

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
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As Engrossed: S2/5/25

A Bill

SENATE BILL 147

By: Senator J. Dotson

By: Representative Gazaway

For An Act To Be Entitled

AN ACT TO AMEND ARKANSAS LAW CONCERNING THE DEPARTMENT OF TRANSFORMATION AND SHARED SERVICES; TO CHANGE THE NAME OF THE DEPARTMENT OF TRANSFORMATION AND SHARED SERVICES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND ARKANSAS LAW CONCERNING THE DEPARTMENT OF TRANSFORMATION AND SHARED SERVICES; AND TO CHANGE THE NAME OF THE DEPARTMENT OF TRANSFORMATION AND SHARED SERVICES; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 6-21-112(e), concerning technology liaisons to the Division of Public School Academic Facilities and Transportation, is amended to read as follows:

(e)(1) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Services shall assign one (1) individual to serve as a technology liaison to the Division of Public School Academic Facilities and Transportation.

(2) The secretary shall assign one (1) individual from the staff of the Building Authority Division to serve as a physical plant liaison to the Division of Public School Academic Facilities and Transportation.

SECTION 2. Arkansas Code § 6-63-602 is amended to read as follows:



6-63-602. Administration.

(a)(1) The Department of ~~Transformation and Shared~~ Administrative Services shall have administrative responsibility for developing, implementing, and maintaining a catastrophic leave bank program for nonfaculty benefits-eligible, full-time employees of the state institutions of higher education.

(2) Each state institution of higher education may participate in the catastrophic leave bank authorized by this section and administered by the Office of Personnel Management, or the institution may establish a catastrophic leave bank for its employees.

(b) Accrued annual leave and sick leave of employees may be donated to a catastrophic leave bank.

(c) Catastrophic leave with pay may be granted to an employee when such employee is unable to perform his or her duties due to a catastrophic illness.

(d) An employee may be eligible for catastrophic leave when:

(1) The employee has been employed by the state institution of higher education for more than two (2) years;

(2) An acceptable medical certificate from a physician supporting the continued absence is on file; and

(3) The employee has not been disciplined for any leave abuse during the past two (2) years.

(e) If the illness or injury is that of an employee and is covered by workers' compensation, the compensation based on catastrophic leave when combined with the weekly workers' compensation benefit received by the employee shall not exceed the compensation being received by the employee at the onset of the illness or injury.

(f) The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services or his or her designee shall promulgate necessary rules as deemed necessary to carry out the provisions of this section.

(g) Nothing in this subchapter shall be construed to repeal in any way the exclusion of nonclassified employees of state-supported institutions of higher education under the Uniform Attendance and Leave Policy Act, § 21-4-201 et seq.

SECTION 3. Arkansas Code § 15-21-205 is amended to read as follows:

15-21-205. State Surveyor.

(a) The Arkansas Geographic Information Systems Board shall employ, in consultation with the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, a State Surveyor to be the head of the Division of Land Surveys of the Arkansas Geographic Information Systems Office.

(b) The State Surveyor shall:

(1) Be a person of proven administrative ability, a registered professional surveyor, and a resident of the State of Arkansas with training and experience properly qualifying the person for the performance of his or her official duties;

(2) Be appointed by and serve at the pleasure of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services after consultation with the State Board of Licensure for Professional Engineers and Professional Surveyors and the Arkansas Society of Professional Surveyors;

(3) Devote his or her full time to the performance of his or her official functions and duties as prescribed in this subchapter;

(4) Hold no other lucrative position while serving as State Surveyor; and

(5) Receive such compensation as may be prescribed by law.

SECTION 4. Arkansas Code §15-21-206(1), concerning the state surveyor, is amended to read as follows:

The State Surveyor, acting under the supervision and direction of the Arkansas Geographic Information Systems Office and the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, shall have the following authority and responsibility:

(1) To:

(A) Restore, maintain, and preserve the land survey monuments, section corners, and quarter section corners established by the United States Public Land Survey within the State of Arkansas, together with all pertinent field notes, plats, and documents; and

(B) Restore, establish, maintain, and preserve other boundary markers as may be determined to be necessary or important in establishing and maintaining accurate land descriptions in this state;

SECTION 5. Arkansas Code § 15-21-207 is amended to read as follows:
15-21-207. Surveyors generally.

(a) Every employee of the Division of Land Surveys of the Arkansas Geographic Information Systems Office or the Department of ~~Transformation and Shared Administrative Services~~, who performs any work required by law to be done by a registered professional surveyor shall be a registered surveyor.

(b) Neither the State Surveyor nor any employee of the department performing work on behalf of the division shall engage in private land surveying or consultation while so employed by the department.

(c) The State Surveyor and employees of the department performing work on behalf of the division shall cooperate with and assist county surveyors in performing their duties as prescribed by law and shall cooperate with and assist other surveyors in locating or establishing section corner markers and other land description markers and monuments.

(d) In performing the duties and responsibilities provided for in this subchapter, the State Surveyor and employees of the Division of Land Surveys of the Arkansas Geographic Information Systems Office and the department may solicit the advice and assistance of the county surveyor in each county and other surveyors in the county.

(e) If there are no registered professional surveyors in a particular county, the department on behalf of the division may employ qualified registered professional surveyors from other areas of the state to assist the division in carrying out its duties and responsibilities under this subchapter.

SECTION 6. Arkansas Code § 15-21-208 is amended to read as follows:
15-21-208. Right to enter private property.

(a) The State Surveyor or any employee of the Department of ~~Transformation and Shared Administrative Services~~ or of the Division of Land Surveys of the Arkansas Geographic Information Systems Office shall have the right to enter upon private property for the purpose of making surveys or searching for, locating, relocating, or remonumenting land monuments, levelling stations, or section corners.

(b) Employees of the department or division shall be immune from arrest for trespass in performing their duties as prescribed in this subchapter and under the direction of a registered professional land surveyor

but shall always, when practical, announce and identify themselves and their intentions before entering upon private property.

SECTION 7. Arkansas Code § 15-21-503(c), concerning the Arkansas Geographic Information Systems Board, is amended to read as follows:

(c)(1)(A) A chair and a vice chair shall be elected by the board membership to oversee all board and committee meetings.

(B) Members of the board must elect a chair and vice chair every year.

(2)(A) The board shall appoint the State Geographic Information Officer to serve with the approval and at the pleasure of the Governor.

(B) The State Geographic Information Officer will:

(i) Assist the board in developing a comprehensive plan and evaluation procedures on how the state should implement tactical and strategic geographic information systems and land information systems planning;

(ii) Implement informational and educational programs; and

(iii) Coordinate intrastate geographic information systems and land information systems efforts.

(C) The State Geographic Information Officer shall report to the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 8. Arkansas Code § 16-93-214(b), concerning the Safe Arkansas App, is amended to read as follows:

(b)(1) To the extent permitted by federal law, the ~~Parole~~ Post-Prison Transfer Board shall administer a mobile application that shall provide the information set out in subsection (c) of this section concerning:

(A) An inmate who is being considered for parole; or

(B) A parolee who is on parole.

(2) The mobile application required under subdivision (b)(1) of this section shall be known as the "Safe Arkansas App".

(3) To facilitate the administration of the mobile application required under subdivision (b)(1) of this section, the board may seek the assistance of the Division of Information Systems of the Department of

~~Transformation and Shared~~ Administrative Services or enter into a contract for technical database and data processing services.

SECTION 9. Arkansas Code § 19-4-1405(e), concerning bidding procedures, is amended to read as follows:

(e)(1)(A) When it is obvious from examination of the bid document that it was the intent of a bidder to submit a responsive bid and because of a scrivener's error, the bid, if accepted, would create a serious financial loss to the bidder, the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services may relieve the bidder from responsibility under his or her bond and may reject the bid.

(B) However, for projects undertaken by public institutions of higher education exempt from review and approval of the division, the chief executive officer of the public institution of higher education or his or her designee may relieve the bidder from responsibility under his or her bond and may reject his or her bid in the same manner and within the same period as allowed by the division.

(2) As used in this section, "scrivener's error" means:

(A) An error in the calculation of a bid which can be documented by clear and convincing written evidence and which can be clearly shown by objective evidence drawn from inspection of the original work papers, documents, or materials used in the preparation of the bid sought to be withdrawn; and

(B) In the case of a bid sought to be withdrawn, the bid was submitted in good faith and the mistake was due to a calculation or clerical error, an inadvertent omission, or a typographical error as opposed to an error in judgment.

(3)(A) To receive relief under subdivision (e)(1) of this section, the bidder must serve written notice to the secretary or to the chief executive officer or his or her designee of a public institution of higher education exempt from review and approval of the division any time after the bid opening, but no later than seventy-two (72) hours after receiving the intent to award, excluding Saturdays, Sundays, and holidays.

(B) Failure to make a withdrawal request within seventy-two (72) hours shall constitute a waiver by the bidder of the bidder's right to claim that the mistake in his or her bid was a scrivener's error.

(4) In the event the secretary or the chief executive officer or his or her designee of a public institution of higher education exempt from review and approval of the division has relieved the bidder from responsibility under his or her bond, action on the remaining bids should be considered as though the withdrawn bid had not been received.

SECTION 10. Arkansas Code § 19-4-1413(a)(2), concerning projects constructed with private funds, is amended to read as follows:

(2)(A) Before the public institution of higher education shall enter into a contract with an architect, engineer, construction manager, or contractor for the design, construction, or financing of any project financed from private funds as provided in this section, it shall submit to the Chief Fiscal Officer of the State and the Legislative Council, in writing, a summary statement setting forth a general description of the proposed project, its estimated overall cost, and the method proposed to finance the cost, including a description of the sources and amount of private funds.

(B) The Chief Fiscal Officer of the State may forward a copy of this statement to the Building Authority Division, the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, and the Governor for information; and

SECTION 11. Arkansas Code § 19-4-1602(c), concerning payroll deductions, is amended to read as follows:

(c) Deductions authorized by this section shall be made in compliance with rules and procedures established by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 12. Arkansas Code § 19-4-1603(a), concerning procedures for position control, is amended to read as follows:

(a) The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services shall establish procedures for exercising position control applicable to those state agencies subject to the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq.

SECTION 13. Arkansas Code § 19-4-1604(a), concerning salary from two agencies, is amended to read as follows:

(a) Except as provided in subsections (b) and (c) of this section, no person drawing a salary or other compensation from one state agency shall be paid salary or compensation, other than actual expenses, from any other state agency except upon written certification to and approval by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services and by the head of each state agency, stating that:

(1) The work performed for the other state agency does not interfere with the proper and required performance of the person's duties; and

(2) The combined salary payments from the state agencies do not exceed the larger maximum annual salary of the line-item position authorized for either state agency from which the employee is being paid.

SECTION 14. Arkansas Code § 19-4-1606(a), concerning the review of payroll, is amended to read as follows:

(a) The Department of ~~Transformation and Shared~~ Administrative Services shall review the payroll of state agencies covered by the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq., with respect to the salaries of all employees of affected state agencies. This review shall determine the correctness of each payroll with respect to each position to assure compliance with the compensation plan and to assure that no position is being paid, during any payroll period, an amount greater than authorized in the compensation plan or the amount authorized for the position in the appropriation act applicable to the agency.

SECTION 15. Arkansas Code § 19-4-1607(a), concerning the salaries of employees, is amended to read as follows:

(a)(1) Except for those state agencies which operate principally on a scholastic year, or on a part-time basis, or where such salaries or personal services are specifically established for a period less than one (1) year, all salaries established by the General Assembly shall be considered to be a maximum amount to be paid for a twelve-month payroll period. No greater amount than that established for the maximum annual salary of any state official or employee shall be paid to such employee during any such twelve-month payroll period, nor shall more than one-twelfth (1/12) of such annual salary be paid to any such employee during any calendar month unless

authorized in this subchapter.

(2) The limitations set out in this section may be converted to biweekly or weekly increments of one-twenty-sixth (1/26) or one-fifty-second (1/52) of the maximum annual salary.

(3) For complying with federal requirements, upon approval of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services in consultation with the Chief Fiscal Officer of the State, the maximum annual salaries may be converted to hourly rates of pay for positions established on the basis of twelve (12) months or less if authorized by law.

SECTION 16. Arkansas Code § 19-4-1610(c), concerning retroactive pay, is amended to read as follows:

(c)(1) Salary payments made to correct an administrative error shall not be considered retroactive pay, nor shall such payment be construed as exceeding the employee's maximum authorized pay.

(2) Payments under subdivision (c)(1) of this section may be made for a preceding fiscal year if:

(A) Requested within twelve (12) months of the end of the preceding fiscal year; and

(B) Upon the consent of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services in consultation with the Chief Fiscal Officer of the State.

SECTION 17. Arkansas Code § 19-4-1612(b), concerning overtime pay, is amended to read as follows:

(b)(1) All state departments, agencies, boards, commissions, and institutions may pay overtime to their employees, under the rules and regulations set out by the federal Fair Labor Standards Act of 1938.

(2)(A) The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services will specify those specific employees or groups of employees other than employees of the Arkansas Department of Transportation eligible to receive overtime compensation, the circumstances under which overtime pay is to be allowed, and other matters the secretary finds appropriate and necessary to comply with the federal Fair Labor Standards Act of 1938 as regards the payment of overtime compensation.

(B) The Director of State Highways and Transportation

shall make these determinations as to employees of the Arkansas Department of Transportation.

SECTION 18. Arkansas Code § 19-11-215 is amended to read as follows:
19-11-215. Office of State Procurement.

(a) There is created within the Department of ~~Transformation and Shared Administrative Services~~ the Office of State Procurement to be administered by the State Procurement Director.

(b)(1) The Office of State Procurement shall be subject to the supervision and management of the Secretary of the Department of ~~Transformation and Shared Administrative Services~~.

(2) The rules authorized in this subchapter shall be approved by the secretary prior to the filing of the rules in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 19. Arkansas Code § 19-11-216 is amended to read as follows:
19-11-216. State Procurement Director.

(a)(1) The executive head of the Office of State Procurement is designated as the administrator of the Office of State Procurement, and as such, he or she shall be known and designated as the "State Procurement Director".

(2) The State Procurement Director shall be appointed by the Secretary of the Department of ~~Transformation and Shared Administrative Services~~.

(b) The State Procurement Director shall be at least thirty (30) years of age, of good moral character, and of demonstrated ability or capacity in the field of purchasing commodities and services.

SECTION 20. Arkansas Code § 19-11-217(b), concerning the State Procurement Director, is amended to read as follows:

(b)(1) Except as otherwise provided in this subchapter and upon the approval of the Secretary of the Department of ~~Transformation and Shared Administrative Services~~, the State Procurement Director shall have the authority and responsibility to promulgate rules consistent with this subchapter.

(2) In addition, consistent with the provisions of this

subchapter, the director may adopt rules governing the internal procedures of the Office of State Procurement.

SECTION 21. Arkansas Code § 19-11-218(a)(1), concerning written delegation orders, is amended to read as follows:

(a) Subject to the provisions of the Uniform Classification and Compensation Act, § 21-5-201 et seq., and the approval of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, the State Procurement Director may:

(1) Employ and supervise such assistants and other persons as may be necessary;

SECTION 22. Arkansas Code § 19-11-220(b), concerning agency procurement officials, is amended to read as follows:

(b)(1) Each official shall manage and establish internal procedures for the procurement office of the state agency authorized to have the official to ensure adequate administrative procedures and controls pursuant to law and the procurement rules.

(2)(A) Approval by the Office of State Procurement of contracts administered by the official shall not be required, unless a determination has been made by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services that administrative procedures and controls are not adequate.

(B)(i) Such a determination shall result in notification by the secretary of the specific deficiencies and the reasons therefor.

(ii) After the notification, approval of contracts by the Office of State Procurement shall be required until the secretary determines that the deficiencies have been corrected.

SECTION 23. Arkansas Code § 19-11-226 is amended to read as follows:
19-11-226. Recommendations.

(a) The State Procurement Director shall maintain a close and cooperative relationship with the using agencies.

(b)(1) The director shall afford each using agency reasonable opportunity to participate in and make recommendations with respect to matters affecting the using agency.

(2) At any time, any using agency may make recommendations to the director, and the director may make recommendations to any using agency.

(3) The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services may make recommendations to the director.

SECTION 24. Arkansas Code § 19-11-227 is amended to read as follows:
19-11-227. Statistical data.

The State Procurement Director and the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services shall cooperate with the Division of Budgets and Accounting in the preparation of statistical data concerning the procurement and disposition of all commodities and services, unless otherwise provided in this subchapter.

SECTION 25. Arkansas Code § 19-11-235(b), concerning the responsibility of bidders and offerors, is amended to read as follows:

(b)(1) Except as otherwise provided by law, information furnished by a bidder or offeror pursuant to this section shall not be disclosed outside of the Office of State Procurement or the procurement agency without prior written consent by the bidder or offeror.

(2) This section is not intended to prohibit the office from disclosing such information to the Governor, the Attorney General, or the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services when any of those officers deems it necessary.

SECTION 26. Arkansas Code § 19-11-242 is amended to read as follows:
19-11-242. Commodity management rules.

The State Procurement Director shall promulgate rules governing:

(1) The sale, lease, or disposal of surplus commodities by public auction, competitive sealed bidding, or other appropriate method designated by rule, and no employee of the Department of ~~Transformation and Shared~~ Administrative Services or member of the employee's immediate family shall be entitled to purchase any such commodities;

(2) The transfer of excess commodities within the state; and

(3) The sale, lease, or disposal of surplus commodities to not-for-profit organizations under § 22-1-101.

SECTION 27. Arkansas Code 19-11-249(a)(2), concerning cooperative purchasing, is amended to read as follows:

(2)(A) A cooperative purchasing agreement is limited to public school construction services, commodities, and other services for which the public procurement unit may realize savings or material economic value, or both.

(B)(i) For cooperative purchasing agreements entered into by a state agency, the State Procurement Director shall consider the economic justification for using a cooperative purchasing agreement when granting or withholding approval for the cooperative purchasing agreement.

(ii) The director shall adopt rules to create a review policy outlining how the economic justification required under this section may be demonstrated, including without limitation a comparison of:

(a) Current state contract pricing and the pricing under a cooperative purchasing agreement; or

(b) Information obtained from a request for information and pricing under a cooperative purchasing agreement.

(C) The director and the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services shall submit any request for the Office of State Procurement to participate in a cooperative purchasing agreement to the Governor for approval.

SECTION 28. Arkansas Code § 19-11-264(c), concerning submission of contracts with members of the General Assembly, is amended to read as follows:

(c) The contract shall not be submitted to the Legislative Council or to the Joint Budget Committee until the Department of ~~Transformation and~~ Shared Administrative Services has reviewed the contract and provided the Legislative Council or the Joint Budget Committee with a recommendation regarding the legality of the contract.

SECTION 29. Arkansas Code 19-11-271(a), concerning compliance reporting, is amended to read as follows:

(a) Each report required under this subchapter shall be copied to the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services, who shall review each report for compliance with the fiscal

responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-601 et seq.

SECTION 30. Arkansas Code § 19-11-705(b), concerning employee conflict of interest, is amended to read as follows:

(b) *Financial Interest in a Blind Trust.* Where an employee or any member of the employee's immediate family holds a financial interest in a blind trust, the employee shall not be deemed to have a conflict of interest with regard to matters pertaining to that financial interest if disclosure of the existence of the blind trust has been made to the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 31. Arkansas Code § 19-11-706(a), concerning employee disclosure requirements, is amended to read as follows:

(a) *Disclosure of Benefit Received from Contract.* Any employee who has or obtains any benefit from any state contract with a business in which the employee has a financial interest shall report such benefit to the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services. However, this section shall not apply to a contract with a business where the employee's interest in the business has been placed in a disclosed blind trust.

SECTION 32. Arkansas Code 19-11-712(b), concerning civil and administrative remedies against employees who breach ethical standards, is amended to read as follows:

(b) *Supplemental Remedies.* In addition to existing remedies for breach of the ethical standards of this subchapter, or rules promulgated under this subchapter, the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services may impose any one (1) or more of the following:

- (1) Oral or written warnings or reprimands;
- (2) Forfeiture of pay without suspension;
- (3) Suspension with or without pay for specified periods of time; and
- (4) Termination of employment.

SECTION 33. Arkansas Code § 19-11-713(b), concerning civil and

administrative remedies against nonemployees who breach ethical standards, is amended to read as follows:

(b) *Supplemental Remedies.* In addition to the existing remedies for breach of the ethical standards of this subchapter, or rules promulgated under this subchapter, the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services may impose any one (1) or more of the following:

- (1) Oral or written warnings or reprimands;
- (2) Termination of transactions; and
- (3) Suspension or debarment from being a contractor or subcontractor under state contracts.

SECTION 34. Arkansas Code § 19-11-715 is amended to read as follows:

19-11-715. Duties of Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

(a) *Rules.* The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services shall promulgate rules to implement this subchapter and shall do so in accordance with this subchapter and the applicable provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(b) *Advisory Opinions.* On written request of employees or contractors and in consultation with the Attorney General, the secretary may render written advisory opinions regarding the appropriateness of the course of conduct to be followed in proposed transactions. Such requests and advisory opinions may be duly published in the manner in which rules of this state are published. Compliance with the requirements of a duly promulgated advisory opinion of the secretary shall be deemed to constitute compliance with the ethical standards of this subchapter.

(c) *Waiver.* On written request of an employee, the secretary may grant an employee a written waiver from the application of § 19-11-705, which refers to employee conflict of interest, and grant permission to proceed with the transaction to such extent and upon such terms and conditions as may be specified. Such waiver and permission may be granted when the interests of the state so require or when the ethical conflict is insubstantial or remote.

SECTION 35. Arkansas Code § 19-11-716(b)(1), concerning participation in business incubators, is amended to read as follows:

(b)(1) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Administrative Services shall promulgate rules pursuant to the procedure for adoption as provided under the Arkansas Administrative Procedure Act, § 25-15-201 et seq., and under § 10-3-309 to implement a program allowing admittance to business incubators by faculty or staff of state-supported institutions of higher education or admittance by companies in which faculty or staff may hold an ownership interest.

SECTION 36. Arkansas Code § 19-11-1014 is amended to read as follows:
19-11-1014. Compliance reporting – Definition.

(a) Each report required under this subchapter shall be copied to the Secretary of the Department of ~~Transformation and Shared Administrative~~ Administrative Services, who shall review each report for compliance with the fiscal responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-601 et seq.

(b) If the secretary determines that a state agency, agency procurement official, or state official or employee may be in violation of the fiscal responsibility and management laws of the state under the State Fiscal Management Responsibility Act, § 19-1-601 et seq., the secretary shall notify the chief executive officer of the relevant state agency.

SECTION 37. Arkansas Code § 19-11-1101 is amended to read as follows:
19-11-1101. Contracts.

(a) An agency procurement official or procurement agent may enter into contracts to acquire technology systems for performing the revenue-generating functions and duties of the agency, including, but not limited to, registration, processing, and collection functions.

(b) Any contract entered into under this subchapter between an agency procurement official or procurement agent and a vendor of technology systems shall provide for:

(1) Payment of the technology systems on the basis of a percentage of the increase in the amount of specific taxes or fees collected, including interest and penalties thereon, for a fixed time period, which increase exceeds revenues projected prior to the project and is attributable to the implementation and use of the technology system; or

(2) Payment of the technology system on a fixed fee contract

basis, the fee to be paid from the increase in the amount of specific taxes or fees collected, including interest and penalties thereon, which increase exceeds revenues projected prior to the project and is attributable to the implementation and use of the technology system.

(c)(1) All contracts authorized by this subchapter shall be entered into pursuant to the requirements of the Arkansas Procurement Law, § 19-11-201 et seq., and amendments thereto.

(2) Prior to execution of the contract, the following process shall be followed:

(A) The requesting agency shall request approval from the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services to prepare a request for proposal for a project authorized under this subchapter;

(B) The request shall include the general nature of the project, the anticipated revenues that will be enhanced, and the forecasted revenues for the current biennium;

(C) Upon approval of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, the requesting agency shall prepare a request to the Department of Finance and Administration for approval to prepare a request for proposal for a technology project authorized under this subchapter;

(D) The request must include the revenue source or sources that will be increased as a result of the project and the projected revenues for the anticipated life of the project;

(E) The requesting agency shall prepare a request for proposal, with advice and consultation from the department, for the purchase of technology systems on the basis of a portion of the increase in the agency's revenues produced by the technology system; and

(F)(i) The request for proposal may provide that the agency and the vendor may negotiate an amount or baseline upon which the increase in taxes or fees is measured.

(ii) Any contract other than a fixed fee contract shall include a factor in the baseline calculation to account for an increase in taxes or fees due solely to economic factors and not to the use of the technology.

(3) The agency procurement official or procurement agent and the

vendor shall negotiate the contract, with the oversight of the department to assist in negotiating an advantageous contract.

(4)(A) The agency director shall submit the proposed contract and a request for new appropriation to the Governor or his or her designee.

(B) The accompanying information will include the methodology used to calculate the baseline amount proposed by the agency and other justifications and information that detail the program and the expected benefits of the agreement.

(C) The Governor or his or her designee shall study the request and determine whether the appropriation requested and the terms of the proposed contract are in strict compliance with this subchapter.

(D)(i) The Governor may approve or modify the request for new appropriation and the proposed contract.

(ii) Any modification of the proposed contract shall be submitted to the vendor for approval.

(5)(A) Upon approval of the shared benefit agreement and new appropriation request, the Governor shall seek the advice and recommendation of the Legislative Council.

(B) Upon review of the Legislative Council, the Governor shall forward a copy of his or her approvals to the agency director and the Chief Fiscal Officer of the State.

(d) After receipt of the Governor's approvals, the Chief Fiscal Officer of the State shall direct the Auditor of State and the Treasurer of State to establish upon their books of record the necessary appropriation accounts in accordance with the provisions as set out in this section from the shared benefit holding appropriation.

(e) The requesting agency may utilize these appropriations to implement the approved contract.

(f) Nothing in this section shall prohibit an agency that enters into a contract according to this section from acquiring any goods or services through appropriations for any function or program of that agency not specifically included in any contract entered into according to this section.

(g) The Secretary of the Department of ~~Transformation and~~ Administrative Services may promulgate such rules, procedures, and guidelines as he or she may deem necessary and proper in order to carry out the provisions of this section.

SECTION 38. Arkansas Code § 21-1-103(d), concerning the service recognition program, is amended to read as follows:

(d) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Administrative Services shall promulgate reasonable rules as he or she deems necessary in carrying out the provisions of this service recognition program.

SECTION 39. Arkansas Code § 21-1-604(f), concerning civil liability definitions, is amended to read as follows:

(f)(1) In the event the Office of Personnel Management implements an employee grievance mediation program, a public employee or public employer may voluntarily participate in mediation under the office's mediation program if either one wishes to resolve a dispute between them that involves an adverse action taken against the public employee.

(2) Voluntary mediation shall occur before a civil action in which the public employee and public employer are parties has been initiated in a court.

(3) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Administrative Services shall adopt voluntary mediation application and request forms.

SECTION 40. Arkansas Code § 21-3-601(a), concerning the Arkansas Public Service Internship Program, is amended to read as follows:

(a) The Department of ~~Transformation and Shared Administrative~~ Administrative Services shall establish an internship program to be known as the "Arkansas Public Service Internship Program".

SECTION 41. Arkansas Code § 21-4-214 is amended to read as follows:
21-4-214. Catastrophic leave program.

(a)(1) The Department of ~~Transformation and Shared Administrative~~ Administrative Services shall have administrative responsibility for developing, implementing, and maintaining the statewide catastrophic leave bank program.

(2)(A) Each state agency shall participate in a catastrophic leave bank to be administered by the Office of Personnel Management.

(B) The following governmental entities may establish a catastrophic leave bank for the governmental entities' employees:

- (i) *The General Assembly;*
- (ii) *The Bureau of Legislative Research;*
- (iii) *Arkansas Legislative Audit;*
- (iv) *The Arkansas Department of Transportation;*
- (v) *The Arkansas State Game and Fish Commission;*
- (vi) *The Supreme Court;*
- (vii) *The Court of Appeals;*
- (viii) *The Administrative Office of the Courts;*
- (ix) *A constitutional office; and*
- (x) *An institution of higher education.*

(b) *Accrued annual leave and sick leave of employees may be donated to a catastrophic leave bank.*

(c) *Catastrophic leave with pay may be granted to an employee when the employee is unable to perform his or her duties due to a catastrophic illness, including maternity purposes.*

(d) *An employee may be eligible for catastrophic leave when:*

(1)(A) *The employee has been employed by the state for one (1) year or more or was previously employed by a public school district or state-supported institution of higher education for one (1) year or more.*

(B) *A person who was employed by a public school district or state-supported institution of higher education for less than one (1) year also is eligible for catastrophic leave if:*

(i) *The person's combined years of employment with the state and with a public school district or state-supported institution of higher education totals more than one (1) year; and*

(ii) *The lapse in the person's employment between the state and a public school district or state-supported institution of higher education is less than six (6) months;*

(2) *The employee is female, and the catastrophic leave is to be used for maternity purposes after:*

(A) *The birth of the employee's biological child;*

(B) *The placement of an adoptive child under one (1) year of age in the home of the employee; or*

(C) *The foster placement of an infant under one (1) year of age;*

(3)(A) *At the onset of the illness or injury the employee had to*

his or her credit at least eighty (80) hours of combined sick and annual leave and has exhausted all such leave, unless the combined sick and annual leave requirement is waived under subdivision (d)(3)(B) of this section.

(B) A state agency director or a president of an institution of higher education may waive the minimum eighty-hour requirement for combined sick and annual leave if the agency director determines that the employee warrants eligibility because of extraordinary circumstances under the standards and guidelines promulgated under subdivision (g)(2) of this section;

(C)(i) An employee on catastrophic leave for maternity purposes is not required to exhaust sick or annual leave before being granted catastrophic leave.

(ii) An employee on catastrophic leave for maternity purposes does not accrue any leave;

(4) An acceptable medical certificate from a physician supporting the continued absence is on file; and

(5) The employee has not been disciplined for any leave abuse during the past year from the time of application.

(e)(1) Up to twelve (12) consecutive weeks of catastrophic leave with full pay may be granted to an employee for maternity purposes.

(2) The employee shall be eligible for the leave only within the first twelve (12) weeks after the birth, fostering, or adoption of a child.

(3) After the expiration of the twelve (12) weeks of leave under subdivision (e)(1) of this section, maternity leave shall be treated as any other leave for sickness or disability under § 21-4-209.

(4) Catastrophic leave for maternity purposes shall run concurrently with the Family and Medical Leave Act of 1993, Pub. L. No. 103-3.

(5) The employee shall not be eligible for an additional twelve (12) weeks of leave for the adoption of a child if the employee took twelve (12) weeks of leave after the initial foster placement of the same child into the employee's home.

(f) If the illness or injury is that of an employee and is covered by workers' compensation, the compensation based on catastrophic leave when combined with the weekly workers' compensation benefit received by the employee shall not exceed the compensation being received by the employee at

the onset of the illness or injury.

(g) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Services, or the secretary's designee, shall establish policies and procedures:

(1) As deemed necessary to carry out the provisions of this section; and

(2) To prescribe the standards and guidelines of the extraordinary circumstances that the state agency director or the president of an institution of higher education may use to waive the minimum requirement for combined sick and annual leave.

SECTION 42. Arkansas Code § 21-5-106(b), concerning annual career service recognition payments for state employees, is amended to read as follows:

(b) The Office of Personnel Management shall establish and publish policies and procedures for the administration of career service recognition payments to state employees upon a determination by the Chief Fiscal Officer of the State and the Secretary of the Department of ~~Transformation and Shared Administrative~~ Services that sufficient funds are available for such purpose.

SECTION 43. Arkansas Code § 21-5-109(a), concerning electronic direct deposit for new employees, is amended to read as follows:

(a)(1)(A) As a condition of employment, a person hired or appointed to a position in any agency in state government on or after August 12, 2005, shall be required to accept payment of salary or wages by electronic warrants transfer.

(B) The electronic warrants transfer shall be made in the form of a direct deposit of funds to the account of the beneficiary of the payment in any financial institution equipped for electronic fund transfers, provided that the financial institution is designated in writing by the beneficiary and has lawful authority to accept such deposits.

(2)(A)(i) Any person affected by the direct deposit requirement set forth in subdivision (a)(1) of this section may request an exemption from the requirement.

(ii) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Services may grant an exemption from

the direct deposit requirement upon a showing of hardship to the person requesting the exemption or upon any other reasonable basis.

(B) The secretary shall establish the standards and procedures for granting an exemption from the direct deposit requirement set forth in subdivision (a)(1) of this section.

(3) The direct deposit requirement set forth in subdivision (a)(1) of this section shall not apply to a person who is in the employment of the state prior to August 12, 2005, and subsequently receives a promotion appointment, transfer, or other change in position within the same personnel system on or after August 12, 2005.

SECTION 44. Arkansas Code § 21-5-203(a)(12), concerning definitions under the Uniform Classification and Compensation Act, is amended to read as follows:

(12) "Office of Personnel Management" means the Office of Personnel Management within the Department of ~~Transformation and Shared Administrative Services~~ acting under the authority granted in this subchapter and subject to the direction of the Secretary of the Department of ~~Transformation and Shared Administrative Services~~;

SECTION 45. Arkansas Code § 21-5-211(b)(1), concerning the implementation procedure for grade changes, is amended to read as follows:

(b)(1) If the Chief Fiscal Officer of the State and the Secretary of the Department of ~~Transformation and Shared Administrative Services~~ determine that general revenue funds are insufficient to implement the salary increases authorized in this subchapter or by any other law that affects salary increases for state employees, the Chief Fiscal Officer of the State and the secretary upon approval by the Governor may reduce the percentage of all authorized salary increases for all state employees covered by this subchapter without regard to whether or not the employees are compensated from general or special revenues, federal funds, or trust funds.

SECTION 46. Arkansas Code § 21-5-214(c)(1), concerning new appointments and other compensation plan provisions, is amended to read as follows:

(c)(1) A state agency may request a special rate of pay for a specific

classification or position due to prevailing market rates of pay up to the midpoint pay level of the appropriate grade of a classification on the appropriate pay table for the assigned grade with the written approval of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 47. Arkansas Code § 21-5-218 is amended to read as follows:
21-5-218. Reimbursement for interpreter services for deaf.

Whereas Arkansas Rehabilitation Services currently purchases and sells staff interpreter services for the deaf with four (4) other agencies, the University of Arkansas at Fayetteville, the University of Arkansas at Little Rock, the Arkansas School for the Deaf, and the Administrative Office of the Courts and whereas the need for interpreters is immediate and often for crisis purposes and cannot be planned ahead, the Division of Workforce Services is authorized to arrange for reimbursement with those agencies, assuring that the amount paid from both agencies will not exceed the maximum for the grades they occupy consistent with the intent of § 19-4-1604, with notification and justification to the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 48. Arkansas Code § 21-5-220(c), concerning shift differentials, is amended to read as follows:

(c)(1) If a facility uses shifts other than traditional eight-hour shifts, a shift differential may be paid for those shifts exceeding the normal day shift of the facility.

(2) If shift and weekend differentials are provided to an employee, the total compensation may exceed the maximum annual rate for the assigned pay grade for those positions included in this subchapter.

(3)(A) The state agency shall identify the shifts, job classifications, and positions to be eligible for the shift differential and the differential percentage for which each classification is eligible within each shift.

(B) The shift schedule, job classifications, positions, and the percentage of shift differential for which the job titles will be eligible shall be submitted to the Office of Personnel Management for approval by the Secretary of the Department of ~~Transformation and Shared~~

Administrative Services.

(C) Subsequent changes to the shift schedule, job classifications, positions, and shift differential percentages shall be submitted to the Office of Personnel Management and receive prior approval by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 49. Arkansas Code § 21-5-221(c) and (d), concerning compensation differentials, are amended to read as follows:

(c)(1) Hazardous duty differential of up to ten percent (10%) may be authorized for the increased risk of personal physical injury for an employee occupying a certain identified high-risk position if the:

(A) Position classification is determined to be physically hazardous or dangerous due to location, facility, services provided, or other factors directly related to the duty assignment of the positions; and

(B) Employee's regularly assigned work schedule exposes him or her to clear, direct, and unavoidable hazards during at least fifty percent (50%) of the work time and the employee is not compensated for the hazardous exposure.

(2)(A) The director of the requesting state agency shall identify the facility or unit, location, and eligible positions and classifications within the facility or unit that are identified as high-risk.

(B) The positions shall be certified by the state agency director as having been assigned to a work environment that poses an increased risk of personal injury and shall be submitted as part of the plan for payment of hazardous duty differential to the Office of Personnel Management for approval by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services in consultation with the Chief Fiscal Officer of the State after review and approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(C) Subsequent changes to the facility or unit, location, and eligible positions or classifications within the facility or unit on file with the Office of Personnel Management shall receive prior approval by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services after review and approval by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(d) It is the intent of this subsection that hazardous duty compensation shall be at the discretion of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services and the director of the state agency and shall not be implemented using funds specifically set aside for other programs within the state agency.

SECTION 50. Arkansas Code § 21-5-222(a)(1), concerning salary administration grids, is amended to read as follows:

(a)(1) A state agency may request that a salary administration grid be approved for specific classifications or positions if the:

(A) State agency has documented the need for a salary administration grid for specified positions or classifications;

(B) Terms and conditions of a grid proposed by the state agency address the needs of the targeted positions;

(C) Cost of implementing and maintaining a salary administration grid is within the state agency's existing appropriation and the implementation does not use funds specifically set aside for other programs within the state agency;

(D) Salary administration grid has been submitted to the Office of Personnel Management for approval by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services up to the midpoint pay level; and

(E)(i) Salary administration grid has been submitted to the Office of Personnel Management for approval by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services above the midpoint pay level.

(ii) The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services shall not approve the salary administration grid in this subdivision (a)(1)(E) until the salary administration grid has been reviewed by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 51. Arkansas Code § 21-5-223(a)(1), concerning severance pay, is amended to read as follows:

(a)(1) If the agency director determines that it is necessary to implement the state workforce reduction policy due to state agency

organization structure change, budgetary reductions, abolishment of positions or duties, loss of functional responsibility by the state agency, or the loss of federal funding, grants, or other special funds, the agency director, upon approval by the Secretary of the Department of ~~Transformation and Shared Administrative~~ Administrative Services, may authorize the payment of funds on a regular payroll schedule as severance pay to full-time, part-time, and job sharing classified and nonclassified employees in regular positions affected by the workforce reduction on the basis of the following pro rata lump sum for completed years of service, including any formally implemented probationary period:

Over one (1) year up to five (5) years	Eight hundred dollars (\$800)
Over five (5) years up to fifteen (15) years	One thousand two hundred dollars (\$1,200)
Over fifteen (15) years	One thousand six hundred dollars (\$1,600)

SECTION 52. Arkansas Code § 21-5-406(a), concerning the director of the State Board of Finance, is amended to read as follows:

(a)(1) The State Board of Finance shall choose the Director of the Employee Benefits Division with the approval of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

(2)(A) The director shall be employed by and serve at the pleasure of the secretary, and shall perform all duties in consultation with the secretary.

(B) However, the board may recommend the removal of the director, but removal is subject to the approval of the secretary.

(3) The director shall employ staff adequate to manage the State and Public School Life and Health Insurance Program within the funds appropriated for the program within the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 53. Arkansas Code § 21-5-414(a), concerning partial state contribution of employees' premiums, is amended to read as follows:

(a) The Department of ~~Transformation and Shared~~ Administrative Services shall seek the advice of the Legislative Council and the House Committee on Insurance and Commerce and the Senate Committee on Insurance and Commerce before additional state contributions can be made to the State and

Public School Life and Health Insurance Program on behalf of state employees.

SECTION 54. Arkansas Code § 21-5-1101(a), concerning definitions in the merit increase pay system, is amended to read as follows:

(a)(1) The Department of ~~Transformation and~~ Shared Administrative Services is authorized to develop and establish a merit increase pay system in accordance with the performance evaluation process under § 21-5-1001 et seq. for employees of all state agencies, boards, and commissions covered by the Uniform Classification and Compensation Act, § 21-5-201 et seq.

(2) The merit increase pay system shall be reviewed by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 55. Arkansas Code § 21-5-1202(b), concerning the compensation of employees of state agencies and state-supported institutions of higher education – Emergency activities, is amended to read as follows:

(b) The Department of ~~Transformation and~~ Shared Administrative Services shall establish appropriate procedures for the administration of this section.

SECTION 56. Arkansas Code § 21-11-104(a), concerning the procedure for submission of suggestions, is amended to read as follows:

(a) The Secretary of the Department of ~~Transformation and~~ Shared Administrative Services, or his or her designee, is directed to develop and adopt rules in accordance with this chapter for the administration of the Employee Suggestion System.

*SECTION 57. Arkansas Code § 22-2-104 is amended to read as follows:
22-2-104. Creation of Building Authority Division.*

(a) There is created within the Department of ~~Transformation and~~ Shared Administrative Services the Building Authority Division.

(b) The division shall carry out the duties and responsibilities set out in § 22-2-108 under the policies, guidelines, standards, and procedures established by the Department of ~~Transformation and~~ Shared Administrative Services.

SECTION 58. Arkansas Code § 22-2-105 is amended to read as follows:

22-2-105. Secretary of the Department of ~~Transformation and Shared Administrative~~ Services – Duties.

(a) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Services may hire sufficient staff as authorized by legislation to perform the duties of the Building Authority Division. Personnel employed by the secretary shall be compensated according to the Uniform Classification and Compensation Act, § 21-5-201 et seq., for similar duties and responsibilities.

(b) The secretary shall be responsible for administering the rules and policies adopted by the Department of ~~Transformation and Shared Administrative~~ Services pursuant to the provisions of this chapter.

(c) The secretary shall be the disbursing agent for the division and shall pay any and all accounts. The disbursing agent shall furnish and keep in effect a bond to the state with a corporate surety thereon which, together with any other bonds furnished by him or her, shall total in final sum not less than fifty thousand dollars (\$50,000) and is conditioned that he or she will faithfully perform his or her duties and properly handle all funds received and disbursed by him or her and account for those funds. The bond so furnished shall be filed in the office of the Auditor of State. The premium on the bond shall be a proper charge against funds of the division.

SECTION 59. Arkansas Code § 22-2-107(a)(1)(A), concerning the creation of Building Authority Division sections, is amended to read as follows:

(a) There are created within the Building Authority Division the following sections which shall have the duties and responsibilities designated by the Secretary of the Department of ~~Transformation and Shared Administrative~~ Services and which may include, in relation to other provisions of this chapter, the duties and responsibilities respectively designated in this section:

(1) Construction Section. The Construction Section shall:

(A) Supervise the bidding and awarding of contracts for new construction and renovations for or by state agencies' capital improvements;

SECTION 60. Arkansas Code §22-2-108(a)(1), concerning the powers and

duties, is amended to read as follows:

As may be provided, allowed, or limited by the provisions of this chapter, the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services may establish policies, guidelines, standards, and procedures which shall guide and govern the Building Authority Division with regard to the following responsibilities, duties, powers, and activities:

(1) To investigate and obtain information concerning the various boards, commissions, authorities, agencies, departments, and offices of the state, which are the "state agencies", in relation to:

(A) Where they are housed;

(B) Their present and projected needs for space and facilities;

(C) The rental being paid and the rental that state agencies could reasonably pay for space and facilities in public and private buildings; and

(D) The public building space and facilities that can be feasibly financed from appropriated funds available to the division;

SECTION 61. Arkansas Code § 22-2-110 is amended to read as follows:
22-2-110. Schedule of supervision generally.

The powers, authorities, and responsibilities of the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services relating to the acquisition of properties and to the supervision of all capital improvements, as defined in § 22-2-102, shall be in accordance with the schedules of supervision as provided in §§ 22-2-111 – 22-2-113.

SECTION 62. Arkansas Code § 22-2-112 is amended to read as follows:
22-2-112. Schedule of supervision – Designated funds.

(a) From the funds appropriated by the General Assembly to the Building Authority Division for the construction or purchase of a particular building or capital improvement which is specifically designated to be purchased, constructed, or improved for a particular state agency, the division shall carry out the powers, authorities, and responsibilities in respect to that construction or purchase as designated in § 22-2-111.

(b) The division shall review and approve architectural and engineering design plans and construction plans to ensure compliance with

minimum design and construction standards and criteria promulgated by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services pursuant to this chapter.

(c) The division shall negotiate all contracts for architectural and engineering and construction services and revisions and modifications to those contracts.

SECTION 63. Arkansas Code § 22-2-113(a), concerning the schedule of supervision, is amended to read as follows:

(a) In all other cases, within or without Pulaski County, Arkansas, when the construction of public buildings or capital improvements is undertaken or is presently being undertaken or is authorized but not presently under contract by or for a state agency, then the Building Authority Division shall serve in a technical advisory capacity to advise an agency in relation to that agency's capital improvement and to perform review and approval duties, specifically including, but not limited to, the provision and performance of the following services and duties:

(1) Consult with the agency as to the need for and the type, cost, and design of the capital improvement;

(2) Assist the agency in reviewing architectural proposals and advising the agency in the selection of persons to perform architectural and engineering services, but the agency shall have the responsibility of selecting those persons. However, nothing in this subdivision (a)(2) shall affect the power and responsibility of the Building Authority Division to review and approve architectural and engineering design plans and to negotiate contracts for architects' and engineers' services as otherwise provided in this section;

(3) Review and approve architectural and engineering plans and designs to ensure compliance with minimum design and construction standards and criteria promulgated by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services pursuant to this chapter;

(4) As agent for the state agency, negotiate and approve any contractual terms, relationships, or responsibilities for architectural and engineering services;

(5) Assist the state agency in receipt of bids for construction contracts necessary for the capital improvement if bids are required by law;

(6) Advise and assist the agency in the selection of persons to perform construction services, but the agency shall have the responsibility of selecting the persons to perform the services. However, nothing in this subdivision (a)(6) shall affect the powers and responsibilities of the Building Authority Division consistent with subdivisions (a)(7) and (8) of this section;

(7)(A) Review and approve construction plans to ensure compliance with minimum construction standards and criteria promulgated by the secretary as provided in this chapter.

(B)(i) This subdivision (a)(7) does not apply to the design or construction of an unpaved trail project.

(ii) The State Parks, Recreation, and Travel Commission shall ensure that an unpaved trail project created under this subdivision (a)(7) meets the standards for observation by registered professionals as established by the Building Authority Division;

(8)(A) As agent for the agency, negotiate and approve all construction contracts, revisions, and modifications necessary for the capital improvement.

(B)(i) This subdivision (a)(8) does not apply to the design or construction of an unpaved trail project.

(ii) The State Parks, Recreation, and Travel Commission shall ensure that an unpaved trail project created under this subdivision (a)(8) adheres to applicable public works laws;

(9) Assist and advise the state agency as to the operation, management, and maintenance of the capital improvement. However, the operation, management, and maintenance shall be in accordance with minimum standards as promulgated by the secretary; and

(10) Otherwise take such action as may be necessary to carry out the policies, standards, criteria, and other rules as may be adopted or promulgated by the secretary to implement the provisions of this chapter.

SECTION 64. Arkansas Code § 22-2-114(a), concerning leasing responsibilities, is amended to read as follows:

(a) It is the intent of the General Assembly that state agencies be housed, whenever possible, in public buildings as soon as space and facilities in public buildings are available and that the acquisition and

granting of leasehold interests in land be regulated and supervised by the Building Authority Division. The division and all other state agencies are authorized and directed to implement that intent as follows:

(1)(A) The division is given the authority and responsibility to act as the leasing agent for all state agencies and component parts thereof, acting either as lessor or lessee, and to act as the agent for leasing space in all public buildings located in the State of Arkansas.

(B) In addition, the division is given the authority and responsibility to act as the leasing agent for any nonagency state entity if requested in writing by a nonagency state entity to act in that manner and if the responsibility for the services is accepted in writing by the division.

(C)(i) After July 1, 1975, no state agency shall enter into or renew or otherwise negotiate a lease between itself as lessor or lessee and a nongovernmental or other government lessor or lessee.

(ii) The division shall determine the needs of the state agency, locate appropriate rental space, and act as the agent for the state agency in negotiating the lease for the rental space;

(2) All state agencies and component parts thereof, when requested by the division, shall execute and enter into leases with the division for the leasing or renting of space and facilities in any public buildings. The leases may be upon such conditions, for such terms, for such rentals, and may contain such other provisions that the Department of ~~Transformation and Shared~~ Administrative Services and the state agency involved determine to be appropriate and in the best interests of all concerned;

(3) Any state agency or component part thereof needing new or additional space shall notify the division, and the division shall prepare a lease for the space based upon the standards and criteria as adopted by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services. If space is available in a public building, the lease will be negotiated for placement in the public building;

(4) If the Real Estate Services Section determines that adequate space is not available in public buildings, the Real Estate Services Section shall act as provided in subdivision (a)(1) of this section to obtain adequate space from a privately owned facility;

(5)(A)(i) The secretary shall adopt standards and criteria for

the leasing and utilization of space and the allocation of space to state agencies.

(ii) These standards and criteria shall be used as a basis for all planning, leasing of space, allocation of space to state agencies, or advising state agencies on leasing considerations.

(iii) These standards and criteria shall include, but not be limited to, equipment, work stations, private offices, conference rooms, reception areas, general equipment, vaults, and the necessary space to ensure adequate and effective circulation within and access to all state agencies, including parking and traffic patterns.

(B) In cities and towns having a population of less than twenty-five thousand (25,000) according to the last federal decennial census, for those state agencies providing direct public access services, preference shall be granted to lease space located in existing buildings in the central business district, as defined by the locality's planning commission, or, in the absence thereof, by the municipality's governing body, except in cases where location within the central business district would impair or restrict the intent of the services being provided to the public or the state's proximity to other state or nongovernmental services or where rental rates justify other locations;

(6) Leases as to office space, buildings, structures, parking lots, and grounds from private individuals, firms, and corporations by state agencies and component parts thereof shall be on a standard lease form approved by the secretary. The standard lease form shall contain all terms and conditions deemed necessary based on the type and purpose of the leased property. The secretary also shall adopt a standard lease form to be used by state agencies when subleasing from the division. Both standard lease forms shall be approved as to the legality of form and content by the Attorney General before becoming a requirement; and

(7) The division shall obtain and maintain files of all leases in existence from and after July 1, 1975, to which a state agency or component part thereof is a party.

SECTION 65. Arkansas Code § 22-2-115(a), concerning lease-purchase agreements, is amended to read as follows

(a) For the express purpose of providing adequate office facilities,

the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, acting as the primary lessor, may enter into lease-purchase agreements to obtain facilities for state agencies. Each lease-purchase agreement shall contain a provision whereby the agreement shall be cancelled at the close of each fiscal biennium, if necessary, if funds for the payment of the rent under the lease-purchase agreement will not be available.

SECTION 66. Arkansas Code § 22-2-120(b), concerning exemptions from statutes concerning the Capitol Zoning District, is amended to read as follows:

(b) The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services shall endeavor to cooperate with the Capitol Zoning District Commission so as to establish coordinated physical development in the State Capitol area and to promote the uniform and appropriate regulation and development of the State Capitol area.

SECTION 67. Arkansas Code § 22-3-405 is amended to read as follows:

22-3-405. Capitol Parking Control Committee – Creation – Members – Meetings.

(a) There is created a committee to be known as the “Capitol Parking Control Committee”, hereinafter referred to as “the committee”, which shall have the powers and duties provided in § 22-3-406.

(b) The committee shall be composed of three (3) members, as follows:

(1) The Secretary of State or a designee;

(2) The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services or his or her designee; and

(3) A state employee designated by the Secretary of State who is employed on the State Capitol grounds in a position of administrator or higher by an agency or office other than that of the Secretary of State or of the Building Authority Division.

(c) The Secretary of State shall be the chair of the committee, and the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services or his or her designee shall serve as secretary of the committee.

(d) Members of the committee shall serve without additional pay or compensation.

(e) Meetings of the committee shall be held at such times and places

as shall be directed by the chair or upon the petition of two (2) members of the committee.

SECTION 68. Arkansas Code § 22-3-906 is amended to read as follows:

22-3-906. Secretary of the Department of ~~Transformation and~~ Shared Administrative Services.

(a) The Secretary of the Department of ~~Transformation and~~ Shared Administrative Services shall be the custodian of all property held in the name of the Building Authority Division, shall be its disbursing agent and executive officer, and shall administer the provisions of this subchapter and the rules and orders established thereunder.

(b) The Secretary of the Department of ~~Transformation and~~ Shared Administrative Services shall employ such assistants and other personnel as are, in his or her opinion, necessary to properly administer the provisions of this subchapter.

(c)(1) The Secretary of the Department of ~~Transformation and~~ Shared Administrative Services shall furnish bond to the state, with a corporate surety thereon, in the penal sum of twenty-five thousand dollars (\$25,000), conditioned that he or she will faithfully perform his or her duties and properly account for all funds received and disbursed by him or her.

(2) An additional disbursing agent's bond shall not be required of the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services, and the bond so furnished shall be filed in the office of the Secretary of State, and an executed counterpart thereof shall be filed with the Auditor of State.

(3) The premium on the bond shall be a proper charge against the funds under the control of the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services.

SECTION 69. Arkansas Code § 22-3-918(d), concerning notice for bids for construction bonds, is amended to read as follows:

(d) The Secretary of the Department of ~~Transformation and~~ Shared Administrative Services shall execute all contracts awarded by the division.

SECTION 70. Arkansas Code § 22-3-1207(a)(1), concerning certificates of indebtedness and issuance and purchases authorized, is amended to read as

follows:

(a)(1) For the purpose of providing funds for the construction of buildings as authorized in this subchapter, the Director of the Building Authority Division, with the approval of the Governor and the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, is authorized and empowered to issue, and the State Board of Finance is authorized and empowered to purchase, Building Authority Division certificates of indebtedness of a total principal amount not to exceed twenty-five million dollars (\$25,000,000).

SECTION 71. Arkansas Code § 22-3-1208(d), concerning certificates of indebtedness and terms and execution, is amended to read as follows:

(d) The certificates of indebtedness shall be executed on behalf of the division by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 72. Arkansas Code §22-3-1404(8), concerning the powers of the Building Authority Division, is amended to read as follows:

(8) Take such other actions not inconsistent with law as may be necessary or desirable to carry out the powers, purposes, and authority as set forth in this section in accordance with the policies promulgated by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 73. Arkansas Code § 22-3-1405(4), concerning the duties of the Building Authority Division, is amended to read as follows:

(4) Take such other actions not inconsistent with law as may be necessary or desirable to carry out the powers, purposes, and authority set forth herein, in accordance with the policies promulgated by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services as authorized by law.

SECTION 74. Arkansas Code § 22-3-1902(a), concerning rules promulgated for the Sustainable Building Design Program for State Agencies, is amended to read as follow:

(a) The Secretary of the Department of ~~Transformation and Shared~~

Administrative Services shall promulgate rules for the implementation of the Sustainable Building Design Program for State Agencies.

SECTION 75. Arkansas Code § 22-6-601 is amended to read as follows:

22-6-601. Sale procedure.

(a)(1)(A) The several state boards or commissions having supervision of the affairs of the charitable, penal, correctional, educational, and other institutions of the State of Arkansas and all other state boards and commissions, except the State Highway Commission, the Arkansas State Game and Fish Commission, the Arkansas Natural Heritage Commission, the State Parks, Recreation, and Travel Commission, the Division of Higher Education, and institutions of higher education, and the executive heads of all state offices, departments, divisions, and agencies, all referred to separately as "state agency", may sell or purchase, for cash in hand and upon compliance with the provisions of this section, the lands, in whole or in part, belonging to or under the supervision or control of the respective state agency or belonging to the state and held for the use or benefit of the state agency.

(B) State agencies may purchase lands, so that the lands, in whole or in part, shall belong to or be under the supervision or control of the respective state agency or belong to the state and be held for the use or benefit of the state agency.

(2) The provisions of this section shall not apply to:

(A) The sale of land by the Commissioner of State Lands;

(B) The transfer of state lands to political subdivisions of the State of Arkansas;

(C) The transfer of state lands between state entities; or

(D) The exchange of state lands for other lands which are suitable for state purposes if the Secretary of the Department of Finance and Administration has made a recommendation to the Governor that the exchange be made and if the Governor has approved the exchange.

(b)(1) State agencies may transfer lands in whole or in part to the Building Authority Division for the use of that state agency or other state agencies.

(2) In the event that the Building Authority Division shall sell the lands at a later date, the provisions of this section shall apply, and

the proceeds of the sale, less any expenses and liquidated damages, shall be deposited into the State Treasury as a nonrevenue receipt to the credit of the fund from which the state agency that transferred the land to the Building Authority Division is operated.

(c)(1) In the event that a state agency elects to sell certain of its lands or to purchase lands, the state agency shall certify to the Building Authority Division its proposal for any sale or purchase.

(2)(A) The state agency proposing the sale or purchase of land shall obtain the services of a qualified appraiser to appraise the lands so proposed to be sold or purchased, with notice to the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services.

(B) The appraiser selected by the state agency, by education or experience, shall:

(i) Be capable of determining the value of lands, water and mineral rights, timber, and rural, agricultural, and noncultivable lands;

(ii) Understand legal descriptions of real properties;

(iii) Have a working knowledge of county and state real property records; and

(iv) Be capable of rendering dependable judgments of the values of properties, determining the flood plains of the properties, and of previous uses of the properties, which may result in environmental remediation.

(C) The appraiser shall be licensed and certified by the State Board of Appraisers, Abstracters, and Home Inspectors.

(D) The appraiser shall take an oath or certify that he or she will not, directly or indirectly, be engaged in the purchasing or selling of the land or give information to any agent, friend, secret partner, or other partner so as to secure advantages of the information to himself or herself or any person, association, or company to the prejudice or exclusion of any other person.

(d)(1) The Secretary of the Department of ~~Transformation and~~ Shared Administrative Services shall furnish to the Governor:

(A) The appraisal;

(B) The state agency proposal to sell or purchase; and

(C) *The Building Authority Division recommendations.*

(2) *The Governor, if he or she approves the proposed sale or purchase, shall endorse his or her approval of the proposal and transmit a copy of the proposal to the Secretary of the Department of Finance and Administration and the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services.*

(e)(1) *The Building Authority Division shall give notice of the terms of the sale by publication in one (1) newspaper regularly published in Little Rock, Arkansas, and having a general circulation in the State of Arkansas, by four (4) weekly insertions therein.*

(2) *If there is a newspaper published in the county in which the lands are located having a general circulation therein, the notice shall also be published in that newspaper one (1) time a week for four (4) consecutive weeks, provided the land may be advertised for sale as a whole or in separate tracts.*

(f) *The notice shall specify a time and place, which time shall be not less than thirty (30) days from and after the date of the first insertion of the notice, for the receipt by the Building Authority Division of sealed bids for the purchase of the lands.*

(g)(1) *Each bid shall be accompanied by a cashier's check, payable to the order of the state agency and drawn upon a bank or trust company doing business in this state, in an amount equal to one-tenth (1/10) of the bid.*

(2) *The proceeds of the cashier's check of the successful bidder shall be credited against the bid upon payment of the balance or shall be retained by the state agency as liquidated damages upon failure to tender and pay the balance of the bid price.*

(3) *Cashier's checks of unsuccessful bidders shall be returned to them upon the completion of the sale to the successful bidder.*

(4) *The Building Authority Division, at the time and place specified in the notice, or by announcement then and there, or at some other time or place, shall open the bids which have been received and proceed to accept the highest bid properly accompanied by a cashier's check for the lands in whole or in part as offered for such sale.*

(h)(1) *The lands shall be sold for the highest aggregate responsible bid, and no sale shall be otherwise than for cash, nor for less than the amount of the appraisal.*

(2)(A)(i)(a) Upon approval by the Governor, lands may be sold to the highest responsible bidder for less than the amount of the appraisal if the bid process has been utilized and it has been determined and recommended by the state agency director and the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services that further solicitation of bids is unnecessary.

(b) Upon approval, the state agency may enter into negotiations with the highest responsible bidder for the sale of the lands.

(ii) If negotiations are unsuccessful, the state agency may enter into negotiations with the next highest responsible bidder.

(B) Nothing shall preclude an agency from reletting bids under this section if the negotiations as stated in subdivision (h)(2)(A) of this section are unsuccessful.

(C) The Legislative Council shall review the sale of the land before the state agency finalizes the sale.

(i)(1) Upon receipt from the successful bidder of the full amount of his or her bid, the state agency shall execute and deliver its deed conveying the lands to him or her and shall certify a copy of the deed to the Governor.

(2) The deed shall recite in detail the compliance with the respective provisions of this section, which recitals shall be prima facie evidence of the facts so set forth.

(3) The deed need not be acknowledged to entitle it to be recorded.

(4) The effect of the deed, the provisions of this section having been substantially complied with in the sale, shall be to vest the purchaser with the title of the lands, at law and in equity, in fee simple absolute.

(5) Any conveyance of title to lands owned by the State of Arkansas shall be subject to § 22-6-113.

(j) Upon receipt thereof, the proceeds of the sale, including any liquidated damages, shall be deposited into the State Treasury, as a nonrevenue receipt, to the credit of the fund from which the state agency is operated. Any unexpended balance of such proceeds remaining at the end of each fiscal year as certified to the Chief Fiscal Officer of the State by the state agency director may be carried forward until the end of the biennium

following the biennium in which collected, after which any remaining balances shall be subject to § 19-5-1004.

(k)(1) Before any state agency may receive donated land, the state agency director shall certify the proposed donation request to the Building Authority Division.

(2) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Services shall forward a recommendation to the Governor.

(3) No donation shall be made without approval from the Governor.

(1) Before a state agency purchases real property, the state agency shall consult the Arkansas Buildings & Sites Database maintained by the Arkansas Economic Development Commission to determine if there is a property available for purchase that meets the practical and financial needs and specifications of the state agency.

SECTION 76. Arkansas Code § 22-9-201(c)(5), concerning the contracts awarded by the State Highway Commission, is amended to read as follows:

(5) The Secretary of the Department of ~~Transformation and Shared Administrative~~ Services or a designee may make or authorize others to make emergency contracting procedures as defined in subdivision (c)(3) of this section and in accordance with the minimum standards and criteria of the division.

SECTION 77. Arkansas Code § 22-9-208(a)(3), concerning the renovation of historic sites, is amended to read as follows:

(3) The procedures provided in subdivision (a)(2) of this section should be applicable for specific projects only after review and approval by the Chief Fiscal Officer of the State, the Secretary of the Department of ~~Transformation and Shared Administrative~~ Services, and the Legislative Council. Provided, however, projects undertaken by public institutions of higher education exempt from review and approval of the Department of ~~Transformation and Shared Administrative~~ Services shall not require review and approval by the secretary.

SECTION 78. Arkansas Code § 22-10-501(b)(1), concerning the review and approval of proposed qualifying projects, is amended to read as follows:

(b)(1) Before execution of an interim agreement or a comprehensive agreement, the responsible public entity shall:

(A) Review, negotiate, and select a qualifying project in accordance with this chapter and the rules promulgated under this chapter; and

(B)(i) Submit the proposed interim agreement or comprehensive agreement to the Secretary of the Department of ~~Transformation~~ and Shared Administrative Services for approval.

(ii) After completing all of the steps in subdivision (b)(2) of this section, the responsible public entity shall submit a proposed comprehensive agreement to the Governor for approval and authorization to execute the comprehensive agreement.

SECTION 79. Arkansas Code § 22-10-502(a), concerning the duties of the Department of Transformation and Shared Services, is amended to read as follows:

(a) The Department of ~~Transformation and Shared~~ Administrative Services shall promulgate certain rules regarding the definitions and guidelines related to the development of qualifying projects under this chapter within ninety (90) days of August 1, 2017.

SECTION 80. Arkansas Code § 22-10-503 is amended to read as follows:
22-10-503. Rules.

(a) The Department of ~~Transformation and Shared~~ Administrative Services and the Arkansas Development Finance Authority shall jointly promulgate rules to administer this chapter, including without limitation rules regarding:

- (1) Criteria for selecting a qualifying project;
- (2) Guidelines for a public entity operating under this chapter;
- (3) Guidelines for monitoring and reporting on qualifying projects;
- (4) Timeline for selecting a qualified respondent;
- (5) Guidelines for negotiating a comprehensive agreement;
- (6) Guidelines for the accelerated selection of a qualified respondent and the review and approval of a qualifying project that the Governor determines to be a priority and that is funded, in whole or in part,

by dedicated revenues;

(7) Guidelines for selecting a qualifying project, including without limitation:

(A) Reasonable criteria for selecting and scoring among competing proposals;

(B) Financial review and analysis procedures for financial and technical advisors or consultants that include without limitation:

(i) A cost-benefit analysis;

(ii) A value-for-money analysis, which shall include without limitation a:

(a) Qualitative assessment;

(b) Quantitative assessment;

(c) Business case analysis; and

(d) Comparison of the net present value of the total, risk-adjusted costs of delivering a qualifying project under this chapter and through procurement methods outside of this chapter;

(iii) An assessment of the opportunity cost;

(iv) An analysis of the lifecycle costs, including without limitation the design and construction costs, operating costs, and maintenance and upgrade costs; and

(v) Consideration of the results of relevant studies and analyses related to the proposed qualifying project;

(C) Procedures for considering the nonfinancial benefits of a proposed qualifying project;

(D) Suggested timelines for selecting proposals and negotiating an interim agreement or a comprehensive agreement;

(E) Criteria for allowing the responsible public entity to accelerate the selection, review, and documentation timelines for proposals involving a qualifying project that the responsible public entity considers to be a priority;

(F) Procedures to:

(i) Determine the adequacy of the information released when seeking proposals under this chapter; and

(ii) Allow the responsible public entity to release more detailed information when seeking proposals if the responsible public entity determines that the release of additional information is necessary to

encourage competition;

(G) *Criteria, key decision points, and approvals that are required to ensure that the responsible public entity considers the extent of competition before selecting proposals and negotiating an interim agreement or a comprehensive agreement;*

(H) *Criteria for establishing and determining any fees that the responsible public entity elects to charge under § 22-10-202;*

(I) *Procedures for posting and publishing the public notice of a responsible public entity's request for proposals, including without limitation:*

(i) *Specific information and documentation to be released regarding the nature, timing, and scope of the qualifying project;*

(ii)(a) *A reasonable time period as determined by the responsible public entity to encourage competition and public-private partnerships in accordance with the purpose of this chapter.*

(b) *However, the time period established under subdivision (a)(7)(I)(ii)(a) of this section shall not be less than forty-five (45) days, during which time the responsible public entity shall accept the submission of proposals for the qualifying project under this chapter; and*

(iii) *A process for posting the notice required under this subdivision (a)(7)(I) on the responsible public entity's official website and otherwise publishing the notice; and*

(J) *The maximum term of a comprehensive agreement for each type of qualifying project for which the responsible public entity intends to request proposals or invite bids from private entities;*

(8) *A responsible public entity's interaction with affected local jurisdictions and other public entities, including without limitation:*

(A) *Considerations and guidelines for establishing and determining the delivery of a request for proposals or an invitation for bids by the responsible public entity to each affected local jurisdiction and public entity that has complementary authority with respect to a qualifying project;*

(B) *The method of identifying affected local jurisdictions and public entities that have complementary authority with respect to a qualifying project; and*

(C) *The time period during which an affected local jurisdiction and a public entity other than the responsible public entity may:*

(i) *Submit written comments regarding the proposed qualifying project to the responsible public entity; and*

(ii) *Indicate whether the proposed qualifying project is compatible with local plans and budgets;*

(9) *Considerations and guidelines for establishing and determining the mandatory and optional elements of a proposal by a private entity under this chapter, including without limitation:*

(A) *A project description, including without limitation:*

(i) *The location of the qualifying project; and*

(ii) *The specific or conceptual design of the proposed facility, building, infrastructure, or improvement or a conceptual plan for the provision of services or technology infrastructure;*

(B) *A feasibility statement that includes without limitation:*

(i) *The method by which the private entity proposes to secure any necessary property interests required for the qualifying project;*

(ii) *A list of all permits and approvals required for the qualifying project from local, state, and federal agencies; and*

(iii) *A list of public utility facilities, if any, that will be crossed by the qualifying project and a statement of how the private entity will accommodate the crossings;*

(C) *A schedule for the initiation and completion of the qualifying project, including without limitation:*

(i) *The proposed responsibilities of the responsible public entity and the private entity;*

(ii) *A timeline of the activities to be performed by the responsible public entity and the private entity; and*

(iii) *A proposed schedule for obtaining the permits required under subdivision (a)(9)(B)(ii) of this section;*

(D) *A plan for financing the qualifying project, including without limitation:*

(i) *The sources of the private entity's funds;*

(ii) Any dedicated revenue source or proposed debt or equity investment on behalf of the private entity;

(iii) A description of any user fees, lease payments, and other service payments to be paid over the term of the interim agreement or the comprehensive agreement; and

(iv) The methodology and circumstances for modifying any user fees, lease payments, and other service payments;

(E) A business case statement that includes a basic description of the indirect and direct benefits that the private entity can provide in delivering the qualifying project, including without limitation relevant cost, quality, and time frame data;

(F) The names and addresses of the persons who may be contacted for further information concerning the request; and

(G) Any additional material and information that the responsible public entity reasonably requests;

(10) Considerations and guidelines with respect to the preliminary, mandatory, and optional requirements of an interim agreement and a comprehensive agreement, including without limitation the:

(A) Engagement of:

(i) An attorney;

(ii) A certified public accountant;

(iii) A financial or economics professional; and

(iv) A consultant or other professional with

specialized expertise that is relevant to the proposed qualifying project;

(B)(i) Delivery of one (1) or more written evaluations or assessments analyzing financial, legal, or other considerations that should be evaluated by the public entity, including without limitation an assessment of the costs of the qualifying project, the financial viability of the qualifying project, and all other financial and operating assumptions related to the qualifying project.

(ii) If municipal financing is a component of the interim agreement, the responsible public entity shall obtain a written evaluation of the proposed qualifying project from a municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board;

(C) Fees and expenses and the responsibility for paying

the fees and expenses associated with engaging an attorney, certified public accountant, financial or economics professional, or other consultant; and

(D) Negotiation and creation of additional contracts for services and materials, including without limitation revenue contracts, construction contracts, management contracts, services contracts, and other agreements related to the qualifying project;

(11) Considerations and guidelines with respect to the preliminary, mandatory, and optional terms and conditions of an interim agreement, including without limitation:

(A) Criteria for determining when the private entity is permitted to commence activities and perform tasks related to the qualifying project for which the private entity shall be compensated, including without limitation:

(i) Project planning and development;

(ii) Design and engineering;

(iii) Environmental analysis and mitigation;

(iv) Surveying; and

(v) Ascertaining the availability of financing for the proposed qualifying project and the ownership of any work product developed;

(B) Criteria for establishing the process and timing of the negotiation of the comprehensive agreement;

(C) The process for amending, extending, or supplementing an interim agreement; and

(D) Other provisions and criteria related to the development of a proposed qualifying project;

(12) Considerations and guidelines with respect to the preliminary, mandatory, and optional terms and conditions of a comprehensive agreement, including without limitation:

(A) A thorough description of the duties of the responsible public entity and the qualified respondent in relation to the development and operation of the qualifying project;

(B) Dates and schedules for the completion of the qualifying project, including any available extensions or renewals of the qualifying project;

(C) A pro forma analysis or budget under which the

qualifying project shall be developed, financed, constructed, operated, and maintained;

(D) The source of all revenues derived from the operation and maintenance of the qualifying project and any process for modifying the revenues during the term of the comprehensive agreement;

(E) Financing and funding sources for the qualifying project and any contractual provisions related to the financing and funding sources for the qualifying project;

(F) A copy of each contract related to the development of the qualifying project;

(G) Reimbursements to be paid to the responsible public entity for services provided by the qualified respondent, if any;

(H) A process for the review of plans and specifications for the qualifying project by the responsible public entity and the engineering and architectural consultants of the responsible public entity, if any;

(I) A process for the periodic and final inspection of the qualifying project by the responsible public entity or its designee to ensure that the qualified respondent's development activities comply with the comprehensive agreement;

(J) For the components of the qualifying project that involve construction, provisions for the:

(i) Delivery of maintenance, payment, and performance bonds in the amounts that may be specified by the responsible public entity in the comprehensive agreement; and

(ii) Posting and delivery of all other bonds, letters of credit, or other forms of security acceptable to the responsible public entity in connection with the development of the qualifying project;

(K) Submission to the responsible public entity by the qualified respondent of proof of workers' compensation, property, casualty, general liability, and other policies of insurance related to the development and operation of the qualifying project in the amounts and subject to the terms that may be specified by the responsible public entity in the comprehensive agreement;

(L) A process for the responsible public entity's monitoring of the practices of the qualified respondent to ensure that the

qualifying project is properly developed, constructed, operated, and maintained;

(M) The filing by the qualified respondent of appropriate financial statements with the responsible public entity related to the operations of the qualifying project within the timeframes established in the comprehensive agreement;

(N) Policies and procedures governing the rights and responsibilities of the responsible public entity and the qualified respondent if the comprehensive agreement is terminated according to the terms of the comprehensive agreement or as the result of a default under the terms of the comprehensive agreement; and

(O) The process for amending, extending, or supplementing the terms of the comprehensive agreement; and

(13) Guidelines for using the value-for-money analysis as a determinative factor in selecting a qualifying project.

(b) The Department of ~~Transformation and Shared~~ Administrative Services and the Arkansas Development Finance Authority may jointly promulgate rules that establish procurement guidelines and requirements that vary depending on the type of qualifying project.

SECTION 81. Arkansas Code § 25-1-126(a)(1)(N), concerning the purchase of flags with public funds, is amended to read as follows:

(N) The Department of ~~Transformation and Shared~~ Administrative Services;

SECTION 82. Arkansas Code § 25-1-128 is amended to read as follows:
25-1-128. Policy regarding use of technology resources and cybersecurity by public entities – Definitions.

(a) As used in this section:

(1) “Employee” means a person employed by a public entity;

(2) “Public entity” means an instrumentality funded in whole or in part by taxpayer funds, including without limitation:

(A) The Department of Agriculture;

(B) The Department of Commerce;

(C) The Department of Corrections;

(D) The Department of Education;

- (E) *The Department of Energy and Environment;*
- (F) *The Department of Finance and Administration;*
- (G) *The Department of Health;*
- (H) *The Department of Human Services;*
- (I) *The Department of Inspector General;*
- (J) *The Department of Labor and Licensing;*
- (K) *The Department of the Military;*
- (L) *The Department of Parks, Heritage, and Tourism;*
- (M) *The Department of Public Safety;*
- (N) *The Department of ~~Transformation~~ and Shared*

Administrative Services;

- (O) *The Department of Veterans Affairs;*
- (P) *The office of a constitutional officer;*
- (Q) *A political subdivision of the state;*
- (R) *A public school district;*
- (S) *A public school district board of directors;*
- (T) *An open-enrollment public charter school;*
- (U) *An institution of higher education;*
- (V) *The State Highway Commission;*
- (W) *The Arkansas Department of Transportation; or*
- (X) *The Arkansas State Game and Fish Commission;*

(3) “State educational entity” means an entity with an educational purpose that is funded in whole or in part by taxpayer funds that is, including without limitation:

- (A) *A public school district;*
- (B) *A public school district board of directors; and*
- (C) *An open-enrollment charter school;*

(4) “State entity” means:

- (A) *The Department of Agriculture;*
- (B) *The Department of Commerce;*
- (C) *The Department of Corrections;*
- (D) *The Department of Education;*
- (E) *The Department of Energy and Environment;*
- (F) *The Department of Finance and Administration;*
- (G) *The Department of Health;*
- (H) *The Department of Human Services;*

- (I) *The Department of Inspector General;*
- (J) *The Department of Labor and Licensing;*
- (K) *The Department of the Military;*
- (L) *The Department of Parks, Heritage, and Tourism;*
- (M) *The Department of Public Safety;*
- (N) *The Department of ~~Transformation~~ and Shared*

Administrative Services;

- (O) *The Department of Veterans Affairs;*
 - (P) *The State Highway Commission;*
 - (Q) *The Arkansas Department of Transportation;*
 - (R) *The Arkansas State Game and Fish Commission; and*
 - (S) *An institution of higher education; and*
- (5) "Technology resources" means:

(A) *The machines, devices, and transmission facilities used in information processing, including computers, word processors, terminals, telephones, cables, software, and related products;*

(B) *The devices used to process information through electronic capture, collection, storage, manipulation, transmission, retrieval, and presentation of information in the form of data, text, voice, or image and includes telecommunications and office automation functions;*

(C) *Any component related to information processing and wired and wireless telecommunications, including data processing and telecommunications hardware, software, services, planning, personnel, facilities, and training;*

(D) *The procedures, equipment, and software that are designed, built, operated, and maintained to collect, record, process, store, retrieve, display, and transmit information, and the associated personnel, including consultants and contractors; and*

(E) *All electronic mail accounts issued by a public entity.*

(b) A public entity shall:

(1) *Create a technology resources policy that defines the authorized use of technology resources for the public entity;*

(2)(A) *Develop a cybersecurity policy for all technology resources of the public entity based on the standards and guidelines set by the State Cyber Security Office.*

(B) Subdivision (b)(2)(A) of this section shall not apply to political subdivisions of the state; and

(3)(A) Develop a training program for all employees of the public entity concerning the technology resources policy and cybersecurity policy.

(B) A political subdivision of the state is not required to develop a training program under this section for a cybersecurity policy.

(c)(1) The technology resources policy for each state entity shall be available to the public upon request.

(2) The Department of Education, in coordination with the State Cyber Security Office, shall:

(A) Develop technology resources policies that shall be used by each type of state educational institution; and

(B) Make the policies developed under subdivision (c)(2)(A) of this section available to the public upon request.

(d) Each technology resources policy shall include prohibitions on the use of a public entity's technology resources, including without limitation that a public entity's technology resources shall not be used to:

(1) Express a personal political opinion to an elected official unless the opinion is:

(A) Within the scope of the employee's regular job duties;

or

(B) Requested by an elected official or public entity;

(2) Engage in lobbying an elected official on a personal opinion if the employee is not a registered lobbyist for the public entity;

(3) Engage in illegal activities or activities otherwise prohibited by federal law or state law; or

(4) Intentionally override or avoid the security and system integrity procedures of the public entity.

(e) A public entity shall create a disciplinary procedure for a violation of the public entity's technology resources policy concerning authorized use of technology resources.

(f)(1) Each state entity shall submit a cybersecurity policy for the state entity for approval to the State Cyber Security Office by October 1 of each even-numbered year.

(2) The State Cyber Security Office shall establish a procedure

to review and approve state entity cybersecurity policies.

(3) The Department of Education shall:

(A) Develop a cybersecurity policy that shall be used by each type of state educational institution;

(B) Submit the policies developed under subdivision (f)(3)(A) of this section for approval to the State Cyber Security Office by October 1 of each even-numbered year; and

(C) Coordinate with each state educational institution to implement the cybersecurity policy.

(g) A public entity, except for a political subdivision of the state, shall create a disciplinary procedure for a violation of the public entity's cybersecurity policy in consultation with the State Cyber Security Office that establishes:

(1) A disciplinary procedure for a violation of a state entity's cybersecurity policy; and

(2) The reporting procedure for suspected violations of the cybersecurity policy.

(h) All cybersecurity policies developed under this section shall not be deemed open public records under the Freedom of Information Act of 1967, § 25-19-101 et seq.

(i) The disciplinary procedures under subsection (e) of this section shall not apply to employee communications made in compliance with the:

(1) Public Employees' Political Freedom Act of 1999, § 21-1-501 et seq.; or

(2) Arkansas Whistle-Blower Act, § 21-1-601 et seq.

SECTION 83. Arkansas Code § 25-1-129(d), concerning the purchase of small unmanned aircraft from covered foreign entity by public entities, is amended to read as follows:

(d) The Secretary of the Department of ~~Transformation and~~ Administrative Services may waive the restriction under subdivision (b)(2) or subdivision (c)(2) of this section upon:

(1) His or her review of the necessity to purchase a small unmanned aircraft system that is manufactured or assembled by a covered foreign entity due to exigent circumstances, Counter Unmanned Aircraft Systems, or criminal investigative purposes; and

(2) Notification to the General Assembly.

SECTION 84. Arkansas Code § 25-1-901(4)(A), concerning definitions, is amended to read as follows:

(4)(A) "State entity" means an instrumentality of state government, including:

- (i) The Department of Agriculture;
- (ii) The Department of Commerce;
- (iii) The Department of Corrections;
- (iv) The Department of Education;
- (v) The Department of Energy and Environment;
- (vi) The Department of Finance and Administration;
- (vii) The Department of Health;
- (viii) The Department of Human Services;
- (ix) The Department of Inspector General;
- (x) The Department of Labor and Licensing;
- (xi) The Department of the Military;
- (xii) The Department of Parks, Heritage, and Tourism;
- (xiii) The Department of Public Safety;
- (xiv) The Department of ~~Transformation and Shared~~ Administrative Services; and
- (xv) The Department of Veterans Affairs.

SECTION 85. Arkansas Code § 25-1-904(b) and (c), concerning state entity training, are amended to read as follows:

(b) The Secretary of the Department of ~~Transformation and Shared~~ Administrative Services shall develop rules for the enforcement of the provisions of this subchapter.

(c) Each state entity head shall:

- (1) Issue a policy incorporating the requirements of this subchapter into state entity operations;
- (2) Request that the state entity thoroughly review and assess not less than annually thereafter, state entity compliance with the requirements of the policy in the form of a report submitted to the Department of ~~Transformation and Shared~~ Administrative Services; and
- (3) Assign at least one (1) employee of the state entity

responsibility for ensuring compliance with the requirements of the policy

SECTION 86. Arkansas Code § 25-4-104 is amended to read as follows:
25-4-104. Division of Information Systems.

(a) There is established within the Department of ~~Transformation and Shared~~ Administrative Services the Division of Information Systems.

(b)(1) The Division of Information Systems shall be headed by a director to be appointed by the Governor, subject to confirmation by the Senate in the manner provided by law, and shall serve at the pleasure of the Governor.

(2) The director shall be a person who, by education and training, has technical knowledge and management experience in information technology-related equipment, systems, and services.

(3) The director shall qualify by filing the oath of office required in the Arkansas Constitution with the Secretary of State.

(c) The director, in consultation with the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, may establish divisions and the organizational structure deemed necessary and appropriate for the efficient performance of the duties imposed under the provisions of this chapter, provided the organizational structure of the division shall conform to the positions authorized and limitations provided therefor in the biennial appropriation of the division.

(d) The director, in consultation with the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services, shall appoint the deputy and division directors and the professional, technical, and clerical assistants and employees as necessary to perform the duties imposed by this chapter. All employees of the division shall be employed by the department and serve at the pleasure of the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

(e) The director shall report to the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services any matters relating to abuses of this chapter.

(f) The director shall recommend statutory changes to the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 87. Arkansas Code § 25-4-111(c), concerning information

technology prerequisites, is amended to read as follows:

(c)(1) Upon evaluation of the waiver request, the director shall notify the agency in writing of his or her approval or rejection of the request and his or her reasons.

(2) The director shall make his or her evaluation in a timely manner. If the director requires more than thirty (30) days to complete the evaluation, he or she shall report in writing to the Governor and the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services his or her reasons for the delay in completion.

(3) If the director rejects a request for a waiver, a state agency shall not make any expenditure of public funds for the acquisition or expansion of information technology equipment or services.

(4) If the director determines that the agency needs additional information technology resources, he or she may:

(A) Authorize the agency to acquire the requested information technology in accordance with the state enterprise architecture;

(B) Authorize acquisition of a modified information technology configuration;

(C) Notify the agency of the availability of Division of Information Systems facilities to provide the requested information technology; or

(D) Recommend that the information technology be provided through the facilities of some other designated state agency.

SECTION 88. Arkansas Code § 25-4-115(b)(1), concerning the professional services contracts between the Division of Information Systems and outside vendors, is amended to read as follows:

(b)(1) The division may utilize moneys appropriated for maintenance, operation, and payment of regular salaries of the division for the purchase of professional services upon approval by the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services.

SECTION 89. Arkansas Code § 25-4-119(b), concerning budget procedures of the Division of Information Systems, is amended to read as follows:

(b)(1) When the General Assembly has completed the appropriation process, the director shall oversee budgetary planning for the division for

each fiscal year of the biennium.

(2) The proposed annual operating budget shall be submitted to the Secretary of the Department of ~~Transformation and Shared~~ Administrative Services for his or her approval prior to the beginning of each fiscal year.

(3)(A) During the course of the biennium, the director shall make certain that the expenditures of the division do not exceed the income to be received by the division for the current fiscal year.

(B) Subject to the written approval of the Chief Fiscal Officer of the State upon the written application of the division and review by the Legislative Council, in order to effect compliance with state and federal statutory and regulatory provisions:

(i) The director shall adjust rates for services or issue billing adjustments as necessary; or

(ii) Funds sufficient to effect compliance shall be provided to the division.

(4)(A) If rates charged to a customer are increased to ensure compliance with state and federal statutory and regulatory provisions under subdivision (b)(3) of this section, then the director shall promptly notify the Governor, the Joint Committee on Advanced Communications and Information Technology, and all state agencies and other customers before any changes shall be effected.

(B) Rates shall be reviewed by the division on no less than an annual basis in order to ensure compliance with state and federal statutory and regulatory provisions.

SECTION 90. Arkansas Code § 25-4-127(a) and (b), concerning the creation of a Data and Transparency Panel, are amended to read as follows:

(a) The Data and Transparency Panel is created within the Department of ~~Transformation and Shared~~ Administrative Services.

(b) The panel shall consist of the following members:

(1)(A) Three (3) appointees from the private sector who shall be appointed as follows:

(i) One (1) appointee shall be appointed by the Governor;

(ii) One (1) appointee shall be appointed by the Speaker of the House of Representatives; and

(iii) One (1) appointee shall be appointed by the President Pro Tempore of the Senate.

(B) Each appointee shall serve at the pleasure of his or her appointer.

(C) The appointer of an appointee who vacates his or her position on the panel shall fill the vacancy as required under this section;

(2) The Attorney General or his or her designee;

(3) The secretaries, directors, or their designees, of the following entities:

(A) The Department of Public Safety;

(B) The Department of Inspector General;

(C) The Department of Education;

(D) The Department of Energy and Environment;

(E) The Department of Corrections;

(F) The Department of Parks, Heritage, and Tourism;

(G) The Department of Finance and Administration;

(H) The Department of Health;

(I) The Department of Agriculture;

(J) The Department of Human Services;

(K) The Department of ~~Transformation~~ and Shared

Administrative Services;

(L) The Department of Labor and Licensing;

(M) The Department of ~~Veteran~~ Veterans Affairs;

(N) The Department of the Military; and

(O) The Department of Commerce;

(4)(A) The Chief Data Officer of the Division of Information Systems.

(B) The Chief Data Officer of the Division of Information Systems shall be the Chair of the Data and Transparency Panel.

(C) The members of the panel shall select a vice chair annually;

(5) The Chief Privacy Officer of the Division of Information Systems; and

(6) The Chief Justice of the Supreme Court or his or her designee.

*SECTION 91. Arkansas Code 25-8-106 is amended to read as follows:
25-8-106. Marketing and redistribution of state personal property.*

(a)(1) This section applies only with respect to personal property.

(2) This section does not apply to or affect the:

(A) Disposition of surplus real property of the state; or

(B) Sale of plants, animals, or commodities of plants or animals by a public institution of higher education if the proceeds from the sale are used solely for agricultural research, extension, or teaching programs, including without limitation 4-H programs and National FFA Organization programs.

(b)(1) There is created within the Office of State Procurement a Marketing and Redistribution Section for the purpose of promoting and ensuring effective utilization of surplus state property.

(2)(A) All state agencies, boards, commissions, departments, and colleges and universities are required and county, municipal, or other tax-supported institutions are authorized to utilize the services of the Marketing and Redistribution Section, unless specifically exempted in writing by the State Procurement Director.

(B)(i) Nothing in this section shall be construed to make it mandatory that county, municipal, or other local government units utilize the services of the Marketing and Redistribution Section.

(ii) Nothing in this section shall be construed to make it mandatory that any agency, department, division, office, board, commission, or institution of this state, including state-supported institutions of higher education, utilize the services of the Marketing and Redistribution Section in the sale of surplus computer equipment and electronics to state agency employees for a price not less than ten percent (10%) above depreciated value.

(3) The Department of ~~Transformation and Shared~~ Administrative Services shall maintain adequate and accurate records of the costs for operating the Marketing and Redistribution Section and is authorized to establish fair and reasonable charges for the services of the Marketing and Redistribution Section. The charges for services shall be deposited into the State Treasury as nonrevenue receipts, there to be credited to the Property Sales Holding Fund for the operation, maintenance, and improvement of the Marketing and Redistribution Section.

(c) The office may maintain an inventory of furniture, equipment, and other items which shall be made available to state agencies on rental agreements based upon fair and reasonable rental values.

(d) The department is authorized to establish a fair and reasonable fee schedule for redistributing property between state agencies upon their request.

(e) Proceeds from the sale, transfer, or rental of property by the director shall be accounted for as follows:

(1) The purchasers, transferees, and lessees of property available for such purposes as are authorized by this section shall transmit to the office the agreed sale price, service charge, or rental fee;

(2) The office shall deposit the full amount of proceeds received, as set out above, into the State Treasury in the manner as provided by law; and

(3)(A) Proceeds from the sale or transfer of property deposited into the State Treasury shall be classified as nonrevenue receipts and credited to the Property Sales Holding Fund herein created on the books of the Treasurer of State as a trust fund.

(B) Funds deposited into the Property Sales Holding Fund may be expended only by the selling or transferring agency under procedures established by the Chief Fiscal Officer of the State and appropriations provided by the General Assembly.

(C) However, funds deposited into the Property Sales Holding Fund from the sale of property purchased from agency cash funds may be refunded to the agency cash fund from which the original expenditure was made by the issuance of a warrant under procedures established by the Chief Fiscal Officer of the State and the Auditor of State to be payable from appropriations provided by the General Assembly for disposition of the proceeds.

(f) The Secretary of the Department of ~~Transformation and~~ Administrative Services is authorized to promulgate reasonable rules, not inconsistent with law, for compliance with the provisions of this section, the Arkansas Procurement Law, § 19-11-201 et seq., the General Accounting and Budgetary Procedures Law, § 19-4-101 et seq., and the sale of surplus commodities to not-for-profit organizations under § 22-1-101.

SECTION 92. Arkansas Code § 25-8-110(a)(1), concerning the duties of Department of Shared Administrative Services and Department of Finance and Administration, is amended to read as follows:

(a) The Department of ~~Transformation and Shared~~ Administrative Services shall:

(1) Develop retention schedules for control, preservation, protection, and disposition of the electronic records of state agencies under § 25-18-601 et seq.;

*SECTION 93. Arkansas Code § 25-10-503 is amended to read as follows:
25-10-503. Arkansas State Hospital contingency positions.*

(a) If the Department of Human Services determines, after prior review by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, that it is in the best interest of the state to discontinue a management contract with a private provider and it is deemed necessary to utilize Department of Human Services staff to provide the required services, the Secretary of the Department of Human Services may request the Department of ~~Transformation and Shared~~ Administrative Services to approve the establishment of one (1) or more additional positions at salary rates not to exceed the maximum salaries established for comparable positions in the Uniform Classification and Compensation Act, § 21-5-201 et seq., the operative appropriation act of the Department of Human Services, and the operative appropriation act of the University of Arkansas for Medical Sciences.

(b) Upon approval by the Department of ~~Transformation and Shared~~ Administrative Services and after review by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services may establish positions described in subsection (a) of this section.

(c) If the division requests continuation of a position as established in this section, the position shall be requested as a new position in the division's budget request.

*SECTION 94. Arkansas Code § 25-32-117 is amended to read as follows:
25-32-117. Creation and retention of electronic records and conversion of written records by governmental agencies.*

(a) Each governmental agency of this ~~State~~ state shall determine whether and the extent to which it will create and retain electronic records and convert written records to electronic records.

(b) Each state agency shall comply with applicable standards and policies adopted or established by the Department of ~~Transformation and~~ Shared Administrative Services with advice and review from the Division of Information Systems to determine whether and the extent to which it will retain and convert written records to electronic records.

SECTION 95. Arkansas Code § 25-32-118(a), concerning the acceptance and distribution of electronic records by governmental agencies, is amended to read as follows:

(a)(1) Except as otherwise provided in § 25-32-112(f), each governmental agency of this state shall determine whether and the extent to which it will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures.

(2) For state agencies, the determinations shall be consistent with applicable standards and policies adopted or established by the Department of ~~Transformation and~~ Shared Administrative Services with advice and review from the Division of Information Systems.

SECTION 96. Arkansas Code § 25-43-104(a), concerning cabinet-level departments, is amended to read as follows:

(a) The following cabinet-level departments are created:

- (1) The Department of Agriculture;
- (2) The Department of Commerce;
- (3) The Department of Corrections;
- (4) The Department of Education;
- (5) The Department of Energy and Environment;
- (6) The Department of Finance and Administration;
- (7) The Department of Health;
- (8) The Department of Human Services;
- (9) The Department of ~~the~~ Inspector General;
- (10) The Department of Labor and Licensing;
- (11) The Department of the Military;

- (12) *The Department of Parks, Heritage, and Tourism;*
- (13) *The Department of Public Safety;*
- (14) *The Department of ~~Transformation and Shared~~ Administrative Services; and*
- (15) *The Department of Veterans Affairs.*

SECTION 97. Arkansas Code § 25-43-108(d), concerning cabinet-level department secretaries, is amended to read as follows:

(d) There is hereby created one (1) new classification and position for the executive head for each cabinet-level department, designated as follows:

- (1) *Secretary of the Department of Agriculture;*
- (2) *Secretary of the Department of Commerce;*
- (3) *Secretary of the Department of Corrections;*
- (4) *Secretary of the Department of Education;*
- (5) *Secretary of the Department of Energy and Environment;*
- (6) *Secretary of the Department of Finance and Administration;*
- (7) *Secretary of the Department of Health;*
- (8) *Secretary of the Department of Human Services;*
- (9) *Secretary of the Department of Inspector General;*
- (10) *Secretary of the Department of Labor and Licensing;*
- (11) *Secretary of the Department of the Military;*
- (12) *Secretary of the Department of Parks, Heritage, and Tourism;*
- (13) *Secretary of the Department of Public Safety;*
- (14) *Secretary of the Department of ~~Transformation and Shared~~ Administrative Services; and*
- (15) *Secretary of the Department of Veterans Affairs.*

*SECTION 98. Arkansas Code § 25-43-1501 is amended to read as follows:
25-43-1501. Department of ~~Transformation and Shared~~ Administrative Services.*

There is created the Department of ~~Transformation and Shared~~ Administrative Services as a cabinet-level department.

*SECTION 99. Arkansas Code § 25-43-1502 is amended to read as follows:
25-43-1502. State entities transferred to the Department of*

Transformation and Shared Services.

(a) *The administrative functions of the following state entities are transferred to the Department of ~~Transformation and Shared~~ Administrative Services by a cabinet-level department transfer:*

- (1) *The Arkansas Geographic Information Systems Board, created under § 15-21-503;*
- (2) *The Arkansas Geographic Information Systems Office, created under § 15-21-502;*
- (3) *The Building Authority Division, created under § 22-2-104;*
- (4) *The Data and Transparency Panel, created under § 25-4-127;*
- (5) *The Department of Information Systems, created under § 25-4-104, now to be known as the “Division of Information Systems”;*
- (6) *The Employee Benefits Division, created under § 25-43-1505;*
- (7) *The Office of Personnel Management, created under § 25-43-1504; and*
- (8) *The Office of State Procurement, created under § 19-11-215.*

(b) *Unless otherwise provided by law, a cabinet-level department transfer under subsection (a) of this section includes all state entities under a state entity transferred to the Department of ~~Transformation and Shared~~ Administrative Services under subsection (a) of this section, including without limitation a division, office, program, or other unit of a state entity transferred to the Department of ~~Transformation and Shared~~ Administrative Services under subsection (a) of this section.*

(c) *Unless otherwise provided by law, a state entity whose administrative functions have been transferred to the Department of ~~Transformation and Shared~~ Administrative Services under subsection (a) of this section shall otherwise continue to exercise the duties of the state entity under the administration of the cabinet-level Department of ~~Transformation and Shared~~ Administrative Services in the same manner as before the creation of the cabinet-level department.*

SECTION 100. Arkansas Code § 25-43-1503(a), concerning the Secretary of the Department of Transformation and Shared Services, is amended to read as follows:

(a) *The executive head of the Department of ~~Transformation and Shared~~ Administrative Services shall be the Secretary of the Department of*

~~Transformation and~~ Shared Administrative Services.

SECTION 101. Arkansas Code § 25-43-1504 is amended to read as follows:

25-43-1504. Office of Personnel Management – State Personnel Administrator.

(a) There is created within the Department of ~~Transformation and~~ Shared Administrative Services the Office of Personnel Management.

(b)(1)(A) The Director of the Office of Personnel Management shall be known as the “State Personnel Administrator”.

(B) The State Personnel Administrator shall be employed by the Secretary of the Department of ~~Transformation and~~ Shared Administrative Services with the advice and consent of the Governor.

(2) The office shall be under the overall direction, control, and supervision of the secretary.

SECTION 102. Arkansas Code § 25-43-1505 is amended to read as follows:

25-43-1505. Employee Benefits Division.

There is created within the Department of ~~Transformation and~~ Shared Administrative Services the Employee Benefits Division.

SECTION 103. DO NOT CODIFY. Corrections. The Arkansas Code Revision Commission may change references to the Department of Transformation and Shared Services to the Department of Shared Administrative Services:

(1) During the codification of legislation enacted during the Ninety-Fifth General Assembly; and

(2) In existing law that was not included in this act.

SECTION 104. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the people of the State of Arkansas rely on state agency names to conduct their business; that to ensure the efficient operations of state government agencies it is important to set a date certain for the official change of the name of an agency; and that this act is necessary because it will allow the agency to prepare for the official name change in a timely and efficient manner. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective

As Engrossed: S2/5/25

SB147

on July 1, 2025.

/s/J. Dotson