

CARES ACT STEERING COMMITTEE MEETING MINUTES
Governor's Conference Room and ZOOM
Wednesday, August 5, 2020 - 3:30pm

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 Will Bond
Senator David Wallace
Representative Lane Jean
Representative Michelle Gray
Representative Fred Allen

ADDITIONAL ATTENDEES

Wes Ward, Secretary of the Department of Agriculture
Solomon Graves, Secretary of the Department of Corrections
Stephanie Williams, Chief of Staff, Arkansas Department of Health
ShaRhonda Love, Executive Director, Arkansas Minority Health Commission
Representative Stephen Meeks
Senator Jane English
Representative Vivian Flowers
Representative Jamie Scott
Representative Denise Ennett

DRAFT AGENDA

- 1) Welcome and Opening Remarks
- 2) Proposals
 - a. Department of Agriculture (2)
 - b. Department of Human Services
 - c. Department of Health
 - d. Department of Corrections
 - e. Department of Inspector General
- 3) Items previously approved
 - a. Department of Human Services extension
 - b. Update regarding funds expended to date

Welcome & Opening Remarks

Secretary Elizabeth Smith presented the minutes from the CARES Act Steering Committee meeting on July 20, 2020. Representative Lane Jean motioned to approve the minutes; Representative Fred Allen provided a second; Secretary Smith called for a vote; the minutes were approved.

Department of Agriculture: Meat processing (\$5 million)

Secretary Wes Ward noted coronavirus has affected meat-processing capabilities across the country and in Arkansas, and this meat-processing grant proposal is similar to what other states are doing. Secretary Ward noted the poultry processing capability is 9% lower than what it was in May of 2019, cattle processing is 23% lower, and hog processing is 17% below 2019. Secretary Ward added that his department has had communications with several legislators on the House and Senate Agriculture Committees and they have a meeting coming up on August 17.

Discussion

Senator David Wallace proposed to have another CARES Act Steering Committee Meeting via Zoom before the Arkansas Legislative Council (ALC) meeting to give the Agriculture Committee the opportunity to approve this first, then it can be approved by the Steering Committee before moving on to the ALC.

Senator Missy Irvin noted she is supportive of this proposal and asked for more details about the committee process. Secretary Ward addressed Senator Irvin's question. Senator Irvin noted she is prepared to make a motion to approve this proposal and move forward with it at the proper time.

Secretary Larry Walther noted the Department of Finance and Administration (DFA) will have the appropriation paperwork ready for when this is presented.

Department of Agriculture: Reimbursement (\$215,436)

Secretary Ward noted this proposal is for IT costs and reimbursements associated with coronavirus, as listed below:

- \$36,436 for providing computers and other equipment so people could work from home
- \$179,000 for online payment systems for licensing and permitting programs in order to reduce exposure resulting from person-to-person contact

Discussion

Senator Irvin noted she would make a motion to approve these two proposals submitted by the Department of Agriculture after they go to the Agriculture Committee; Bill Gossage provided a second; Secretary Smith called for a vote; the motion passed.

Department of Commerce: Broadband (\$100 million)

Secretary Mike Preston made a motion to move away from the agenda and take up a request from Speaker Shepherd and President Pro Tempore Hendren; Representative Allen provided a second; Secretary Smith called for a vote; the motion passed.

Secretary Preston reminded that in June the Steering Committee approved \$19.3 million into the Arkansas Rural Connect (ARC) program to go along with approximately \$5.7 million that was put into the program last year. Secretary Preston noted four rewards have already been made, with \$6 million total approved for the areas of Fairfield Bay, Ozark, Lonoke, and Nashville. Secretary Preston noted the money initially approved will not go very far, and broadband access is essential for remote meetings, distance education, telemedicine, and other functions that we have become accustomed to during this pandemic. Secretary Preston noted this \$100 million will likely still not be enough, but it will help us move the needle and deploy broadband as far as we possibly can throughout the state of Arkansas.

Discussion

Senator Jane English and Representative Stephen Meeks emphasized the critical importance of broadband.

Senator Irvin, Representative Allen, and Representative Meeks expressed their appreciation for the work that has been done on this broadband plan, and they all agreed this has been a bipartisan issue and a team effort. *Senator Irvin noted she would be happy to make a motion to accept this proposal.*

Senator Will Bond noted he supports broadband but he does have concerns about having adequate funds left for the health crisis and more immediate needs. Dr. Greg Bledsoe agreed with Senator Bond's point, but noted he is in favor of the broadband proposal because it looks ahead and builds an infrastructure in case there is a crisis like this in the future. Senator Irvin noted the need to utilize the experts at the Office of Digital Health and Innovation at the University of Arkansas for Medical Sciences (UAMS) because they understand how the broadband infrastructure relates to anchor institutions like public schools and hospitals.

Representative Allen asked if the \$250 million that the Steering Committee set aside for the fall could be used for contact tracing, testing, personal protective equipment (PPE), and other areas. Secretary Walther and Secretary Smith confirmed those funds could be used for those items after October 1, 2020. Secretary Smith noted there are also allocations that have made to the Health Department for contact tracing and testing that are in process now.

Senator Bond noted he would like to hear from the Health Department about what they expect their needs to be with the growing case numbers and the return to school, and to ensure there will be enough funding for the immediate health crisis. Senator Bond noted he agrees with the importance of broadband and he supports an approval contingent on those assurances from the health experts.

Secretary Smith noted the Governor has spoken about the point of care testing that will be available at schools for teachers and students. Secretary Walther reminded that the Steering Committee also approved \$58 million for the Department of Health for lab testing supplies, contact tracing, and IT equipment and they have spent about \$2.5 million of that so far.

Representative Jean asked Secretary Walther what happens if we do not spend this money by December 30, 2020 and if we do not get an extension from the federal government. Secretary

Walther noted the federal delegation has a desire to change the date beyond December 30, but there is no legislation or action taken to date to cause that to happen. Secretary Walther shared one idea is to provide grants to local authorities to make the broadband purchases through local providers, or we could reallocate the funds to another area like the Unemployment Insurance Trust Fund.

Representative Jean asked Secretary Walther if DFA has reviewed this proposal to ensure it meets the CARES Act requirements. Secretary Walther answered yes.

Bill Gossage noted there are at least another 8-10 projects that are coming on Arkansas Rural Connect, and he expects there will be more requests as providers become more familiar with the program. Mr. Gossage noted he feels fairly certain that the deadline will be extended and that we will be able to spend the money. Mr. Gossage also noted if the committee approves the \$100 million today that still leaves \$330 million unallocated.

Representative Meeks noted a number of other states have been using part of this money for broadband deployment, so if we choose not to, we will be that much further behind.

Senator Irvin noted money could also possibly be extended to rural internet providers that have received federal grants, in order to help jumpstart those programs.

Secretary Walther pointed out that we hope there will be an extension for the ability to spend this money into next year, but he does not expect the total amount of \$1.25 billion to be increased.

Secretary Smith noted we have a motion; Representative Jean provided a second.

Senator Bond made a substitute motion to approve the \$100 million contingent upon a report from the Department of Health confirming we have sufficient funds to cover testing, contact tracing, and PPE needs including the needs of teachers and staff as they return to schools. There was no second on the substitute motion.

Secretary Smith called for a vote to approve the motion for an additional \$100 million going to the Rural Connect Broadband Grant Program; the motion passed.

Representative Jean asked how much of the money allocated by the Steering Committee has actually been spent. Secretary Walther noted \$819 million in expenditures has been approved, which includes \$150 million for cities and counties, and we have distributed \$370 million to agencies which leaves \$447,790,000 that is still in the CARES Account within the Treasury, but that \$447 million has been earmarked for different projects. Secretary Walther clarified this does not include the \$250 million we set aside for future use starting in October, and it does not include what we are considering today.

Department of Human Services: Pediatric Immunization Assistance (\$8.77 million)

Secretary Gillespie noted this proposal was created in partnership with the American Academy of Pediatrics to help pediatricians that will have to carry out their businesses differently to ensure children get their vaccinations this year before October 1. Secretary Gillespie noted the number of children coming in for immunizations is down almost 60,000 compared to last year. Secretary

Gillespie noted the proposal would provide a one-time reimbursement to pediatricians for outreach efforts and for costs associated with setting up different types of vaccination sites. Secretary Gillespie also noted that, to ensure the funds are expended before the end of the year, the Department of Human Services (DHS) would require invoices for reimbursement to be turned in by November 1.

Discussion

Secretary Smith noted the proposal only allows payments to be made to locations that participate in the Vaccines for Children (VFC) program, but some counties do not have those locations. Secretary Smith suggested we might want to look into a way to incentivize more entities to be a part of the VFC program so we can get kids in those counties vaccinated as well.

Secretary Smith also asked Secretary Johnny Key if he thinks there will be a waiver to allow students to get their vaccination later in the year if they are attending school virtually. Secretary Key noted he does not think that will warrant a waiver, but that is a question for the Health Department.

Stephanie Williams noted there are 14 or 15 rural counties in the southwest part of the state where the local health unit is the only provider, so it would be a good idea to provide an incentive for more providers to participate. Secretary Gillespie suggested that the Department of Health work with the American Academy of Pediatrics to develop a proposal around an incentive that would help with the upfront costs that are an issue for those providers. Senator Irvin agreed, and noted that could be looked into separate from this proposal.

Representative Jean asked if DFA has reviewed this proposal. Secretary Walther noted DFA does believe it fits the CARES Act requirements, contingent on confirmation that the money spent is COVID related.

Secretary Gillespie clarified the normal payments for the vaccinations through Medicaid and private insurance companies will continue, and this proposal is for a COVID related one-time payment to reimburse clinics and physicians for new efforts they have to undertake in order to get children vaccinated in a short period of time. Secretary Smith added that physicians will get their normal payment for seeing the child, and this is an additional payment for VFC facilities for doing additional activities.

Senator Irvin motioned to approve; Senator Bond provided a second; Secretary Smith called for a vote; the motion passed.

Department of Health/Minority Health Commission: Coalition for Tobacco Free Arkansas (\$100,020)

Secretary Smith reminded that the Steering Committee reviewed this proposal on July 15, and the proposal has been adjusted based on the committee's comments.

Director ShaRhonda Love noted that while the prior proposal specified the target population as African American, Katherine Donald did state that her efforts would support all Arkansans. Director Love also noted the media campaign was originally focused on the southern portion of

the state, but the proposal has been adjusted in an effort to implement the media campaign statewide. Director Love pointed out that, with the addition of statewide coverage, an additional \$50,000 is being requested for billboards and radio.

Representative Jean motioned to approve; Representative Allen provided a second; Secretary Smith called for a vote; the motion passed.

Department of Corrections: Reimbursement (\$384,998)

Secretary Solomon Graves noted there are 339 current inmate cases at nine units across the state within the Department of Corrections, and 42 staff are currently COVID positive at various locations. Secretary Graves noted this proposal is to request a for items not on the pre-approved list. Secretary Graves noted the below items are included in the reimbursement:

- \$150,000 for additional COVID testing
- \$29,000 for refrigerated trailers for the transportation of cold food to other locations
- \$97,598 for 24 portable air conditioners for spaces that needed to be used to house inmates that had to be separated due to COVID
- \$43,700 for 2 washing machines and \$23,700 for 2 dryers at the Ester Unit to help with containment of laundry that is currently being transported to a neighbor facility
- \$1,000 for coolers for quarantine food and beverage
- \$15,000 for food transportation to quarantined resident at East Arkansas Regional
- \$25,000 for disposable eating utensils used for inmates under quarantine

Discussion

Representative Jean asked for a running total of cases within the Department of Corrections. Secretary Graves noted there are 339 active inmate cases, 10 hospitalized, 1 on a ventilator, 32 inmate deaths, and 3,843 inmates that have recovered. Secretary Graves also noted there are 42 active staff cases and 1 staff death.

Representative Jean asked Secretary Walther if DFA has reviewed this proposal and if it passes federal guidelines. Secretary Walther answered yes.

Bill Gossage motioned to accept this proposal and congratulated Secretary Graves on his promotion; Representative Jean provided a second; Secretary Smith called for a vote; the motion passed.

Secretary Smith noted the Department of Inspector General request would be considered on another date.

Department of Human Services: extension of time for distribution of previously approved funds

Secretary Smith noted the Steering Committee previously approved a \$23.4 million allocation to DHS for emergency response reimbursement payments and \$1.77 million has been distributed to date, and DHS is requesting an extension to allow additional time to apply for these funds.

Secretary Gillespie noted the committee approved this proposal at a time when we thought this would be short term, and it was set up with the idea that providers would submit invoices for reimbursement of expenses incurred until June. Secretary Gillespie mentioned that providers need to apply for assistance now in order to purchase more PPE and to continue a shift toward telemedicine and telehealth, so DHS would like to extend the timeframe to allow providers to send invoices from June 1 to September 30. Secretary Gillespie noted this will allow time for DHS to make payments and if not all of the funds are claimed they can be returned to the CARES Act fund for reallocation. Secretary Gillespie clarified that DHS is proposing to run this as two separate periods so people who applied in first period, through May 30, can also apply in the second period.

Discussion

Secretary Smith asked if this is similar to the funds for the pediatric immunizations. Secretary Gillespie confirmed it could be, but that providers will not be able to receive both payments.

Senator Irvin asked if these payments are specific to certain providers. Secretary Gillespie noted the payments are for a very broad category of providers across the spectrum.

Secretary Smith noted DFA reviewed this request and recommended an approval of the eligible time extension to September 30, 2020 with a reduced cap to be determined by the CARES Act Steering Committee with the remainder released from obligation to be used for other critical needs. *Secretary Smith suggested we bring this back to the committee for consideration next week.*

Concluding Comments

- 1) Secretary Johnny Key noted the Governor has heard from many teachers on the issue of personal leave if they have to quarantine due to a positive test or being a close contact. Secretary Key noted educators do not receive a lot of personal leave, and the Governor has asked the Department of Education to create a proposal for funding for emergency COVID leave for school employees. Secretary Key noted the proposal will be for up to 10 days of leave for teachers and school employees either because of a positive test or a close contact, and if the employee cannot be involved in their job from home. Secretary Key added this leave would be something they can access before tapping into their personal leave, and the Department of Education has sufficient appropriation so additional appropriation will not be needed.
- 2) Representative Vivian Flowers noted she, Representative Allen, and Representative Jamie Scott are requesting that this issue be placed on the next agenda for full consideration by the CARES Act Steering Committee. Representative Flowers noted the Arkansas Economic Development Commission (AEDC) provided relief for the business community through the Ready for Business grant program, and suggested a similar type of loan be made available for the non-profit sector and churches. Representative Flowers pointed out that non-profits and churches impact 10% of our workforce, but they have not had an opportunity to seek the kind of relief made available to other businesses.

Representative Jamie Scott emphasized that churches need masks, hand sanitizers, and anything we can give to help protect Arkansans.

Representative Irvin noted DHS has several programs for non-profits and suggested coordinating with DHS on these efforts. Secretary Gillespie noted she would coordinate with Representative Flowers to set up a meeting.

- 3) Representative Denise Ennet noted there have been many evictions and asked if the committee will consider using some of these funds for a rental assistance fund for landlords.

The meeting was adjourned.