questions.

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

Point of Personal Privilege

Co-Chair Rice recognized Senator Kim Hammer for a point of personal privilege. Senator Hammer recognized the Administrative Rules Subcommittee staff for a job well done with the preparation of the large amount of meeting documents. ALC members and visitors joined in congratulating the staff.

Report of the Standing Subcommittees continued.

Charitable, Penal & Correctional Institutions Subcommittee

Co-Chair Rice recognized Senator Mark Johnson, Vice Co-Chair of the subcommittee, to present the report of the Charitable, Penal & Correctional Institutions Subcommittee (Exhibit F.2). Senator M. Johnson reported that the subcommittee met jointly with the House and Senate Judiciary Committees on Monday, March 28, 2022. The Subcommittee heard testimony from representatives of the Department of Corrections, on prison populations, recidivism rates, and reentry programs. Ms. Wendy Ware, President of JFA Associates, presented an updated population projection for Arkansas prisons through the year 2031; and Ms. Ruby Welch, a criminal justice advocate, discussed practical solutions for reducing recidivism. This concluded the report of the Charitable, Penal & Correctional Institutions Subcommittee, and there were no questions.

Senator M. Johnson moved that the report of the Charitable, Penal & Correctional Institutions Subcommittee be adopted. The motion was seconded and passed by voice vote.

Higher Education Subcommittee

Co-Chair Rice recognized Senator Jane English to present the report of the Higher Education Subcommittee (Exhibit F.5). Senator English reported that the Higher Education Subcommittee met on Monday, April 18, 2022, and heard testimony regarding the following items: Education to Workforce Alignment on Cyber Security at the University of Arkansas (UA) Little Rock; Arkansas Teachers Collaborating to Build a Better Workforce (STRIVE) Program for Teachers at UA Little Rock; and K-12 to Postsecondary STEM & Computer Science Continuum: Ensuring a Highly Skilled Future Workforce – Arkansas Department of Education. This concluded the report of the Higher Education Subcommittee, and there were no questions.

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

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Rice recognized Representative DeAnn Vaught to present the report (on behalf of Representative Michelle Gray) from the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.8). Representative Vaught reported that the Performance Evaluation and Expenditure Review (PEER) Subcommittee met on Tuesday, April 19, 2022, and received reports, reviewed requests, and approved the following items: various temporary appropriation increases; American Rescue Plan Act appropriation increases; infrastructure appropriation increases; fund transfers; reallocations of resources requests; Restricted Reserve Fund transfers; and Rainy Day

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

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

Review Subcommittee

Co-Chair Rice recognized Senator Scott Flippo to present the report from the Review Subcommittee (Exhibit F.10). Senator Flippo reported that the Review Subcommittee met on Tuesday, April 19, 2022, and reviewed methods of finance, construction projects, discretionary grants, and services contracts. No items were held. This concluded the report of the Review Subcommittee, and there were no questions.

Senator 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 Rice recognized Representative David Hillman to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.11). Representative Hillman reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Wednesday, April 20, 2022, and reviewed and approved requests listed as Items 1 – 26 and reports listed as Items 28 - 32 on this report. The subcommittee also approved Items 27(a) – 27(e) for the Employee Benefits Division (EBD). Item 27(f) was a report of emergency action taken on behalf of EBD in March 2022. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

Representative Hillman 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 Rice recognized Representative Ron McNair to present the report of the Highway Commission Review and Advisory Subcommittee (Exhibit F.13). Representative McNair reported that the Highway Commission Review and Advisory Subcommittee met on Thursday, April 21, 2022, and reviewed the following: Arkansas Department of Transportation's (ArDot) 2022 second quarter report and progress of each highway construction project above \$10 million, and the April 2022 monthly update of the ALC Efficiency Study Recommendation Rules for implementation. This concluded the report of the Highway Commission Review and Advisory Subcommittee, and there were no questions.

Representative 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 Rice referred members to the communications listed on the agenda as Items H.03, H.04(a)-(b), and H.07(a)-(b), and noted action by the Legislative Council is needed for those items.

H.03. Arkansas Public Employees 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. Carlyle Property Investors (“CPI”);
- b. Clarion Partners Lion Industrial Trust; and
- c. Principal Enhanced Property Fund.

Representative DeAnn Vaught made a motion to file Item H.03 as reviewed. The motion was seconded and passed by voice vote.

H.04(a). Arkansas Teacher Retirement System:

- a. Request, submitted pursuant to A.C.A § 19-11-1303, for the Legislative Council's retrospective review of the imminent need partial equity ownership investments;
 - i. Big River Steel Tax Credits Revenue Stream
 - ii. Silver Point Capital Fund, L.P.;
 - iii. SK Capital Partners VI, L.P.;
 - iv. Thoma Bravo Fund XV, L.P.;
 - v. Thoma Bravo Discover Fund IV, L.P.;
 - vi. Thoma Bravo Explore Fund II, L.P.; and
 - vii. Franklin Park Corporate Finance Access Fund II, L.P.

Representative DeAnn Vaught made a motion to file Item H.04(a) as reviewed. The motion was seconded and passed by voice vote.

H.04(b). Arkansas Teacher Retirement System:

- b. Request for Legislative Council's review of Investment Summaries, submitted pursuant to A.C.A. §19-11-1302.
 - i. KKR Diversified Core Infrastructure Fund, L.P.;
 - ii. Arlington Capital Partners VI, L.P.;
 - iii. Franklin Park Venture Capital Fund XIV, L.P.

Representative DeAnn Vaught made a motion to file Item H.04(b) as reviewed. The motion was seconded and passed by voice vote.

H.07(a). 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. State Agencies Facilities Revenue Refunding Bonds – ADEQ - (\$16,615,000*);
 - ii. Capital Improvement and Revenue Refunding Bonds – Conway Christian - (\$5,030,000);
 - iii. State Agencies Facilities Revenue Refunding Bonds – DAH - (\$6,350,000);
 - iv. Educational Facilities Revenue Bonds – Exalt Academy SWLR – (\$1,200,000);
 - v. Educational Facilities Revenue Refunding Bonds – Pulaski Academy – (\$19,530,000).

Representative DeAnn Vaught made a motion to file Item H.07(a) as reviewed. The motion was seconded and passed by voice vote.

H.07(b). Department of Commerce:

- b. Arkansas Economic Development Commission, Division of Rural Services, proposed approval of funding for Rural Community Grants for Cycle 2 of Fiscal Year 2022, submitted pursuant to Section 48 of Act 1010 of the 2021 Regular Session.

Representative DeAnn Vaught made a motion to file Item H.07(b) as approved. The motion was seconded and passed by voice vote.

New Business

Co-Chair Rice referred members to the new business listed on the agenda as Item I.01, a presentation by the Department of Commerce, Arkansas Economic Development Commission.

I.01. Department of Commerce, Arkansas Economic Development Commission: Presentation of the Arkansas Broadband Master Plan Executive Summary.

- Presented by Mr. Jim Hudson, Deputy Director of Operations & General Counsel, AEDC

After the presentation, Co-Chair Rice recognized members for questions. After questions, this concluded the presentation.

New Interim Study Proposals and Interim Resolutions

Co-Chair Rice referred members to the ISP's listed on the agenda as Items J.01, J.02, and J.03, and noted action by the Legislative Council is needed for that item. Co-Chair Rice then recognized Senator Linda Chesterfield for a motion.

Senator Chesterfield moved to batch and approve Items J.01, J.02, and J.03, and refer them to the proper committee or subcommittee. The motion was seconded and passed by voice vote.

There were no questions from members.

J.01. Interim Study Proposal 2021-116, by Senator Keith Ingram, to request the Arkansas Legislative Council study the need for additional research into the diagnosis-related group methodology conversion for hospital reimbursement systems under the Arkansas Medicaid program. *(ISP 2021-116 was referred to the ALC - Hospital and Medicaid Subcommittee).*

J.02. Interim Study Proposal 2021-118, by Senator Keith Ingram, an Act to create the Arkansas State Rapid DNA Technology, Public Safety, and Privacy Improvement Task Force. *(ISP 2021-118 was referred to the Senate State Agencies and Governmental Affairs Committee).*

J.03. Interim Study Proposal 2021-117, by Senator Mark Johnson, for an Act to amend the provisions of Arkansas Constitution, Amendments 91 and 101, to provide that proceeds generated under Arkansas Constitution, Amendment 91, may be applied to multilane highway improvements; to amend Arkansas Constitution, Amendments 91 and 101, pursuant to the authority granted by Arkansas Constitution, Article 5, § 1; to declare an emergency; and for other purposes. *(ISP 2021-117 was referred to the Senate State Agencies and Governmental Affairs Committee).*

Adjournment

At 10:26 a.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, Senate

Marty Garrity
Executive Secretary