

CARES ACT STEERING COMMITTEE MEETING MINUTES

Governor's Conference Room and ZOOM

Monday, June 15, 2020

4:00pm

IN ATTENDANCE

STEERING COMMITTEE MEMBERS

Chair: Elizabeth Smith, Secretary of the Department of Inspector General

Vice Chair: Dr. Greg Bledsoe, Surgeon General, Department of Health designee

Larry Walther, Secretary of the Department of Finance and Administration

Mike Preston, Secretary of the Department of Commerce

Cindy Gillespie, Secretary of the Department of Human Services

Amy Fecher, Secretary of the Department of Transformation and Shared Services

Jami Cook, Secretary of the Department of Public Safety

Johnny Key, Secretary of the Department of Education

Bill Gossage, Governor's Office Representative

Senator Missy Irvin

Senator David Wallace

Senator Will Bond

Representative Lane Jean

Representative Michelle Gray

Representative Fred Allen

AGENDA

- 1) Welcome & Opening Remarks: Chair Secretary Elizabeth Smith
 - a) Approval of Minutes
- 2) Proposals:
 - a) Broadband – Secretary Preston & Senator Irvin
 - b) Department of Public Safety – Secretary Cook
 - c) Department of Agriculture – Secretary Ward
 - d) Department of Corrections – Secretary Kelley
 - e) Division of Workforce Services – Dr. Childers
 - i) Unemployment Insurance Administration
 - ii) Unemployment Insurance IT Modernization
 - f) Department of Human Services & EMS – Secretary Gillespie

Welcome, Opening Remarks and Approval of Minutes

Senator Irvin moved to approve Minutes from the June 10, 2020 meeting and Bill Gossage provided second. The motion passed and the minutes were approved.

Secretary Walther moved to suspend the rules regarding timing for submission of proposals to committee members for the purpose of adding an item to the agenda. If the motion to suspend the rules is allowed, he will request the committee consider a proposal from the Department of Veteran's Affairs in order to allow reimbursement of funds expended for

nursing homes and cemeteries due to COVID-19 in the amount of \$45,647.97. Second was provided by Sen. Irvin, and the Motion passed.

Proposals

a) **Arkansas Department of Commerce and Members of the Arkansas**

Senate – Secretary Mike Preston and Senator Missy Irvin

Proposal Title: Broadband Deployment/Arkansas Rural Connect

The Arkansas Department of Commerce has identified the need for expanded broadband deployment in the State to address the critical delivery needs of telemedicine, K-12 education and telework capabilities. The Arkansas Rural Connect program is an integral component of the state's response to the COVID 19 public health emergency. **Amount Requested:**

\$21,624,600

Secretary Preston, Senator Irvin, Steven Porch explained the proposal requested amount is a combination to total \$21,624,000, with \$19,300.000 to complement Arkansas Rural Connect and \$2,324,000 for the Rural ID program. They explained this is a comprehensive strategy to deploy broadband immediately and to assist local municipalities. Dr. Curtis Lowery, UAMS further emphasized the need. Secretary Walther moved to approve the proposal, as presented and stated this would provide immediate assistance for issues related to COVID and also continue to benefit the state for a longtime into the future. Rep. Lane Jean asked whether the vote on the proposal could combine both requests in one package. Secretary Walter, as keeper of the books, agreed one proposal would be acceptable. Secretary Irvin offered a second.

Discussion:

Rep. Allen asked how they will make sure broadband is utilized in Arkansas because there is a percentage of people who have access, but do not utilize it. Sec. Preston responded that affordability is one of the reasons for underutilization, and explained they are working with the ISPs to make broadband affordable for the communities. Senator Irvin agreed with Rep. Allen and added broadband needs to continue as an ongoing program to drive this issue and advocate the needs for continuation of broadband. There is much more work to do. Secretary Walther asked a clarifying question for the exact amount of the request. Secretary Preston clarified the proposal amount of \$21,624,600, Secretary Walther corrected his motion to include the correct amount and Secretary Irvin provided a second. The motion passed.

b) **Department of Public Safety** – Secretary Jami Cook and Director AJ Gary

Proposal Title: COVID 19 Cost Reimbursement Arkansas Department of Public Safety is requesting cost reimbursement for: PPE and Sanitation Needs. **Amount**

Requested: \$151,177.55

Proposal for \$151,077.55 for PPE that is not on the preapproved list and sanitation needs, such as an electrostatic sprayer to clean the patrol cars as well as for payroll expense reimbursements for Arkansas Law Enforcement Academy Training Staff to expedite the training by working overtime and the cleaning to complete training and certification for 85 new officers more quickly during the public health emergency to assist with COVID-19 response. As well as for payroll for Arkansas Department of Emergency Management regarding grants outside of the ADEM grants due to state activation of the emergency. Motion to approve by Secretary Mike Preston, Second by Bill Gossage, no discussion, motion passed.

c) **Arkansas Department Agriculture** - Secretary Wes Ward

Proposal Title: Depopulation to prevent supply chain disruptions. Arkansas Department of Agriculture requests funding to purchase equipment and supplies necessary to facilitate livestock depopulation to avoid supply chain interruptions in response to COVID 19.
Amount Requested: \$50,000

Discussion: Senator Irvin stated this is affecting her area and appreciates Secretary Ward for bringing the proposal. Sec. Ward thanked her for the support and indicated there was support from other legislators and they have put out a press release to provide information regarding the risks and how to protect the both Arkansas farmers' animals as well as animals coming into the state. Motion by Senator Irvin, second by Bill Gossage. Motion passed.

d) **Arkansas Department of Corrections** - Secretary Wendy Kelley

Proposal Title: Cost Reimbursement for Equipment, Supplies and Testing
The Department of Correction is requesting approval for necessary medical and public health expenses including costs of providing COVID 19 testing, establishment of temporary medical facilities, emergency food costs and quarantine expenses. In addition, the Department is requesting reimbursement in the amount of \$157,162.58 for pre-approved items. **Amount requested: \$331,714.59**

No questions, no discussion. Secretary Walther Moved to approve Senator Bond provided second, motion passed.

e) **Division of Workforce Services** – Dr. Childers, Department of Commerce, Division of Workforce Services - Secretary Preston / Dr. Childers, Ms. Pierson

Proposal Title: UI Systems – Pandemic Unemployment Assistance. The Arkansas Department of Commerce and the Division of Workforce Services have requested funds to cover expenses that will exceed the CARES Act federal funds to the Arkansas Division of Workforces Services. The funds are necessary for the standardization and modernization of the Unemployment Insurance Program systems to support the Pandemic Unemployment Assistance (PUA) program serving the critical needs of self-employed, independent contractors and GIG economy workers not served by the traditional unemployment insurance program. PUA was developed specifically to address the impact of COVID-19.

Amount Requested: UI Administration: \$5,000,000, UI IT Modernization: \$8,716,220 for a combined total of: \$13,716,220

Discussion: Senator Bond asked for clarification regarding the funds. Dr. Childers stated she was speaking to the UI Administration request, but the IT request would be explained later. Chair Smith asked whether the \$5,000,000 covers any actual benefits expenses or only work that was performed in order to provide unemployment benefits. Ms. Pierson clarified the proposal is only for administration and staff, but not toward actual benefits. Senator Irvin requested the two proposals to be considered together. Chair Smith asked when actual needed amount would be definitive, Ms. Pierson said they would know by mid to end of September. Chair explained any unused funds would need to be returned and asked for an update from DWS in September. DWS agreed. Senator Bond asked whether this funding would help get the

funds out the door more quickly, like, right now. Dr. Childers responded and explained how the funds would be utilized.

Mr. Carter Hawkins presented the IT request. Sen. Irvin inquired about the process for determining the vendor and whether the current vendor can meet the needs, and/or will there be an RFP. He answered that the current vendor is meeting the needs. They knew they would have to cut corners and make difficult decisions, “it wasn’t pretty... but it is working”. Regarding RFPs, the process takes so long, if DWS opened a new RFP, they wouldn’t be able to start the new system until next year and we really need it now. So, DWS believes they must go forward with the current vendor. The current vendor has been and continues to increase staffing and is planning for the expansion. DWS believes they will get the necessary staff in place and be able to do what is needed. Sen. Irvin thanked him for the answer and asked that DWS “hold [the vendors’] feet to the fire” and think about the strain on technology in order to be sure the needs are met. Senator Bond asked if the estimates come from the vendor or if the state calculates the estimates. Mr. Hawkins explained some that numbers come from the vendor and some from the national peer organization for other states. Senator Bond asked again about whether this would help get people the money they need. Mr. Hawkins explained the PUA requests take longer to review than the others, and the staff is working through the applications as quickly as possible.

Representative Fred Allen moved to approve the proposals \$5,000,000 plus \$8,716,220 for a total of \$13,716,220. Second by Secretary Mike Preston. Senator Irvin requested that DWS provide an update in September regarding any funds to be returned. Motion passed.

f) **Arkansas Department of Human Services** - Secretary Gillespie

Proposal Title: Proposal to Fund Ambulance Direct Care Workers. Using previous Care Continuity Initiative (CCI) payments to direct care workers in hospitals and long-term services and supports (LTSS) settings, similar payments will be made to all Arkansas ambulance company employers. These employers will make “pass through” payments to their direct care workers. The employer cannot retain any of these payments. There are approximately 150 EMS agencies that own or manage EMS systems through the state. Many of these EMS enterprises are private entities; approximately 20 are hospital-based and approximately 30 are municipal fire departments or city/county entities. **Amount Requested: \$12,127,200**

No questions, no discussion. Senator Irvin motioned to approve; Representative Fred Allen provided a second. Secretary Jami Cook requested to recuse from the vote due to a family member in the industry. Motion passed.

Under the suspension of the rules, Secretary Walther requested that the committee hear the proposal from the Arkansas Department of Veterans Affairs which had been provided to committee members less than two days prior to the meeting. The committee agreed and the proposal was explained.

g) **Arkansas Department of Veterans Affairs** - Chief of Staff & CFO Austin Booth

Proposal Title: COVID-19 Labor and other COVID response items for Reimbursement. Amount Requested: \$45,647.97

DFA Review: Labor cost directly related to COVID 19 preparation and response associated with the Arkansas State Veterans Home at North Little Rock, Arkansas State Veterans Home at Fayetteville and the Arkansas State Veterans Cemetery at North Little Rock. Secretary Walther motioned to approve, and Representative Fred Allen provided a second. No questions, no discussion. The motion passed.

Meeting Adjourned at 6:00 p.m.