

MINUTES OF THE MEETING
OF THE
ARKANSAS LEGISLATIVE COUNCIL (ALC)

August 23, 2024

The Arkansas Legislative Council met at 9:00 a.m., Friday, June 21, 2024, 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. Senator Scott Flippo was recognized to give the morning prayer.

Minutes of the Previous Meeting

Co-Chair Wardlaw referred members to the minutes of the last Legislative Council meeting held on May 31, 2024 (Exhibit C), and asked if there were any questions. There were no questions.

Representative Jack Ladyman moved that the minutes of the May 31, 2024, meeting of the Legislative Council be adopted. The motion was seconded and passed by voice vote.

Revenue Report

Co-Chair Wardlaw recognized Dr. Carlos Silva, Legislative Economist, Bureau of Legislative Research (BLR), to present the May 2024 General Revenue Report (Exhibit D). Dr. Silva reported, the collections of Gross General Revenues year-to-date are approximately \$7,810.54 million, a decrease of \$88.3 million, or 1.1% below the \$7,898.86 million collected last fiscal year-to-date. Dr. Silva further reported, the Net General Revenue Available for distribution of \$6,149.5 million, decreased \$265.9 million, or 4.1% from the \$6,415.46 million available for distribution in May 2023. The Cumulative Deviation of the forecast is at \$4.1 million. This concluded the May 2024 General Revenue report, with no questions.

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 on Thursday, June 20, 2024. The subcommittee heard an actuarial analysis from *Perr & Knight* related to the Educational Facilities Property Insurance Study. The Subcommittee recommended that the July 2024 ALC meetings be canceled and the ALC subcommittees be authorized to meet in July on any items that cannot wait until the August 2024 ALC meeting, and be given final review and approval authority on those items, with a report to ALC at its August 2024 meeting. The subcommittee also recommended rescheduling the August ALC Week meetings to the week of August 19 - 23, 2024. Furthermore, the October and November 2024 ALC-JBC hearings schedule has been set and is posted on the website (www.arkleg.state.ar.us). This concluded the report of the Executive Subcommittee, and there were no questions.

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

Standing Committee Presentations

Administrative Rules Subcommittee

Co-Chair Wardlaw recognized Representative Brian Evans to present the report of the Administrative Rules Subcommittee (Exhibit F.1). Representative Evans reported the Administrative Rules Subcommittee met on Thursday, June 20, 2024. Pursuant to Act 595 of 2021, the Subcommittee received agency updates on outstanding rulemaking from the 2021 and 2023 Regular Sessions. The Subcommittee accepted the recommendations by Group II agencies concerning the extension and appeal of rules pursuant to Act 781 of 2017 of the Regular Session and Act 65 of the 2021 Regular Session. The Subcommittee discussed with the Department of Corrections, one of its administrative directives. All other rules were reviewed and approved as noted in the report. This concluded the report of the Administrative Rules Subcommittee, and there were no questions.

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

Employee Benefits Division (EBD) Oversight Subcommittee

Co-Chair Wardlaw recognized Representative Aaron Pilkington to present the report of the Employee Benefits Division Oversight Subcommittee (Exhibit F.4). Representative Pilkington reported that the Employee Benefits Division Oversight Subcommittee met on Thursday, June 20, 2024. The Subcommittee heard a presentation from representatives of *The Segal Group, Inc.* on the history of the Arkansas Wellness Program, successful wellness programs of other states, and possible next steps for Arkansas. The Subcommittee discussed and adopted the interim report of the Diabetes Management Program Study, giving an update on the status of the study. The final report and recommendations will be submitted to the subcommittee in December 2024. This concluded the report of the Employee Benefits Division Oversight Subcommittee, and there were no questions.

Representative Aaron Pilkington moved that the report of the Employee Benefits Division Oversight Subcommittee be adopted. The motion was seconded and passed by voice vote.

Game & Fish/State Police Subcommittee

Co-Chair Wardlaw recognized Senator Ricky Hill to present the report of the Game & Fish/State Police Subcommittee (Exhibit F.5). Senator Hill reported the Game & Fish/State Police Subcommittee met on Monday, June 3, 2024, in Harrison, AR, and heard testimony from the Arkansas Game and Fish Commission. The Subcommittee met again on Thursday, June 20, 2024, and adopted a motion to allow special expenses. The Subcommittee then heard testimony regarding firearm laws related to law enforcement officers and other armed officers. The next meeting, scheduled for Monday, July 15, 2024, will be held to discuss Local Government, Business and Commerce, Offenses and Sentencing, Transfer and Disposition of Firearms, and Schools. This concluded the report of the Game & Fish/State Police Subcommittee, and there were no questions.

Senator Ricky Hill moved that the report of the Game & Fish/State Police Subcommittee be adopted. The motion was seconded and passed by voice vote.

Occupational Licensing Review Subcommittee

Co-Chair Wardlaw recognized Representative Jack Ladyman to present the report of the Occupational Licensing Review Subcommittee (Exhibit F.11). Representative Jack Ladyman reported that the Occupational Licensing Review Subcommittee met on Wednesday, June 19, 2024, and reviewed reports on occupational authorizations from the following entities: Arkansas State Board of Chiropractic Examiners; the Arkansas State Board of Optometry; and the Department of Energy and Environment – Office of Land Resources. This concluded the report of the Occupational Licensing Review Subcommittee, and there were no questions.

Representative Jack Ladyman moved that the report of the Occupational Licensing Review Subcommittee be adopted. The motion was seconded and passed by voice vote.

Performance Evaluation and Expenditure Review (PEER) Subcommittee

Co-Chair Wardlaw recognized Representative Frances Cavanaugh to present the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee (Exhibit F.12). Representative Cavanaugh reported the PEER Subcommittee met on Wednesday, June 19, 2024. The subcommittee received reports, reviewed requests, and approved the following: Various Temporary Appropriations; American Rescue Plan Act Appropriations; Infrastructure Investment and Jobs Act Appropriations; Restricted Reserve Fund Transfers; and a request for State Central Services Deduction for FY2025. This concluded the report of the PEER Subcommittee, and there were no questions.

Representative Frances Cavanaugh moved to adopt the report of the Performance Evaluation and Expenditure Review (PEER) Subcommittee. 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.13). Senator Chesterfield reported that the Policy-Making Subcommittee met on Friday, June 21, 2024, and reviewed the standing committee's final allocations for mileage and per diems for Fiscal Year 2025. The Subcommittee recommended maintaining allocations at the current levels, and those amounts are set out in the attachment of this report (*Attachment 1*). This concluded the report of the 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 Senator Scott Flippo to present the report of the Review Subcommittee (Exhibit F.14). Senator Flippo reported that the Review Subcommittee met on Monday, June 17, 2024, and reviewed methods of finance, an alternative construction project, discretionary grants, and services contracts. At the May ALC meeting, four (4) contracts for the Department of Parks, Heritage, and Tourism were held and referred back to the subcommittee.

The agency revised the four (4) contracts and they were reviewed at the Review meeting on Monday. Those can be found in the report starting on page 80: Contracts numbers 104-107. No other items were held. This concluded the report of the Review Subcommittee.

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 Wardlaw recognized Representative Mark Berry to present the report of the Uniform Personnel Classification and Compensation Plan Subcommittee (Exhibit F.15). Representative Berry reported the Uniform Personnel Classification and Compensation Plan Subcommittee met on Monday, June 17, 2024. The subcommittee reviewed the requests on the report listed as Items 1-13. The Subcommittee suspended the rules to take up Items 12 & 13 on a supplemental agenda, with Item 12 requiring approval. This concluded the report of the Uniform Personnel Classification and Compensation Plan Subcommittee, and there were no questions.

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

Point of Personal Privilege

Co-Chair Wardlaw recognized Representative Matthew Shepherd, House Speaker, for a point of personal privilege. Mr. Speaker expressed great and sincere appreciation to Mr. Roy Ragland, Chief of Staff, on his retirement from the House of Representatives - after serving the House and the State of Arkansas in several capacities over many years. Mr. Ragland is also known to be an auctioneer and a pastor. Mr. Ragland, in return, expressed his gratitude and all applauded his many years of service and well-deserved retirement.

Review of Communications

Co-Chair Wardlaw referred members to the communications listed on the agenda as Items H.01- H.07 and noted that action by Legislative Council was needed for Items H.01(a) and H.01(b) and a report will be given on Item H.04. A motion was then requested for each action item.

H.01 - Arkansas Teacher Retirement System:

- a. Request for the Legislative Council's retrospective review of the imminent need partial equity ownership investments, submitted pursuant to A.C.A § 19-11-1303;
 - i. KKR Global Infrastructure Investors V, (USD) SCSp

Representative DeAnn Vaught moved to file H.01(a) from the Arkansas Teacher Retirement System, as reviewed. The motion was seconded and passed by voice vote.

H.01 - Arkansas Teacher Retirement System:

- b. Request for the Legislative Council's review of partial equity ownership agreements, submitted pursuant to A.C.A. §19-11-1302.
 - i. Enlightenment Capital Solutions Fund V, L.P.
 - ii. Carlyle Realty Partners X, L.P.
 - iii. Kayne Anderson Real Estate Partners VII, L.P.
 - iv. Macquarie GIG Energy and Climate Opportunities Fund, SCSp
 - v. Franklin Park Corporate Finance Access Fund III, L.P.; and
 - vi. Franklin Park Venture Capital Opportunity Fund II, L.P.

Representative Andrew Collins moved to file H.01(b) from the Arkansas Teacher Retirement System, as reviewed. The motion was seconded and passed by voice vote.

H.04 - DHS - Co-Chair Rice recognized Ms. Misty Eubanks, Deputy Secretary for Operations and Budget, Department of Human Services (DHS), for the verbal report on assisted living facility reimbursements, pursuant to Section 15 of Act 213 of 2022.

Other Business

Co-Chair Wardlaw then informed members that new rules would take effect soon, if not already. Ms. Marty Garrity, Director, Bureau of Legislative Research, was recognized to provide updates, stating, for ALC rules, August 2024 is the last month that ISP's can be submitted to ALC for referral to the standing interim committees. After August 23, 2024, ISP's can still be submitted, but only by submitting it through the committee itself and only members of that committee can submit them.

Adjournment

At 9:25 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, House

Marty Garrity
Executive Secretary