ARKANSAS AMERICAN RESCUE PLAN STEERING COMMITTEE MEETING MINUTES

Zoom Meeting

Wednesday, August 25, 2021 – 3:30pm

IN ATTENDANCE

**STEERING COMMITTEE MEMBERS**

Larry Walther, Secretary, Department of Finance & Administration

Johnny Key, Secretary, Department of Education

Cindy Gillespie, Secretary, Department of Human Services

Mike Preston, Secretary, Department of Commerce

Wes Ward, Secretary, Department of Agriculture

A.J. Gary, Director of the Arkansas Department of Emergency Management

Stacy Hurst, Secretary, Department of Parks, Heritage & Tourism

Daryl Bassett, Secretary, Department of Labor & Licensing

Dr. Jose Romero, Secretary, Department of Health

Senator Bill Sample

Senator Keith Ingram

Senator Ronald Caldwell

Representative Kenneth Ferguson Representative Jeff Wardlaw

Representative Frances Cavenaugh

**ADDITIONAL ATTENDEES**

Paul Louthian, Deputy Director, Department of Finance and Administration

AGENDA

1. Welcome and Opening Remarks – Secretary Walther
2. Approval of Minutes – Secretary Walther
3. Department Presentation
* Department of Commerce – Secretary Mike Preston
1. Proposal Updates – Secretary Walther
2. Next Meeting September 22 at 3:30pm

Adjournment

**WELCOME AND OPENING REMARKS**

Secretary Larry Walther welcomed the committee to the meeting and called the meeting to order.

**APPROVAL OF MINUTES**

Secretary Walther presented the minutes from the August 5, 2021 meeting. Dr. Romero motioned to approve; Secretary Preston provided a second. Secretary Walther called for a vote, and the minutes were approved.

**DEPARTMENT OF COMMERCE: ARKANSAS RURAL CONNECT UPDATE**

Secretary Preston presented a request for an additional $35 million for projects that are deemed “shovel ready” and have been passed on to technical review. The proposal includes 46 projects which have been approved by the Department of Commerce and are past or pending technical review at UAMS.

The Arkansas Rural Connect program has made 76 awards totaling approximately $118 million for SFY 2021. For SFY 2022, about $30 million has already been rewarded, and about $147 million will soon be provided as well. This proposal for $35 million will be for SFY 2022, in addition to the $150 million granted by the committee in June 2021. Upon committee approval, the Department will then seek review and approval by the Arkansas Legislative Council (ALC) of the funding request, as well as necessary spending appropriation. This additional $35 million will help support broadband construction projects currently in development across Arkansas.

Representative Wardlaw motioned to approve the proposal; Representative Ferguson provided a second. Secretary Walther called for a vote; the motion passed.

Senator Ingram stated he had a question for Secretary Preston regarding what the alternatives are if we have providers who will leave holes in the system by not participating.

Secretary Preston answered that the consultants will help guide us in that process of project and management would be able to give to us a better overlay of the participating service providers.

**PROPOSAL UPDATES**

Secretary Walther recognized Paul Louthian to discuss proposal updates. Paul Louthian talked about the county fairs in that they fall under the same rules as non-profit organizations as is no block of money set aside to be given to them. They must have an opportunity to show they had losses during the availability period in order to be reimbursed for those losses. They must document those losses and request reimbursement for the lists of expenses that are relevant. Mr. Louthian stated he will be working with CTEH/Hagerty to develop a questionnaire and application for the county fairs, so that they can bring this paperwork to the Agriculture Department to review and come up with an amount for each county fair to be reimbursed.

Mr. Louthian explained that it will take time and effort to get this information from the county fairs as some are not as sophisticated as others. He is planning to meet with CTEH/Hagerty next week to go over a draft that will be sent to each of the county fairs. They will be working closely with the county fairs to get all the necessary information to be given to Agriculture to review for approval of funds. Mr. Louthian will try to give an update at every meeting as to the progress in getting this information in from the county fairs and where they are in the application process in a written form.

Secretary Walther asked if there was any urgency as to when they would need these funds considering the time these events are held. Louthian said that these applications to be sent out will be reviewed by CTEH/Hagerty for eligibility. Once approved, they will come up with an amount and then these proposals will be brought to the board for review.

Senator Key asked whether it would be the applicant or the agency’s representative who would come before the committee with the proposal.

Mr. Louthian answered both the agency and the applicant. The agency would be there to answer business process questions, and the applicant to discuss any program issues or what their visions are that the program would take care of.

**DEPARTMENT OF HEALTH: COVID-19 ICU BEDS**

Dr. Romero introduced a proposal for the committee to review regarding the need for COVID-19 ICU beds in the state. He stated that the hospitalized patient ventilator use in Arkansas has increased by about 32 percent over the last 20 days and is expected to continue increasing. This is equal to roughly 4.2 additional patients daily requiring ventilation. COVIDComm has reported almost daily instances of patients waiting in emergency rooms to gain access to critical care beds. If these trends continue, additional beds will be needed in the state to meet the demand of critical care for COVID-19 patients.

Baptist Health has added 33 COVID ICU beds with the funding provided by the committee, and these beds have been quickly filled. Unity Health is still struggling to secure staff to support their funded beds but hope to have two of the beds open by September 10th.

The Department of Health has recently received seven proposals, four of which are included in this proposal. These four proposals include ICU beds and are from not-for-profit hospitals, so it is possible for the funds to be reimbursed by FEMA. The four hospitals are Jefferson Regional Medical Center, St. Bernard’s Medical Center, CHI St. Vincent in Little Rock, and CHI St. Vincent in Hot Springs.

Secretary Walther asked for clarification on the cost per bed for each hospital since the committee was not provided with the documentation prior to the meeting. Dr. Romero stated the cost per bed per day will be $5,700 for Jefferson Regional, $5,000 for St. Bernard’s, and $5,750 for both CHI St. Vincent locations.

Senator Ingram asked if there is a way to analyze the data and predict when these beds will be needed. Dr. Romero said he will consult with the epidemiologist to see if a predictive model can be obtained and will report to the committee with the results.

Representative Wardlaw asked why the cost per bed for this proposal is higher than the cost for the Baptist proposal which was granted a few weeks ago. Dr. Romero answered that the higher cost is due to the scarcity of nurses, and we are competing with neighboring states to hire these nurses. Representative Wardlaw then asked why the committee is not voting on the proposal today if the need for these beds is so critical. Dr. Romero stated that the Department of Health wanted to give the committee time to consider the proposal, but they would welcome a vote at this time.

Secretary Walther clarified that if the committee allocates these funds, the money can potentially be reimbursed by FEMA at a later time. Dr. Romero agreed and stated he expects to call a meeting to vote on these proposals as early as next week.

Secretary Hurst asked if these proposals were sent to the Department of Health or if the Department is actively looking for hospitals in need and reaching out to them. Dr. Romero answered that these proposals are submitted by the hospitals themselves, and then the Department sort them based on different criteria to determine which to bring to the committee as official proposals. Dr. Romero also mentioned that the Department has already been in contact with FEMA, so they will be expecting these requests for reimbursement. Director A.J. Gary said that while they have been in contact with FEMA, there is no guarantee these funds will be reimbursed.

**SCHEDULING OF NEXT MEETING**

The next meeting will be held Wednesday, September 22, 2021 at 3:30pm.

**The meeting was adjourned.**