

ARKANSAS LEGISLATIVE COUNCIL

Officers

Senator Cecile Bledsoe
Senate Chair
Representative Jeff Wardlaw
House Chair
Senator Terry Rice
Senate Vice Chair
Representative Jim Dotson
House Vice Chair



**Room 315, State Capitol Building
Little Rock, AR 72201**

Marty Garrity
Executive Secretary

Tel: 501-682-1937
Fax: 501-682-1936

May 3, 2020

Mr. Larry Walther
Arkansas Department of Finance and Administration
1509 West Seventh Street, Suite 401
Little Rock, AR 72201

Dear Secretary Walther

Pursuant to ALC Rule 16, the Co-Chairs of the Legislative Council and the ALC PEER Subcommittee determined that emergency approval of the following CARES Act appropriation request was necessary to enable the agency to perform essential services: *providing assistance to businesses in the State of Arkansas in response to COVID-19 health and economic emergency in the amount of \$40,000,000 to the Arkansas Department of Commerce.*

As such, the Co-Chairs of the Legislative Council and the Co-Chairs of the ALC PEER Subcommittee acted on behalf of the Legislative Council in regard to this request. This request shall be filed as approved and reported to the Legislative Council at its next regularly scheduled meeting in accordance with ALC Rule 16.

Please notify the affected agency of this emergency approval.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marty Garrity".

Marty Garrity
Executive Secretary

Attachment

Cc: Senator Cecile Bledsoe, Co-Chair, Arkansas Legislative Council
Representative Jeff Wardlaw, Co-Chair, Arkansas Legislative Council
Senator Bruce Maloch, Co-Chair, ALC PEER
Representative DeAnn Vaught, Co-Chair, ALC PEER

ALC - Performance Evaluation and Expenditure Review (PEER)
ALC Subcommittee Report for
Emergency Action
May 3, 2020

On May 3, 2020, Senator Cecile Bledsoe and Representative Jeff Wardlaw, Co-Chairs of the Legislative Council, and Senator Bruce Maloch and Representative DeAnn Vaught, Co-Chairs of the PEER Subcommittee, received written notification from Larry Walther, the Chief Fiscal Officer of the State, requesting emergency approval of a request for C.A.R.E.S. Appropriation.

Under Rule 16 of the Rules of the Arkansas Legislative Council, on May 3, 2020 the Co-Chairs of the Legislative Council and PEER Subcommittee unanimously determined that emergency approval was necessary to enable the agency to perform essential services. As such, the Co-Chairs of the Legislative Council and the Co-Chairs of the PEER Subcommittee may act on behalf of the Legislative Council in regard to the request, and state herein that the request shall be filed as approved and reported to the Legislative Council at its next regularly scheduled meeting in accordance with Rule 16.

Below is a summary of the request given emergency approval.

C.A.R.E.S. Appropriation Request (Approval Item)

Department of Commerce - Arkansas Economic Development Commission - \$40,000,000

Respectfully Submitted,




Senator Cecile Bledsoe, Co-Chair
Arkansas Legislative Council



Representative Jeff Wardlaw, Co-Chair
Arkansas Legislative Council



Senator Bruce Maloch, Co-Chair
ALC PEER Subcommittee



Representative DeAnn Vaught, Co-Chair
ALC PEER Subcommittee



STATE OF ARKANSAS
**Department of Finance
and Administration**

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May 3, 2020

Senator Cecile Bledsoe, Chair
Representative Jeff Wardlaw, Chair
Arkansas Legislative Council
State Capitol
Little Rock, AR 72201

RE: Emergency Action Procedures Request

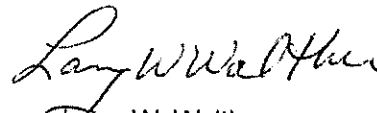
Dear Co-Chairs:

This is to inform you that there is an item for Legislative Council review that requires your immediate attention. Because of the time-sensitive nature of this request, the Department of Finance and Administration respectfully requests an expedited review.

This item requests additional CARES Appropriation under Act 2 of 2019. I had previously approved a request for \$15,000,000 in appropriation for the Department of Commerce to provide assistance to businesses in the State of Arkansas in response to the COVID-19 health and economic emergency. Due to unexpected and significant demand on these funds, I now request an additional \$40,000,000 in CARES Appropriation to support this vital program. This additional request will bring the total amount requested to support this program to \$55,000,000.

I ask that you please institute emergency action procedures for consideration of these matters and sign them out of Committee per Rule 16 of the Rules of the Arkansas Legislative Council.

Sincerely,


Larry W. Walther
Secretary

LWW:jdb



Michael Preston
Secretary of Commerce,
Executive Director
Arkansas Economic Development Commission

May 3, 2020

Secretary Larry W. Walther
Department of Finance and Administration
1509 West Seventh Street, Suite 401
Little Rock, AR 72201

Dear Secretary Walther,

I respectfully request your approval for CARES appropriations, under Section 38 of Act 2 of 2020, in the amount of \$40,000,000 from federal funds as determined by the Chief Fiscal Officer of the State. This appropriation is necessary to provide assistance to businesses in the State of Arkansas.

Specifically, these funds will support the Arkansas Ready for Business Program which will provide direct grants to companies for expenses associated with ensuring the health and safety of employees and patrons as they continue to cope with and recover from the COVID-19 pandemic. Eligible businesses include corporations, partnerships, sole proprietorships, LLC's, joint ventures and non-profits. Funding will be determined based on need and will allow for up to \$1,000 per full time employee and a maximum award of no more than \$100,000.

Of the \$40,000,000 at least 75% will go to businesses of 50 employees or less and 15% of recipients will be women and minority businesses as defined by Arkansas statute.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Preston".

Michael Preston
Secretary
Department of Commerce



Michael Preston
Secretary of Commerce,
Executive Director
Arkansas Economic Development Commission

Arkansas Ready for Business Grant Program

Pursuant to the direction of Governor Asa Hutchinson and Secretary of Commerce Mike Preston, the Arkansas Economic Development Commission has established a grant program to assist businesses affected by the COVID19 outbreak. The program will provide direct grants to companies for expenses associated with ensuring the health and safety of employees and patrons. The program will utilize federal funds provided to the State of Arkansas through the CARES Act.

Grant Program Guidelines:

- Eligible businesses include corporations, partnerships, sole proprietorships, LLCs, Joint Ventures and Non-profits (Government-owned entities are not eligible)
- All industry sectors are eligible
- Business must have a Certificate of Good Standing with the AR Secretary of State's Office (if a Sole Proprietor, a business license or sales tax permit is required)
- Business and owners must NOT be delinquent on any Arkansas tax
- Businesses must either have a) customers and/or employees physically coming to their business premises or b) must conduct business on customer premises
- Applications will be reviewed in the order in which they are received. Applications will only be considered when a complete application is submitted with all required attachments.
 - Required attachments: Driver's License of authorized business representative, Signed W9, Certificate of Good Standing from Secretary of State (Business License or Sales Tax Permit for Sole Proprietors)
- Grant amounts will be based on number of Arkansas W2 employees as of March 1, 2020:
 - 1 FTE = Up to \$1,000 grant
 - 2+ FTEs = Up to \$1,000 per FTE
 - 1 Arkansas W2 full-time employee = 1 FTE; 1 Arkansas W2 part-time employees = .5 FTE
 - Full-time employees must work an average of at least 30 hours per week. Owners working at least 30 hours per week who do not receive a W2 can be included.
 - Part-time employees must work an average of at least 15 hours per week.
 - Example – 2 AR W2 full-time employees (2 FTEs) and 6 AR W2 part-time employees (3 FTEs) equals a grant of up to \$5,000
- Maximum grant amount is \$100,000
- Eligible expenditures include Personal Protective Equipment (PPE) and no-contact thermometers for employees and customers, no-contact Point of Sale (POS) payment equipment; supplies and disinfectants to initially deep clean premises and for use on an ongoing basis; also included are expenses associated with hiring a third party to perform periodic deep cleaning services, hand sanitizer stations, restocking of necessary supplies/raw materials, expenses associated with reconfiguring business to meet recommended health and safety guidelines, signage, marketing and other one-time expenses associated with reopening or resuming normal operations
- Eligible expenditures must be made between March 1, 2020 – December 31, 2020
- Businesses will be required to verify funds were used for eligible expenditures and shall be required to repay all or a portion of the grant if the business is found not in compliance with grant requirements.
- Businesses that have previously been awarded assistance through other AEDC programs or SBA programs are not prohibited from applying for the Ready for Business Grant Program.
- At least 15% of the recipients will be women and minority owned businesses as defined by Arkansas Statute.
- At least 75% of the total funds will go to businesses with 50 employees or less.

The Arkansas Ready for Business Grant Program is a discretionary incentive program offered by AEDC. Not all who apply for a grant will be approved. The information provided in this document is only a general summary of the program features and does not create any obligation by AEDC to provide a grant. AEDC reserves the right to adjust the terms of the grant based on the applicant's individual circumstances.