

SECTION 1. ALC Rules, subsection 5.(a) is amended to read as follows:

5. Legislative Council Subcommittees.

(a) **Standing Subcommittees.** The Legislative Council shall have the following standing subcommittees with jurisdiction of the following subject areas:

(1) **Review Subcommittee.** To this subcommittee shall be referred matters pertaining to:

(A) Agency requests for contracts requiring the services of one (1) or more persons, as provided in Arkansas Code § 19-11-265;

(B) Review of proposed methods of financing for capital expenditures in excess of \$250,000, which have not been approved by the General Assembly, as provided in Arkansas Code § 22-9-104;

(C) Review of requests of state agencies for leasing of motor vehicles (for more than thirty (30) days) prior to final approval of the leases by the state purchasing administrator, as provided in Arkansas Code § 22-8-102;

(D)(i) Reports from the Office of State Procurement (OSP) regarding executed contracts and contracts procured by a state agency procurement official that has a delegation order, as provided in Arkansas Code § 19-11-273.

(ii)(a) A primary member of the Legislative Council may request that a contract included in a report under subdivision (a)(1)(D)(i) of this subsection be considered for discussion by the Legislative Council.

(b) The primary member shall notify the Legislative Council co-chairs of his or her request for discussion at the Legislative Council meeting no later than one (1) business day prior to the day of the meeting of the Legislative Council at which the contract will be considered for discussion;

(E) Review of mandatory state contracts that are not for commodities or services within the exclusive jurisdiction of the OSP Director, pursuant to Arkansas Code § 19-11-223(a)(2);

(F) Review of rules submitted by the State Procurement Director, pursuant to Arkansas Code § 19-11-225(a);

(G) Review of other matters referred to the subcommittee by the Legislative Council that require Legislative Council review and that are not otherwise within the jurisdiction of another Legislative Council subcommittee;

(2) **Charitable, Penal, and Correctional Institutions Subcommittee.** To this subcommittee shall be referred matters pertaining to:

(A) The Department of Correction and its various units;

(B) The state correctional facilities for juveniles;

(C) The state institutions that provide institutional services for citizens of this state; and

(D) Private facilities providing institutional services and care purchased by the state for the benefit of indigent persons;

(3) **Performance Evaluation and Expenditure Review Subcommittee.** To this subcommittee shall be referred matters pertaining to:

(A) The financial operation and fiscal performance of state agencies, departments, and institutions, including but not limited to;

(i) Program performance and evaluation;

(ii) Efficiency in the operation of agency programs and services;

(iii) Coordination of programs and services that require the expenditure of state funds;

(iv) The stability and adequacy of the various funds and fund accounts of the state, including without limitation :

(a) Approval of transfers from the Long Term Reserve Fund require prior approval of the Performance Evaluation and Expenditure Review Subcommittee, and, pursuant to Arkansas Code § 19-6-486, final approval of two-thirds (2/3) of the members of the Legislative Council; and

(b) [Effective through June 30, 2023] Approval of a release of Unallocated Restricted Reserve Fund Set-Aside require prior approval of the Performance Evaluation and Expenditure Review Subcommittee and the Legislative Council, pursuant to Act 1058 of 2021;

(b) [Effective July 1, 2023] Approval of transfers from Restricted Reserve Fund Set-Asides, including without limitation those listed in Addendum A hereto, which includes the vote threshold required for approval of the related requests. Addendum A is considered a part of these Rules upon adoption by the Legislative Council; and

(v) Other matters pertaining to agency performance and accountability in the use of public funds, which are not otherwise within the jurisdiction of another subcommittee of the Legislative Council;

(B) The organization, consolidation, merger, or abolishment of a state agency, board, commission, or program;

(C) Distribution and use of unanticipated discretionary federal funds for the purposes of emergency management or disaster relief related to a statewide state of disaster emergency related to public health;

(D)(i) Consideration of requests by a state agency, constitutional office, or institution for a transfer of an American Rescue Plan Act appropriation, as approved or modified by the Chief Fiscal Officer of the State.

(ii) The American Rescue Plan Act of 2021 requests submitted pursuant to subdivision 5.(a)(3)(D)(i) of this section require prior approval of the Legislative Council;

(E) Other matters as may be assigned to the subcommittee by the Legislative Council; and

(G)(i) In addition to the duties listed above, and in accordance with the Arkansas Full-Time Law Enforcement Officer Salary Stipend Act of 2022, the Subcommittee shall hear appeals from any eligible local law enforcement agency regarding an adverse decision by the Secretary of the Department of Finance and Administration concerning the failure to abide by the provisions of subsection (i) of the Act, which sets forth the circumstances under which funds received under the Act shall be returned to the Secretary.

(ii) The Subcommittee shall hear the appeal and provide an advisory opinion to the Legislative Council for its consideration. If the advisory opinion is adopted by the Legislative Council, it shall be forwarded to the Secretary of the Department of Finance and Administration;

(4) **Administrative Rules Subcommittee.** To this subcommittee shall be referred matters pertaining to:

(A) Administrative rules submitted to the Legislative Council by state agencies, boards, and commissions for Legislative Council review and approval, as required by Arkansas Code § 10-3-309;

(B) State agency appeals of administrative rule codification decisions and technical correction decisions made by the Bureau of Legislative Research under Arkansas Code § 25-15-218, regarding rules codified in the Code of Arkansas Rules;

(C) Other matters pertaining to administrative organization, rules, regulations, and procedures as may be assigned to the subcommittee by the Legislative Council; and

(5) **Uniform Personnel Classification and Compensation Plan Subcommittee.** To this subcommittee shall be referred matters pertaining to:

(A) The State Uniform Personnel Classification and Compensation Plan;

(B) The adequacy of position classification and pay schedule of state agencies and institutions;

(C) Consideration of matters that require Legislative Council advice in regard to the administration of the State Personnel Classification and Compensation Plan;

(D) The duties of the General Assembly to establish the maximum number of employees, and the maximum annual salaries of all officials and employees of state government; and

(6) ~~**Policy Making Subcommittee.** To this subcommittee shall be referred matters pertaining to:~~

~~(A)(i) Review of study proposals referred to interim committees by members thereof, which have not previously been reviewed by the Legislative Council as to germaneness.~~

~~(ii) The subcommittee shall submit its recommendations to the Legislative Council concerning the germaneness of the study proposals to the subject areas assigned to the interim committee as provided by law; and~~

~~(B) Review and make recommendations to the Legislative Council regarding requests from interim committees, task forces, and subcommittees of the Legislative Council for the allocation of funds and personnel to be funded from monies appropriated to the Legislative Council for interim committee study purposes;~~

(7) **Hospital and Medicaid Study Subcommittee.** To this subcommittee shall be referred all matters pertaining to:

(A) Hospitals;

(B) Medicaid;

(C) Incentives for the establishment of rural hospitals, clinics and other rural medical facilities;

(D) Incentives for physicians practicing in rural areas; and

(E) Any and all related matters;

(8)(7) **Claims Review/Litigation Reports Oversight Subcommittee.** To this subcommittee shall be referred all matters pertaining to:

(A) Claims referred from the Arkansas State Claims Commission, in accordance with Arkansas Code § 19-10-215;

(B) Appeals from decisions of the Arkansas State Claims Commission, in accordance with Arkansas Code § 19-10-211;

(C) Appeals from decisions of the Arkansas State Claims Commission in connection with the solicitation or award of a contract by a state agency, in accordance with Arkansas Code § 19-11-244;

(D) Receipt of notification of lawsuits affecting the state; and

(E) Review of the lawsuits including the style of the case being litigated, the identity of the tribunal before which the matter has been filed, a brief description of the issues involved, and other information that will enable the Legislative Council to determine the action that may be necessary to protect the interests of the General Assembly and the State of Arkansas;

~~(9)~~**(8) Game & Fish/State Police Subcommittee.** To this subcommittee shall be referred all matters pertaining to the Arkansas Game & Fish Commission and State Police, including all rules of the Arkansas Game & Fish Commission, which shall be reported to the subcommittee for discussion;

~~(10)~~**(9) Higher Education Subcommittee.** To this subcommittee shall be referred matters pertaining to:

(A) Four-year institutions of higher education;

(B) Two-year institutions of higher education;

(C) Technical education;

(D) Vocational education;

(E) Adult education;

(F) College and career readiness;

(G) Private institutions of higher education; and

(H) Any related matters as may be assigned to the subcommittee by the Legislative Council;

~~(11)~~**(10) Lottery Oversight Subcommittee.** To this subcommittee shall be referred all matters pertaining to:

(A) Expenditures of lottery proceeds;

(B) Proposed rules of the Office of the Arkansas Lottery;

(C) Proposed contracts of twenty-five thousand dollars (\$25,000) or more;

(D) Reports pertaining to the lottery and lottery scholarships;

(E) Review and approval of loans from the Scholarship Shortfall Reserve Trust Account to fund scholarships under the:

(i) Arkansas Academic Challenge Scholarship Program;

(ii) Arkansas Workforce Challenge Scholarship Program; or

(iii) Arkansas Concurrent Challenge Scholarship Program;

and

(F) Any and all related lottery matters;

~~(12)~~**(11) Highway Commission Review and Advisory Subcommittee.**

(A) Membership. The subcommittee shall consist of twenty (20) members with at least four (4) or more members of the Legislative Council from each congressional district of the state. The Legislative Council may, by an affirmative vote of two-thirds (2/3) of a quorum to suspend the rules, alter the membership of the subcommittee.

(B) Duties. To this subcommittee shall be referred the following matters:

(i)(a) Proposed rules of the State Highway Commission:

(1) Required under Arkansas Code § 27-65-107(a)(18)(A); and

(2) Related to implementation of the recommendations included in the final study report of the Subcommittee adopted by the Legislative Council on November 20, 2020.

(b) Proposed rules of the State Highway Commission submitted under this subdivision are not subject to approval by the Legislative Council or any of its subcommittees and shall be presented for review only.

(c) The Subcommittee shall allow members of the public a reasonable length of time to comment on the proposed rules submitted pursuant to subdivision 5.(a)(12)(B)(i)(a)(2) of this rule;

(ii) Reports from the State Highway Commission regarding the progress of each public road construction project of ten million dollars (\$10,000,000) or more;

(iii) Report of the Director of State Highways and Transportation regarding draft legislation that has been approved by the State Highway Commission to be presented for filing during the next regular legislative session. This report shall be presented to the Subcommittee at its December meeting of each year immediately preceding a regular session;

(v) Proposed contracts of the State Highway Commission, in the amount of fifty thousand dollars (\$50,000) or more, that are entered for the purpose of implementing any of the recommendations included in the final report adopted by the Legislative Council in November 2020. A contract shall be submitted to the Subcommittee for review prior to execution of the contract. The Subcommittee shall allow members of the public a reasonable length of time to comment on the proposed contracts submitted under this subdivision;

(vi) Monthly reports regarding the status of the implementation of the recommendations included in the final report adopted by the Legislative Council in November 2020 by the State Highway Commission and the Arkansas Department of Transportation;

(vii) Other State Highway Commission matters the subcommittee considers necessary to perform its duties as prescribed by law; and

(viii) Other duties as assigned to the subcommittee by the Legislative Council;

~~(13)~~**(12) Employee Benefits Division Oversight Subcommittee.** To this subcommittee shall be referred all matters pertaining to the State and Public School Life and Health Insurance Program, including:

(A)(i) New or significantly modified cost-containment measures

(ii) As used in subdivision 5.(a)(13)(A)(1), “cost-containment measure” means a process or practice of controlling and managing expenses of the program by reducing or limiting the amount of spending required to administer the program and remain within specific, preplanned budgetary constraints;

(B) Any change in plan options offered under the program for state employees or public school employees;

(C) Potential funding changes to the program;

(D) Any premium increases or decreases over the previous plan year;

(E) Any concern involving the reserve balance for state employees or public school employees;

(F) Changes to the four-year projections for the program;

(G) Changes that would limit, eliminate, or increase benefits of plan options offered under the program and the effect these changes would have on the fiscal viability of the program, including the reserve balance for state employees or public school employees;

(H) Changes that would limit, eliminate, or increase eligibility requirements for the program;

(I) Vendor issues or changes in vendors from the previous plan year;

(J) Proposed contracts or changes in contracts from the previous plan year;

(K) Any change in consultants from the previous plan year;

(L)(i) Rules promulgated by the State Board of Finance or by the Employee Benefits Division regarding the implementation, administration, or enforcement of the program.

(ii) Proposed rules submitted to the subcommittee under this section are not subject to approval by the subcommittee, but are submitted for review purposes only;

(M) Quarterly reports from the State Board of Finance and the Director of the Employee Benefits Division, as required by Act 113 of 2022;

(N) Other matters related to the State and Public School Life and Health Insurance Program that may be referred to the subcommittee or that the subcommittee considers necessary to perform its oversight of all matters related to the program; and

(O) In addition to the duties listed above, and in accordance with Act 113 of 2022, the Subcommittee, with the cooperation of the Director of the Employee Benefits Division, shall conduct a study regarding the viability and sustainability of a general diabetes management program for the State and Public School Life and Health Insurance Program to include:

(i) Evaluating possible general diabetes management programs for managing diabetes of members of the State and Public School Life and Health Insurance Program;

(ii) Developing recommendations for potential legislation for the 2025 Regular Session of the General Assembly that are necessary to implement a general diabetes management program for the State and Public School Life and Health Insurance Program; and

(iii) Submitting a report summarizing the results of the study to the Legislative Council no later than July 1, 2024.

~~(14)~~**(13) Occupational Licensing Review Subcommittee.** To this subcommittee shall be referred:

(A) The responsibilities and duties set forth in Act 600 of 2019, the Red Tape Reduction Sunrise and Sunset Act of 2019, including without limitation conducting a periodic comprehensive review of all occupational authorizations and occupational entities; and

(B) Other matters related to occupational authorizations and occupational entities that may be assigned to the subcommittee; and

~~(15)~~(14) **Medical Marijuana Advisory Subcommittee.** To this subcommittee shall be referred all matters related to Arkansas Constitution, Amendment 98, including:

- (A) Licensing and operation of dispensaries and cultivation facilities;
- (B) Registration and certification of cultivation facility agents and dispensary agents;
- (C) Licensure of transporters, distributors, and processors;
- (D) Registration and certification of transporter agents, distributor agents, and processor agents;
- (E) Qualifying medical conditions for the medical use of marijuana;
- (F) The taxation and distribution of medical marijuana proceeds;
- (G)(i) Rules promulgated by one (1) or more of the following state agencies regarding the implementation, administration, or enforcement of Arkansas Constitution, Amendment 98:

- (a) The Alcoholic Beverage Control Division;
 - (b) The Department of Health;
 - (c) The Medical Marijuana Commission; and
 - (d) Any other state agency involved with the implementation, administration, or enforcement of Arkansas Constitution, Amendment 98.

(ii) Proposed rules submitted to the subcommittee under this section are not subject to approval by the subcommittee, but are submitted for review purposes only;

- (H) Review of proposed contracts of one (1) or more of the following state agencies in the amount of twenty-five thousand dollars (\$25,000) or more that relate to the implementation, administration, or enforcement of Arkansas Constitution, Amendment 98:

- (i) The Alcoholic Beverage Control Division;
 - (ii) The Department of Health;
 - (iii) The Medical Marijuana Commission; and
 - (iv) Any other state agency involved with the implementation, administration, or enforcement of Arkansas Constitution, Amendment 98;

(I) Other matters related to medical marijuana that may be referred to the subcommittee or that the subcommittee considers necessary to provide its advice.

SECTION 2. ALC Rules Subsection 5.(b) is amended to read as follows:

(b) **Select Subcommittees.** The Co-Chairs of the Legislative Council may designate subcommittees to assist in the administration of the affairs of the Legislative Council and of the Bureau of Legislative Research, including but not limited to the following:

(1) **Executive Subcommittee.**

(A) This subcommittee shall consist of:

- (i) The House of Representatives Co-Chair;
- (ii) The Senate Co-Chair;
- (iii) The immediate past Co-Chairs of the Legislative Council;

and

(iv) Other members as prescribed by Arkansas Code § 10-3-303(f).

(B) The Co-Chairs of the Legislative Council shall serve as the Co-Chairs of the subcommittee.

(C) The subcommittee shall assist the House of Representatives Co-Chair and the Senate Co-Chair and the Director of the Bureau of Legislative Research in regard to:

(i) The development of proposed policies governing the Legislative Council;

(ii) Personnel policies and matters pertaining to the operation of the Bureau of Legislative Research;

(iii) Review and offer instruction to the Bureau of Legislative Research with respect to requests received from members of the General Assembly for distribution of letters, documents, or other information to all members of the General Assembly and to other states;

(iv) Review and approval of proposed emergency rules submitted by state agencies; and

(v) Providing immediate action on reforms proposed by the Department of Human Services to meet its savings goals under the Medicaid provider-led organized care plan, as required by Act 802 of 2017.

(D) In addition, the subcommittee shall:

(i)(a) Review study proposals referred to interim committees by members thereof, which have not previously been reviewed by the Legislative Council as to germaneness.

(b) The subcommittee shall submit its recommendations to the Legislative Council concerning the germaneness of the study proposals to the subject areas assigned to the interim committee as provided by law; and

(ii) Review and make recommendations to the Legislative Council regarding the allocation of funds and personnel to be funded from monies appropriated to the Legislative Council for use by interim committees, task forces, and subcommittees of the Legislative Council;

(E) The Director of the Bureau of Legislative Research shall report to and regularly seek the review and advice of the Executive Subcommittee as may be required by the subcommittee under Arkansas Code § 10-3-303.

(2) **Other Select Subcommittees.** The House of Representatives Co-Chair and Senate Co-Chair may from time to time with the approval of the Legislative Council name such other select subcommittees and define their duties as they deem necessary to assist in the internal operation and affairs of the Legislative Council and the Bureau of Legislative Research.

SECTION 3. ALC Rules, Subsection 12.(a)(1) is amended to read as follows:

(1)(A) **Proposals.** Those matters that call for study and research by the Legislative Council or an interim committee should be submitted in the form of a proposal. Any member of the General Assembly may submit a proposal. Each proposal shall bear a descriptive title, and bear the name of the sponsor.

(B) Proposals must be filed with the Executive Secretary at least six (6) days before the meeting at which they are to be considered. New proposals shall not be accepted by the Legislative Council after the August meeting of the second year of the biennium.

(C)(i) Proposals shall be filed in or referred to the interim committee to which the subject matter of the proposal is germane. Identical proposals or substantially identical proposals shall be filed in or referred to only one (1) interim committee.

(ii) If identical or substantially identical proposals are filed in more than one (1) interim committee, the ~~Policy-Making Executive~~ Subcommittee shall make the determination as to which interim committee the subject matter of the proposals is most germane. If the subject matter of the identical or substantially identical proposals can be considered germane to more than one interim committee, the interim committee that adopted the proposal first will retain the proposal.

(iii) The sponsor of each of the identical or substantially identical proposals shall be a non-voting ex officio member of the committee that retains the proposal for study under subdivision (a)(1)(C)(ii) of this section for the purposes of that study.

SECTION 4. ALC Rules Section 22 is amended to read as follows:

22. Expenditure of Legislative Council Funds.

(a)(1) **Special Expenses.** Any expenditure of Legislative Council funds for special expenses by a committee or task force of the General Assembly shall require an affirmative vote of a majority of the committee or task force wishing to expend the funds prior to expenditure of the funds.

(2)(A) For purposes of this rule, “special expenses” means any expenses incurred other than payment of mileage and per diem to members of the General Assembly for attendance at the meeting of the committee or task force, and includes without limitation witness fees, interpreter fees, and court reporter expenses.

(B) “Special expenses” does not include expenditure of funds in relation to the hiring of a consultant.

(3) Any committee or task force voting to incur special expenses shall provide monthly reports to the ~~Policy-Making Executive~~ Subcommittee of the Legislative Council regarding authorization and payment of the special expenses.

(b)(1) **Consultant Contracts.** Upon completing its process for selecting a consultant, a subcommittee of the Legislative Council or committee or task force of the General Assembly, desiring to hire a consultant to assist with a study of the subcommittee, committee, or task force, shall authorize the Bureau of Legislative Research to enter the contract with the chosen consultant and recommend approval of the contract to the ~~Policy-Making Executive~~ Subcommittee of the Legislative Council ~~during the interim, or the Executive Subcommittee of Legislative Council during a legislative session~~, by an affirmative vote of a majority of the members of the subcommittee, committee, or task force.

(2) The ~~Policy-Making Subcommittee, or the~~ Executive Subcommittee ~~if during a legislative session~~, shall conduct a review of the proposed contract and make a

recommendation to the Legislative Council regarding authorization of the Bureau of Legislative Research to enter the contract. During a legislative session, the Executive Subcommittee has final approval authority of consultant contracts and shall report any such action to the Legislative Council at the next meeting of the Legislative Council.

(3) Upon approval of the contract by the Legislative Council, the Bureau of Legislative Research may execute the approved contract and the selected consultant may begin work for the subcommittee, committee, or task force.