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Executive Director
Arkansas Economic
Development Commission

September 18, 2020

Senator Cecile Bledsoe, Chair
Representative Jeff Wardlaw, Chair
Arkansas Legislative Council
Room 315, State Capitol
Little Rock, AR 72201

Dear Senator Bledsoe and Representative Wardlaw:

Please find enclosed the following reports for your review:

- The FY 2020 Quick Action Closing Fund Annual Report, which is an accounting of the incentive fund as required by Act 510 of 2007; and
- The 2019 Annual Report for the Arkansas Economic Development Commission as required under Act 1282 of 2001.

I have also enclosed a courtesy copy of a companion annual report developed by AEDC's staff to highlight for the public our state's significant accomplishments in economic development during 2019. While this report is not mandated by the legislature, I believe it provides helpful context to the data found in the QACF report and in the Act 1282 report.

Although 2019 was another outstanding year for economic development in Arkansas, 2020 has been quite challenging due to the economic fall-out caused by COVID-19. In less than two months, Arkansas went from record low unemployment of 3.5% in February 2020 to an unemployment rate of 10.8% in April 2020. Fortunately, Arkansas's economy is improving, as evidenced by the drop in unemployment to 7.1% in July.

The sudden and severe economic effects produced by COVID-19 required the team at AEDC to immediately shift its focus from traditional project-based economic development to providing emergency relief to Arkansas businesses in danger of permanently closing their doors. In as little as 90 days the team at AEDC launched four major economic assistance programs for businesses:

Program	Companies Benefitted	Jobs Impacted
CDBG Grants to Rural Hospitals	27	7,899
Bridge Loans for Small Businesses	483	6,610
Ready for Business Grants	11,409	225,000
Loan Program for Disabilities Services Providers	4	3,921
Total	11,923	243,430

I am proud of how the AEDC team has responded during this time of crisis. I also want to express my appreciation of Governor Hutchinson's leadership by striking the right balance in terms of necessary public health measures and the importance of keeping our economy open. Additionally, I want to thank the hard of the General Assembly to ensure that we have the tools we need to protect and grow our economy.

If you have any questions, or if I can be of any assistance, please feel free to contact me.

Sincerely,



Michael Preston
Executive Director

MP/rd
Enclosures

ACT 1282 REPORT

2019 CALENDAR YEAR





TABLE OF CONTENTS

Executive Summary	1
Table 1 – Summary of Recent Act 1282 Reports.....	1
Chart 1 – Average Hourly Wage of AEDC Signed Incentive Agreements (2016-2019)	2
Chart 2 – AEDC New and Expanded Job Creation: 2016-2019.....	2
Chart 3 – 2015-2019 Average Wage of AEDC Jobs Comparison	3
Part 1 Accounting of All Projects	4
Table 2 – Projects with AEDC Incentive Agreements Signed in 2019.....	4
Table 3 – Equity Investment Tax Credit Projects.....	8
Table 4 – Technology Development Program (TDP)	9
Table 5 – Arkansas Business & Technology Accelerator Grant Program.....	9
Table 6 – Arkansas SBIR Matching Grant Program.....	10
Part 2 Assessment of Projects That Did Not Materialize	11
Table 7 – Project Status.....	11
Table 8 – 2019 Projects That Did Not Materialize.....	11
Part 3 Accounting of Major Factory and Plant Closures	21
Chart 4 – Arkansas Employment Changes by Sector (2018-2019)	21
Table 9 – 2019 Major Manufacturing Closures	21
Part 4 Strategies and Recommendations for the Coming Year	23
Table 10 – Arkansas Manufacturing Transitions (2015-2019)	25
Part 5 Director’s Assessment of the Department’s Performance	33
Table 11 – 2018-2019 Job Opportunities from Signed Incentive Agreements	33
Table 12 – 2019 Arkansas Job Creation and Job Loss Comparison	33
Table 13 – 2018-2019 Year-to-Date Unemployment Comparison.....	33
Chart 5 – 2019 Unemployment Rate by Month	34
Table 14 – 2019 Per Capita Real GDP by State: Arkansas and Surrounding States.....	34
Table 15 – Percent Change in State GDP Per Capita State (2017-2019)	35
Table 16 – Percent Labor Force Growth (2017-2019) Arkansas and Surrounding States.....	35
Table 17 – 2019 Per Capita Personal Income Arkansas and Surrounding States.....	36
Chart 6 – Per Capita Personal Income Arkansas vs. U.S. (2018-2019)	36
Chart 7 – Arkansas Per Capita Personal Income (2009-2019).....	37
Table 18 –Surrounding States Unemployment Annual Averages (2018-2019)	37
Table 19 – 2019 Average Hourly Wage of Manufacturing Workers	38
Table 20 – 2019 Average Hourly Wages of All Workers Arkansas and Surrounding States.....	39
Table 21 – Population Change (2015-2019) Arkansas and Surrounding States.....	39
Table 22 – Percentage of Population in Poverty: 3-Year Average	39
Table 23 – State Competitiveness Index Arkansas and Surrounding States	40
Table 24 – Economic Outlook Rankings Arkansas and Surrounding States	40
Table 25 – State Business Tax Climate Index Rank Arkansas and Surrounding States	41
Table 26 – Small Business Policy Index Arkansas and Surrounding States.....	41



Act 1282 Report Executive Summary

Enabling Legislation: Act 1282 of 2001; 83rd General Assembly, Regular Session

Purpose: Requires the Arkansas Economic Development Commission (AEDC) to make annual reports to the Arkansas Legislative Council to inform the legislature about the state’s economic health and potential growth; Arkansas’s economic position relative to neighboring states; and, the AEDC’s programs, goals, and strategies for the past, current, and forthcoming years.

Submitted: Annually. This is the current report for calendar year 2019.

Between January 1, 2016 and December 31, 2019, AEDC signed financial incentive agreements for 395 projects with companies proposing the creation of 18,099 new and retained jobs and \$7,893,277,629 in new investment. For this four-year period, the average proposed hourly wage was \$21.68 per hour and the average cost benefit ratio was 4.30. A cost benefit ratio of 4.33 projects means that over a ten-year period the state will receive a return of \$4.33 in state taxes from each \$1 in state tax incentives offered for job creation projects.

Table 1
Summary of Recent Act 1282 Reports (2016-2019)

Economic Indicators	2016	2017	2018	2019	2016-2019 Total/Average
AEDC Projects	210	256	210	229	905/226
Signed AEDC Incentive Agreements	88	133*	74	100	395/99
Proposed Jobs	4,392	3,460	4,279	5,968	18,099/4,525
Proposed Investment	\$1,607,156,848	\$3,184,192,355	\$1,806,870,980	\$1,295,057,446	\$7,893,277,629/ \$1,973,319,407
Proposed Average Hourly Wage	\$21.40	\$21.81	\$17.76**	\$25.76	\$21.68(Avg)**
Cost Benefit Ratio	\$5.06/\$1	\$3.53/\$1	\$4.44/\$1	\$4.30/\$1	\$4.33/\$1(Avg)

*In 2017, the number of signed incentive agreements and proposed investment was impacted by very high number of InvestArk applications that were submitted before the program ended.

**In 2018, the average wage was impacted by a large food processing project with an average hourly wage of \$16.31. If this project was excluded the 2018 average hourly wage would be \$20.67 and the 2016-2019 average would be \$22.41.

Chart 1

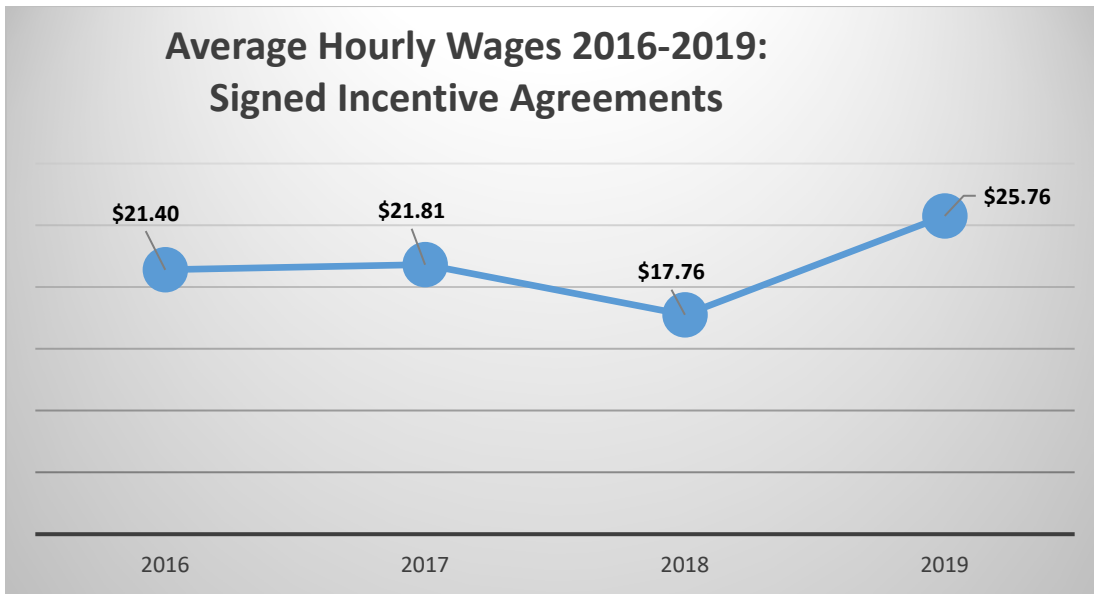
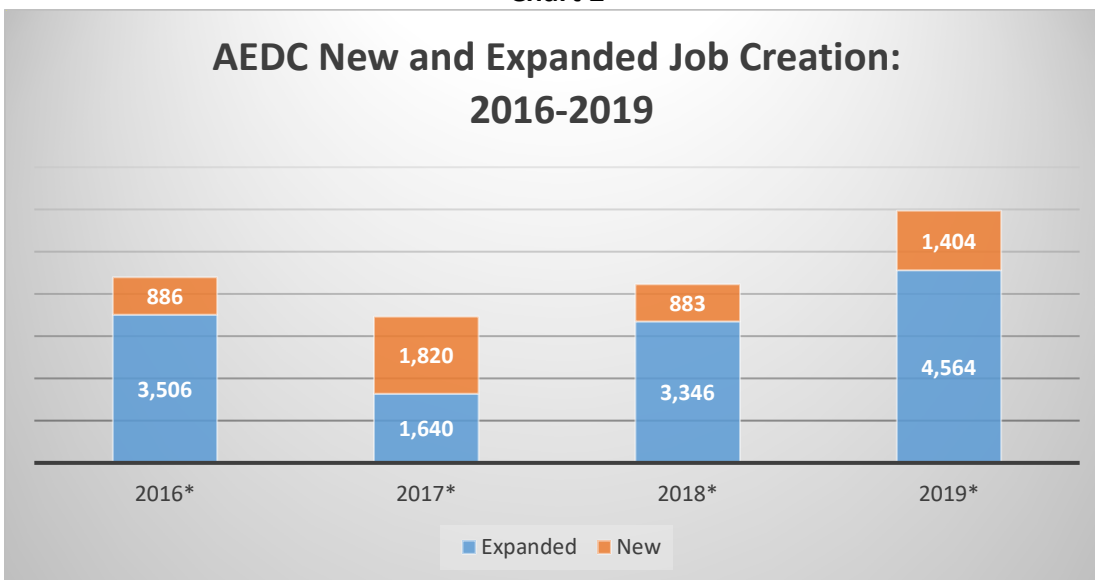
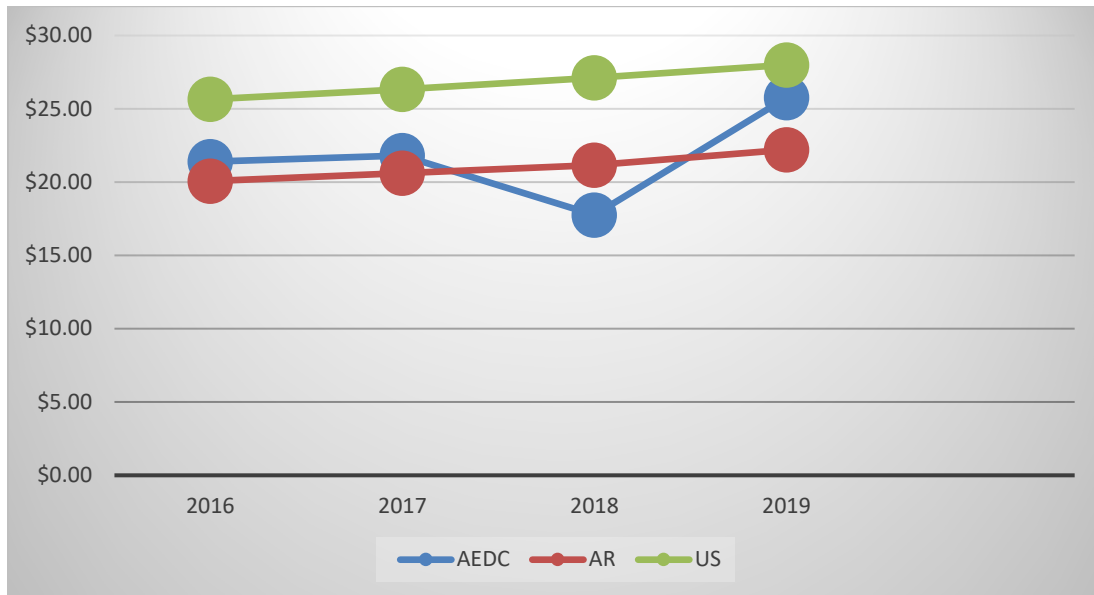


Chart 2



*Includes retained jobs: 2016 – 450 retained jobs; 2017 – 13 retained jobs; 2018 – 214 retained jobs; 2019 – 934 retained jobs

Chart 3
Average Wage of Proposed AEDC Jobs Comparison:
2016 to 2019



Source: Bureau of Labor Statistics, Current Employment Statistics, Not Seasonally Adjusted, Total Private, Average Hourly Earnings of All Employees and AEDC



Part 1 Accounting of All Projects

Table 2
Projects with AEDC Incentive Agreements Signed in 2019
(Represents New and Expanding Companies)

Type of Company	Location	Number of Jobs (See notes * and **)	Incentives Offered (See note**)
Manufacturing	Star City	31	CDBG
Information Technology	Conway	0**	In-House R&D Tax Credit
Manufacturing	Camden	141	Create Rebate, Tax Back, Quick Action Closing Fund
Distribution	Walnut Ridge	7	Advantage Arkansas, Tax Back
Manufacturing	Malvern	70	Advantage Arkansas, Tax Back
Manufacturing	Black Rock	75	CDBG
Manufacturing	Lowell	1	In-House R&D Tax Credit
Corporate HQ	Fort Smith	2	Tax Back
Manufacturing	Little Rock	22	Advantage Arkansas, Tax Back
Corporate Offices	Little Rock	0**	InvestArk
Manufacturing	Blytheville	75	Create Rebate, Tax Back
Manufacturing	Batesville	15	In-House R&D Tax Credit
Office Sector Business	Ozark	133	Advantage Arkansas, Tax Back
Manufacturing	Paris	20	Advantage Arkansas, Tax Back
Engineering Services	Little Rock	114	Advantage Arkansas
Manufacturing	Blytheville	45	CDBG
Manufacturing	Little Rock	58	Advantage Arkansas, Tax Back
Distribution	West Memphis	225	Tax Back, Quick Action Closing Fund
Office Sector Business	Springdale	75	Advantage Arkansas
Manufacturing	Lonoke	4	Advantage Arkansas, Tax Back
Manufacturing	Arkansas City	0**	Repair & Replace Equipment Sales Tax Refund
Manufacturing	Hot Springs	3	Advantage Arkansas, Tax Back
Aircraft Maintenance & Repair	Hot Springs	20	Advantage Arkansas, Tax Back
Aircraft Maintenance & Repair	Hot Springs	0**	Tax Back
Distribution	West Memphis	58	Tax Back
Manufacturing	De Queen	11	Advantage Arkansas, Tax Back
Manufacturing	Benton	32	Advantage Arkansas, Tax Back
Food Processing	Pine Bluff	135	Advantage Arkansas, Tax Back



Manufacturing	Little Rock	508	Quick Action Closing Fund
Manufacturing	Conway	228*	Create Rebate
Manufacturing	Ashdown	0**	In-House R&D Tax Credit
Manufacturing	Helena	67	CDBG
Agri-Business	Brinkley	1	In-House R&D Tax Credit
Corporate HQ	North Little Rock	200	Create Rebate, Tax Back
Engineering Services	Little Rock	25	In-House R&D Tax Credit
Corporate HQ	North Little Rock	25	Advantage Arkansas, Tax Back
Manufacturing	Fort Smith	66	In-House R&D Tax Credit
Manufacturing	Heber Springs	5	Advantage, Arkansas, Tax Back
Manufacturing	Jonesboro	130	Create Rebate, Tax Back
Manufacturing	Bentonville	2	In-House R&D Tax Credit
Engineering Services	Rogers	50	In-House R&D Tax Credit
Corporate HQ	Lowell	0**	Tax Back
Manufacturing	Stuttgart	0**	Repair & Replacement Equipment Sales Tax Refund
Manufacturing	Fayetteville	0**	Targeted R&D Tax Credit
Manufacturing	Fayetteville	0**	Targeted R&D Tax Credit
Manufacturing	Little Rock	298	Advantage Arkansas
Manufacturing	Camden	326	ArkPlus, Create Rebate
Information Technology	Conway	5	In-House R&D Tax Credit
Engineering Services	Little Rock	15	In-House R&D Tax Credit
Information Technology	Cabot	2	In-House R&D Tax Credit
Manufacturing	Gentry	0**	Repair & Replacement Equipment Sales Tax Refund
Tourism	Hot Springs	4	Tourism Development Incentive Program
Manufacturing	Hope	6	CDBG
Information Technology	Little Rock	0**	In-House R&D Tax Credit
Manufacturing	Fort Smith	24	Advantage Arkansas, Tax Back
Manufacturing	Blytheville	806***	Create Rebate, Tax Back, Quick Action Closing Fund
Manufacturing	Blytheville	0**	Repair & Replacement Sales Tax Refund
Manufacturing	Mississippi County	200	Repair & Replacement Sales Tax Refund
Manufacturing	Blytheville	0**	Repair & Replacement Sales Tax Refund
Manufacturing	Fayetteville	100	Targeted R&D Tax Credit
Manufacturing	Fayetteville	1	Targeted R&D Tax Credit
Manufacturing	Prairie Grove	44	In-House R&D Tax Credit



Manufacturing	Jonesboro	10	Advantage Arkansas, Tax Back
Distribution	Little Rock	51	Create Rebate
Manufacturing	Paragould	12	Advantage Arkansas, Tax Back
Information Technology	Fayetteville	2	Targeted R&D Tax Credit
Manufacturing	Osceola	50	Advantage Arkansas, Tax Back
Manufacturing	Malvern	14	Advantage Arkansas, Tax Back
Manufacturing	Pine Bluff	39	Advantage Arkansas, Tax Back
Information Technology	Bentonville	27	In-House R&D Tax Credit
Manufacturing	Springdale	24	Advantage Arkansas, Tax Back
Information Technology	Bentonville	6	In-House R&D Tax Credit
Manufacturing	El Dorado	0**	Repair & Replacement Sales Tax Refund
Manufacturing	Malvern	15	Advantage Arkansas, Tax Back
Information Technology	Fayetteville	3	Targeted R&D Tax Credit
Corporate HQ	Little Rock	150	Advantage Arkansas, Tax Back
Food Processing	Rogers	100	In-House R&D Tax Credit
Regional HQ	Little Rock	20	Tax Back, Create Rebate
Manufacturing	Mena	7	Advantage Arkansas, Tax Back
Information Technology	Fayetteville	88	Create Rebate
Manufacturing	Fayetteville	1	Targeted R&D Tax Credit
Information Technology	Jonesboro	0**	In-House R&D Tax Credit
Manufacturing	Paragould	0**	In-House R&D Tax Credit
Manufacturing	Pine Bluff	3	Advantage Arkansas
Manufacturing	Ozark	15	Advantage Arkansas, Tax Back
Information Technology	Rogers	3	In-House R&D Tax Credit
Distribution	Rogers	400	Tax Back
Manufacturing	Fayetteville	72	Advantage Arkansas, Tax Back
Office Sector	Searcy	40	Advantage Arkansas, Tax Back
Transportation & Logistics	Little Rock	0**	Tax Back
Engineering Services	Fayetteville	1	Targeted R&D Tax Credit
Manufacturing	North Little Rock	62	Create Rebate, Tax Back
Information Technology	Bentonville	110	Create Rebate



* No new jobs were created, only retained jobs incentivized

** The Following investment incentive programs do not require job creation:

- InvestArk is primarily a retention incentive to encourage existing businesses to continue to invest in Arkansas. No new job creation was associated with those InvestArk projects denoted with **. Benefits accrued through investment in buildings, machinery, and/or equipment. Per Act 465 of 2017, no new InvestArk applications were submitted after July 1, 2017.
- Projects exclusively receiving Research and Development investment tax credits are not required to create new jobs.
- Tax Back requires that a company must either have an existing job agreement (no older than 48 months) or agree to sign one within two years.
- Replacement and Repair Sales and Use Tax Refund provides a discretionary refund of state sales and use taxes for major maintenance and improvement projects which invest at least \$3,000,000 and have a positive return on the taxpayers' investment.

*** 100 new jobs were created, and 706 retained jobs were incentivized

Clawback provisions – All AEDC-administered incentive programs require recipients to meet performance standards as a condition of receiving benefits. Incentives under the Consolidated Incentive Act (Advantage Arkansas, InvestArk, Create Rebate, Tax Back, ArkPlus, Research and Development) are performance-based, meaning that recipients are required to meet requisite investment and/or payroll/job requirements which are audited by the Department of Finance and Administration (DFA) prior to receiving benefits. The InvestArk program is different in that DFA conducts the verification audit after the tax credit amount is determined. Other incentive programs including Tourism, Equity Investment Tax Credits, and Digital Product and Motion Picture Industry Development have submittal, review and award processes that require proof of performance to receive benefits. Written agreements for loans and grants specify reimbursement, repayment or recapture provisions for non-compliance. Typical language includes grant reimbursement amounts for each job not created and personal guaranties, collateral, etc. on loans. Each job creation project that receives funds from the Quick Action Closing Fund has a grant agreement with specific grant reimbursement clawback provisions for failure to create requisite jobs.

Equity Investment Tax Credit and Digital Product and Motion Picture Industry Development Projects

Information pertaining to projects involving the Equity Investment Tax Credit Incentive Program and the Digital Product and Motion Picture Industry Development Act are presented separately in this section. For these programs, benefits are offered for investments in equity capital and digital content production expenditures for short-term projects, rather than for job creation and traditional long-term, fixed capital investments.

The **Equity Investment Tax Credit Incentive Program (EITC)** is a discretionary incentive program that is targeted toward new, technology-based businesses that pay wages in excess of 150 percent of the state or county average wage, whichever is less. AEDC and the Arkansas Development Finance Authority jointly administer the EITC program. The EITC program allows approved businesses to offer 33 1/3% income tax credits to investors purchasing an equity investment in approved businesses. In 2019, six financial incentive agreements were approved with cumulative proposed jobs of 162. Projects that signed agreements in 2019 are projected to raise \$7,625,000 in equity from investors. The locations, projected employment, and projected average hourly wages of 2019 projects are as follows:

**Table 3
Equity Investment Tax Credit Projects**

Project Location	Proposed Investment (Minimum Equity Raise)	Proposed Jobs	Proposed Wages
Little Rock	\$625,000	9	\$32.93
Fayetteville	\$1,500,000	30	\$43.00
Bentonville	\$250,000	13	\$32.75
Little Rock	\$2,500,000	45	\$38.20
Little Rock	\$750,000	27	\$38.00
Little Rock	\$2,000,000	38	\$31.40
2019 Total	\$7,625,000	162	\$36.76

The **Digital Product and Motion Picture Industry Development Incentive Program** offers rebates to qualified production companies for eligible production costs and payroll incurred in Arkansas. Presently, the Digital Product and Motion Picture Industry Development Incentive Program is not allocated general revenue funding, therefore approved projects have received funding from the discretionary Quick Action Closing Fund. In FY 2019, My Robot production received \$84,334.48 in QACF funding (see QACF Report, attached, for expenditure data). HBO’s True Detective received funding from the QACF for eligible productions costs in FY 2021. These expenditures will be reflected on the next fiscal year QACF Report.

Programs of the Division of Science and Technology of the Arkansas Economic Development Commission

Incentive programs administered by the Division of Science and Technology of the AEDC are used to nurture entrepreneurial activity indigenous to Arkansas. Therefore, these programs are listed separately below as benefits are offered for investments in seed and equity capital rather than for job creation and traditional long-term, fixed capital investments.

The Seed Capital Investment Program (SCIP) provides working capital to help support the initial capitalization or expansion of technology-based companies located in Arkansas. The program can provide working capital up to \$500,000 of the company's total financing needs. Investments made by the SCIP fund can be repaid through a variety of instruments, including direct loans, participations, and royalties. During calendar year 2019, there were no SCIP projects funded.

The **Technology Development Program (TDP)** provides royalty financing for qualified projects possessing a well-developed and comprehensive project plan. The TDP Program invests in projects focused cutting edge science and technology to grow employment and entrepreneurship in Arkansas. During calendar year 2019, \$300,000 in funding was provided to five different companies. The maximum investment for the program is \$100,000 with terms negotiated on an individual basis.

**Table 4
Technology Development Program (TDP)**

Project Type	Location	Amount
Drone 3D printing software	Fayetteville	\$50,000
Road degradation survey software	Little Rock	\$50,000
Restaurant delivery software	Fayetteville	\$100,000
Torque device for cardiovascular surgery	Little Rock	\$50,000
Artificial Intelligence Shopping software	Fayetteville	\$50,000

The **Technology Transfer Assistance Grant (TTAG) Program** assists Arkansas firms in developing or improving products or processes through the transfer of technical solutions to technology-based, industry-driven problems. The goal of the program is to assist to enhance the market competitiveness of partner companies. The TTAG Program funds costs associated with transferring new or existing technology from a qualified applicant -- such as a public or private enterprise, laboratory, college or university -- to an enterprise based in Arkansas. During calendar year 2019, \$63,750 in funding was provided to seventeen different entities. Each project received a matching grant of \$3,750. These projects were located in Jonesboro, Perryville, Conway, Fayetteville (8), and Little Rock (6).

The **Arkansas Business and Technology Accelerator Grant Program** provides discretionary grants up to \$250,000 to eligible applicants administering a business and technology accelerator. Business accelerators connect innovative, early-stage companies with investors and industry professionals who can assist the companies with further growth, guidance and strategic development. In calendar year 2019, AEDC approved \$1,925,000 in grant funding to assist in the development of eight accelerator programs. The Accelerator Program is not presently allocated any state general revenue, but has been funded through rainy day funds.

**Table 5
Arkansas Business and Technology Accelerator Grant Program**

Accelerator	Accelerator Description	Amount
10X Growth	Startup growth	\$250,000
LifeSciences	Healthcare technology	\$250,000
HealthTech	Hospital Technology & Biotechnology	\$250,000
FinTech	Financial Technology Startups	\$250,000
FUEL	Supply Chain Technology for Retail	\$250,000
ThinkTech	Financial Technology for Community Banks	\$250,000
Supply Chain	Supply Chain Technology	\$200,000
HealthTech	Hospital Technology & Biotechnology	\$225,000

The **Arkansas Small Business Innovation Research Matching Grant Program** awards to companies a discretionary grant matching up to 50% of the amount of a federal Small Business Innovation Research (SBIR) Grant. In calendar year 2019, AEDC awarded \$637,500 in Arkansas SBIR grant funds to eleven recipients. The SBIR Program is not presently allocated any state general revenue, but has been funded through rainy day funds

Table 6
Arkansas Small Business Innovation Research (SBIR) Matching Grant Program

SBIR Grant Phase*	Project Type	Location	Amount
Phase I	Telemedicine	Jonesboro	\$37,500
Phase I	Medical devices	Fayetteville	\$50,000
Phase I	Analytics	Fayetteville	\$50,000
Phase I	Robotic drone manufacturing	Fayetteville	\$25,000
Phase I	Water treatment and testing	Fayetteville	\$25,000
Phase I	Gas measuring	Fayetteville	\$50,000
Phase I	Novel protein-based therapeutics	Jonesboro	\$50,000
Phase II	Multi-hormone drug delivery system	Fayetteville	\$100,000
Phase II	Radiation hardened electronics	Fayetteville	\$50,000
Phase II	High heat electronics manufacturing	Fayetteville	\$100,000
Phase II	Bone scaffolding technology company	Little Rock	\$100,000

* Phase I establishes the technical merit, feasibility, and commercial potential of the proposed project. Phase II is available to those projects which demonstrated potential in Phase I.

Part 2 Assessment of Projects That Did Not Materialize

During the 2019 calendar year, the Arkansas Economic Development Commission engaged in 229 projects, 100 of which signed incentive agreements. Of the projects which signed incentive agreements, 13 were new companies and 87 were existing companies. Upon completion, these 100 projects are expected to create/retain 5,968 jobs and generate \$1,295,057,446 in new investment.

Table 7
Project Status

Project Status	Number of Projects
Project committed to Arkansas-signed incentive agreement in 2019	100
Project has or is likely to announce in 2020	22
Project is active but no decision has been made	60
Project is on hold/status pending	18
Project did not materialize-will not locate in Arkansas*	29
Project proceeded in Arkansas without AEDC assistance	0
Total Projects	229

*Information regarding these projects is provided in Table 8

Table 8
2019 Projects That Did Not Materialize

Type of Company	Number of Jobs	Average Hourly Wage	Incentives Offered	Reason Company Did Not Locate in Arkansas
Manufacturing	35	\$15.80	Advantage Arkansas, Tax Back	Company did commit to Arkansas and later cancelled the project
Consumer Services	12	\$22.00	General Incentive Summary	Company did not qualify for incentives under their NAICS Code
Information Technology	N/A	\$0.00	In-House R&D Tax Credit	Company did not qualify for incentive program
Information Technology	100	\$20.81	Create Rebate, Tax Back	Company experienced a downturn and will reduce workforce by over 60%
Manufacturing	N/A	\$0.00	General Incentive Summary	The company was acquired, production was moved to an existing facility
Health Care Services	31	\$27.00	General Incentive Summary	Located in Nashville, TN, no reason was disclosed
Manufacturing	40	\$15.00	Advantage Arkansas, Tax Back	Company located in Louisiana to accept a free building
Professional Services	200	\$0.00	General Incentive Summary	Project didn't materialize
Manufacturing	N/A	N/A	General Incentive Summary	Project didn't materialize



Food Processing	N/A	N/A	General Incentive Summary	Project didn't materialize
Manufacturing	N/A	N/A	Advantage Arkansas, Tax Back, CDBG Funds	Company did not complete paperwork
Manufacturing	25	\$23.55	General Incentive Summary	Company discontinued project due to market conditions
Information Technology	100	\$0.00	General Incentive Summary	Company canceled the project
Unknown	100	\$33.65	General Incentive Summary	Company located to another state, no reason was disclosed
Manufacturing	1250	\$20.00	In-House R&D Tax Credit	The company did not qualify for incentives
Manufacturing	N/A	N/A	General Incentive Summary	Company located project in Mississippi, they received a discounted building and an offer of more incentive.
Professional Services	N/A0	N/A	General Incentive Summary	Located elsewhere, no reason was disclosed
Food Processing	N/A	N/A	General Incentive Summary	Company located project to an existing facility in another state. Arkansas did not have a building that met the project parameters.
Food Processing	400	\$18.00	General Incentive Summary	Project didn't materialize
Manufacturing	400	\$30.00	General Incentive Summary	Project could not secure financing
Manufacturing	400	\$16.00	General Incentive Summary	The company did not qualify for incentives
Business Services	10	\$15.00	General Incentive Summary	Project was canceled
Food Processing	15	\$18.00	Advantage Arkansas, Tax Back, EIF Grant	Project was canceled
Distribution	0	\$0	General Incentive Summary	Project did not materialize
Manufacturing	50	\$24.00	Create Rebate, Tax Back	Project located to an unknown location for logistical reasons
Textile Manufacturing	0	\$0	General Incentive Summary	Company filed for bankruptcy
Manufacturing	120	\$18.00	General Incentive Summary	Project didn't materialize
Professional Services	N/A	N/A	General Incentive Summary	Founder decided not to pursue the project
Manufacturing	500	\$29.75	Create Rebate, Tax Back, Quick Action Closing Fund	Project didn't materialize

General Assembly Proposals to Assist AEDC and Economic Development

The 92nd General Assembly passed numerous Acts that directly and indirectly impacted AEDC's mission and community and economic development in general. A brief summary is as follows:

AEDC Programs

- 1. Act 202/SB 225 Amend the AEDC Enabling Legislation**
Revises the law concerning the Arkansas Economic Development Commission and the Arkansas Economic Development Council. Defines AEDC's role and the powers and duties of the Council.
- 2. Act 203/SB 226 Tax Credit for Donation of Machinery and Equipment**
Amends the law to allow an income tax credit for donations or sales of machinery and equipment to educational institutions to include cash donation. The cash donation by a tax payer will be for the purchase of new machinery and equipment for a qualified education program or a qualified research program. Credit for a cash donation will be 33% of the amount of the cash donation used by the educational institution to purchase new machinery and equipment.
- 3. Act 327/HB 1490 Amends the Consolidated Incentives Act of 2003 (CIA)**
Makes various changes to the eleven incentives that are included in the Consolidated Incentives Act of 2003. This was the first major revision of CIA since it was established.
- 4. Act 367/HB 1461 Amend the Digital Product and Motion Picture Industry Development Act of 2009.**
Amends the Digital Product and Motion Picture Industry Development Act to extend the sunset date of the legislation to 2029. Changes to a discretionary incentive that requires approval from AEDC Executive Director. Updates the program language to reflect that the amount of the rebate is limited to the amount specified in the approved financial incentive agreement.
- 5. Act 537/HB 1546 160 Amend the Equity Investment Incentive Act of 2007.**
Adds language that allows the tax credit to be sold any time before it is exhausted.
- 6. Act 1085/SB 632 Arkansas Cyber Initiative Act.**
Authorizes AEDC to support a Cyber Alliance in order to reduce cyber risks and encourage economic development. The Act created the Arkansas Cyber Initiative Fund. Authorizes AEDC to work with universities, colleges, government agencies and private business to establish an alliance called the Arkansas Cyber Initiative that will support collaborations for the purpose of improving cyber security and the state economy by improving cyber infrastructure; Increasing focus on cyber job-creating research activities; and Expanding cyber job-creating research activities toward producing more knowledge-based and high-tech cyber jobs.
- 7. Act 242/SB 294 Act to Clarify that Certain Entities are Entitled to Receive Workforce Services Data Under the Department of Workforce Services Law.**
AEDC may receive information from DWS regarding the claims status of workers hired by employers under the Arkansas Economic Development Council's Arkansas Enterprise Zone Program if AEDC submits a list of workers by name and social security number.



- 8. Act 494/HB 1644 Rural Services Division Appropriation for Spay & Neuter Statewide Grant Program.**
Appropriates \$120,000 from for statewide grants to organizations that provide spay and neuter services for the fiscal year ending June 30, 2020.
- 9. Act 876/SB 110 Appropriation for Personal Services and Operating Expenses of AEDC for the Fiscal Year Ending June 30, 2020.**
Appropriates funds for salaries of 108 regular employees; extra help; state operations; and the various programs.
- 10. Act 276/SB 328 Re-appropriate the Balances of AEDC Capital Improvement Appropriations.**
Re-appropriation to AEDC Capital Improvement in 23 separate line-items.
- 11. Act 771/SB 429 AEDC Appropriation for Capital Improvement Projects, Grants, and Programs.**
Appropriates funds for 12 separate line item programs, grants and projects.
- 12. Act 996/SB 595 Provides for Transfer of Unobligated or Unallocated Funds to the Rainy Day Fund From Accounts, Including the Development and Enhancement Fund, General Revenue Allotment Reserve Fund and Funds Provided by the Attorney General.**
Rainy Day Fund Distribution and Set-Asides transfers to the Economic Development Incentive Quick Action Closing Fund for \$30,000,000.

Boards and Commissions

- 13. Act 1079/SB 522 Act to Create a Comprehensive Statewide Workforce Development System and Amend and Expand the Members of the Career Education and Workforce Development Board.**
The Act expands the nonvoting members of the Career Education and Workforce Development Board to include the Division of Minority and Women-owned Business Enterprise of AEDC. Additionally, it give the Office of Skills Development and the Career Education and Workforce Development Board, in coordination with the Department of Higher Education, Higher Education Coordinating Board, and the Department of Education, the authority to bring together workforce development stakeholders to create a strategic plan and road map for meeting current and future workforce demands.

Taxation

- 14. Act 201/SB 196 Act to Adopt Federal IRS Code Provisions Concerning Opportunity Zones; To Provide State Tax Incentives Related to Investments In Opportunity Zones**
Mirrors the Federal Opportunity Zone Program. Taxpayers will be able to defer tax on a capital gain from an Opportunity Zone Investment if they invest the money from the gain in a Qualified Opportunity Fund.
- 15. Act 512/SB 298) Act to Amend the Taxable Wage Base Under the Department of Workforce Services Law.**
Adjusts the amount of wages paid by employers that is subject to unemployment insurance. Ties the State unemployment tax wage base to the average seasonal unadjusted insured employment rate when that rate falls below 2.2%. It could be higher if the unemployment trust fund balance falls to below a certain balance.



Beginning in tax year 2020:

Avg. Seasonal Unadjusted Insured Unemployment Rate	Taxable Wage Base
2.2% and above	\$10,000
1.5% to 2.19%	\$9,000
1.01% to 1.45%	\$8,000
1% and below	\$7,000

16. Act 819/SB 561 The Tax Reform Act of 2019.

The Act makes various changes regarding Arkansas taxes. It requires that the Assessment Coordination Department (ACD) issue guidelines and rules for county assessors in regard to determining exemptions and assessments of business inventory. Moves the administration of the franchise tax from the Secretary of State’s Office to the Department of Finance and Administration.

17. Act 822/SB 576 Corporate Tax Reform.

Implements changes to Arkansas’s corporate tax structure. The Act requires remote sellers to collect sales tax if they have sales exceeding \$100,000 or 200 transactions.
Corporate Income Tax Reduction:

Beginning in tax year 2020:

Taxable Income	Tax Rate
On the first \$3,000	1%
Next \$3,000	2%
Next \$5,000	3%
Next \$14,000	5%
Next \$75,000	6%
Over \$100,000	6.5%

Beginning in tax year 2021:

Taxable Income	Tax Rate
On the first \$3,000	1%
Next \$3,000	2%
Next \$5,000	3%
Next \$14,000	5%
Next \$75,000	6%
Over \$100,000	6.2%

Beginning in tax year 2022:

Taxable Income	Tax Rate
On the first \$3,000	1%
Next \$3,000	2%
Next \$5,000	3%
Next \$14,000	5%
Over \$25,000	5.9%



The Act allows for net operating loss can be carried forward 8 years and 10 years beginning in 2021. In addition, apportionment changed to single sales factor beginning January 1, 2021 and it makes various changes to tax calculations for car wash operations in Arkansas.

18. Act 182/SB 211 Tax Competitiveness and Relief Act of 2019.

Makes changes to the individual income tax rate structure.

Beginning 2020, individual Income >\$22,000 is taxes at the following rates:

<u>From</u>	<u>Less Than or Equal to</u>	<u>Rate</u>
\$0	\$4,499	0%
\$4,500	\$8,899	2%
\$8,900	\$13,399	3%
\$13,400	\$22,199	3.4%

Beginning 2020, individual income between \$22,000 and \$79,300 is taxed at the following rates:

<u>From</u>	<u>Less Than or Equal to</u>	<u>Rate</u>
\$0	\$4,299	.75%
\$4,500	\$8,899	2.5%
\$8,900	\$13,399	3.5%
\$13,400	\$22,199	4.5%
\$22,200	\$37,199	5%
\$37,200	\$79,300	5.9%

Beginning January 1, 2020, individuals with net income <\$79,300:

<u>From</u>	<u>Less Than or Equal to</u>	<u>Rate</u>
\$0	\$4,000	2%
\$4,001	\$8,000	4%
\$8,001	\$79,300	5.9%
\$79,301 and above		6.6%

Beginning January 1, 2021, individuals having net income <\$79,300:

<u>From</u>	<u>Less Than or Equal to</u>	<u>Rate</u>
\$0	\$4,000	2%
\$4,001	\$8,000	4%
\$8,001 and above		5.9%

Every individual having net income between \$79,300 and \$84,600, shall reduce the amount of income tax due by the bracket adjustment below:

<u>From</u>	<u>Less Than or Equal to</u>	<u>Rate</u>
\$79,301	\$80,300	\$440
\$80,301	\$81,300	\$340
\$81,301	\$82,500	\$240
\$82,501	\$83,600	\$140
\$83,601	\$84,600	\$40
\$84,601 and above		

19. Act 213/SB 112 Amend the Law Concerning the Income Tax Credit for Youth Apprenticeship Programs.

Allows a taxpayer who employs an apprentice who is at least 16 years of age an income tax credit in the amount of \$2,000 or 10% of the wages earned. This law was previously limited to youth apprentices.

20. Act 416/ SB 336 Act to Provide Additional Revenue to Maintain and Repair Highways, Streets and Bridges in the State; To Levy a Wholesale Sales Tax on Motor Fuel and Distillate Special Fuel Governor's Highway Bill. Creates an indexed wholesale tax on motor fuel and adds annual fees to hybrid (\$100) and electric vehicle (\$200) registration. The Act calls for the transfer of these new revenues and casino tax revenues that are in excess of \$31,200,000 to be transferred to the State Highway Fund and be used in maintaining and repairing public highways, streets and bridges.

21. HJR 1018 House Joint Resolution. An Amendment to the Arkansas Constitution to Continue a Levy of a One-Half Percent Sales and Use Tax for State Highways and Bridges, County Roads, Bridges, And Other Surface Transportation.

Companion piece to the Governor's highway package. Measure will be a ballot issue for voters to decide on extending the sales and use tax of 0.5% on taxable sales of tangible personal property, specified digital products, digital codes, and services that are levied under Amendment 91. The revenue generated is used for the state's four lane highway system, county roads and city streets.

22. Act 470/HB 1493 Amends the Arkansas Historic Rehabilitation Income Tax Credit.

Lowers the threshold for renovation expenses to qualify under the historic rehabilitation tax credit. Income producing properties must have a minimum investment of \$25,000 in qualified rehabilitation expenses and non-income producing properties must have a minimum investment in \$5,000 in qualified rehabilitation expenses. Effective for tax years beginning on or after January 1, 2019.

23. Act 808/SB 447 An Act to Amend the Law Concerning Property Tax Relief and The Property Tax Relief Trust Fund; To Increase the Homestead Property Tax Credit.

Increases the Homestead Property Tax Credit from \$350 to \$375 effective for assessment years beginning after January 1, 2019.

24. Act 855/HB 1800 Act to Create the Arkansas Major Historic Rehabilitation Income Tax Credit and the Arkansas Major Historic Rehabilitation Trust Fund

Creates the Arkansas Major Historic Rehabilitation Trust Fund to consist of The Arkansas Major Historic Rehabilitation Income Tax Credit Act and allows an income tax credit up 25% of the total qualified rehabilitation expenses incurred by the owner to complete a certified rehabilitation.

25. Act 772/SB 582 Act to Provide Sales and Use Tax Refund for Machinery and Equipment Used to Modify, Replace, or Repair Molds and Dies Used in Manufacturing.

Amends sections of the Arkansas code related to machinery and equipment purchased to be used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging at a manufacturing or processing plant to receive a sales tax refund on molds and dies.

Local and Regional Government/Economic Development

- 26. Act 560/SB 203** Amend the Law Pertaining to Municipal Advertising and Promotion Taxes
Expands the law regarding municipal advertising and promotion taxes to allow a tax on the admission price to a state park located within the boundary of the city or town.
- 27. Act 703/SB 471** Amend the Laws Concerning Local Government Bonds
Allows the governing body of a municipality or county to pledge by ordinance all or a specified portion of the share of collections of the net casino gaming receipts tax to retire bonds issued for capital improvements or economic development projects.
- 28. Act 798/HB 1885** Amends the Local Job Creation, Job Expansion, and Economic Development Act of 2017.
Amends the 2017 Act that authorized municipalities/ counties to obtain and appropriate money for a corporation, association, institution, political subdivision of the state, the federal government, or an individual to finance economic development projects or to provide economic development services. Amends the definition of “economic development project” to include retail facilities.
- 29. Act 1072/HB 1984** Act to Amend the AR Constitution and the Code Concerning Certain Economic Development Projects.
- A. Amends the Arkansas Constitution, Article 12, definition of “economic development project” to include sports complexes designed to host local, state, regional, and national competitions, including without limitation baseball, softball, and other tournaments. This section allows a city, county, or municipal corporation to obtain or appropriate money for a corporation to finance economic development projects or services.
 - B. Amends the Arkansas Constitution under Amendment 62, which allows any city or county to acquire bonds for the purpose of economic development projects, by adding sports complexes to the definition of “economic development projects”
 - C. Amends the Local Government Bond Act definition of “economic development projects” to include sports complexes designed to host local, state, regional, and national competitions, including without limitation baseball, softball and other sports tournaments.
 - D. Amends the law that allows local governments to raise taxes for economic development projects. The definition of “economic development” project is amended to include sports complexes designed to host local, state, regional, and national competitions, including without limitation baseball, softball, and other sports tournaments.
 - E. Amends the Local Job Creation, Job Expansion, and Economic Development Act’s definition of “economic development project” to include sports complexes designed to host local, state, regional, and national competitions, including without limitation baseball, softball, and other sports tournaments.
- 30. Act 613/HB 1729** Amends the Interlocal Cooperation Act.
Amends the Interlocal Cooperation Act of 1976 to allow for storm water systems to be an eligible project under the law.

Miscellaneous

- 31. ACT 910/HB1763 Creates the Transformation and Efficiencies Act of 2019**
Establishes 15 cabinet level departments of the executive branch of State government to be led by a named Secretary.
- 32. Act792/HB1826 To Amend the Law Concerning the State Broadband Manager**
Amends the code allow the Governor to designate the State Broadband Manager.
- 33. Act 198/SB150 To Amend the Telecommunications Regulatory Reform Act of 2013: To Provide Additional Access to Federal Communication s Commission-Defined Broadband Service**
Allows government entities to provide voice, data, broadband, video or wireless communication service under permitted arrangements. Removes restrictions for education or medical services.
- 34. Act 581/SB 453 (Eads) Act to Provide Funding for the Arkansas Waterways Commission and for the Development, Improvement, and Expansion of the McClellan Kerr Arkansas River Navigation System.**
Creates the Arkansas River Navigation System Fund which will consists a portion of taxes and penalties collected from transportation companies that are directly related to watercraft on the Arkansas River.
- 35. Act 691/SB 348 Act to Establish a Hard Cider Manufacturing Permit and Amend Existing Alcoholic Beverage Permits to Authorize the Sale of Hard Cider.**
Act allows for the creation of a hard cider manufacturing permit.
- 36. Act 740/SB 565 Act to Amend the Law Regarding A Distiller or Manufacturer Permit, To Authorize Off- Premises Sale of Vinous Liquor for Consumption.**
Amends the law to allow a distiller or manufacturer to hold tasting events for spirits or wine for educational or promotional purposes.
- 37. Act 820/SB 564 Amends Military and Military Spouse License Portability**
Allows automatic licensure for active duty service members, returning military veterans and their spouses in their professions stationed in Arkansas. The individual must be a holder in good standing of an equivalent occupational license issued by another state or territory.
- 38. Act 838/HB 1554 Amend the Law Concerning the Procedures for Annexation into an Adjoining Municipality.**
The Act reduces the time frame for the process of landowners requesting a municipality to provide additional services to 90 day as well as the timeframe that a municipality has to make progress in providing services requested to complete an annexation to 90 days.
- 39. Act 853/HB 1751 Amend the Minimum Wage Act of the State of Arkansas.**

 - A. Amends the law that applies to an employer that provides board, lodging, apparel or other items to an employee will compensate the employee in with an allowance as part of their hourly wage at a rate considered fair and reasonable.



- B. Changes section of the law that allows an employee to receive compensation and an additional award from an employer who violates wage and hours provision. The employee must now prove the violation was willful to receive any additional awards.
- C. Requires that employers who discharge an employee pay all wages due by the next regular pay day, if fail to do so within 7 days they will owe the employee double wages.

Part 3 Accounting of Major Factory and Plant Closures

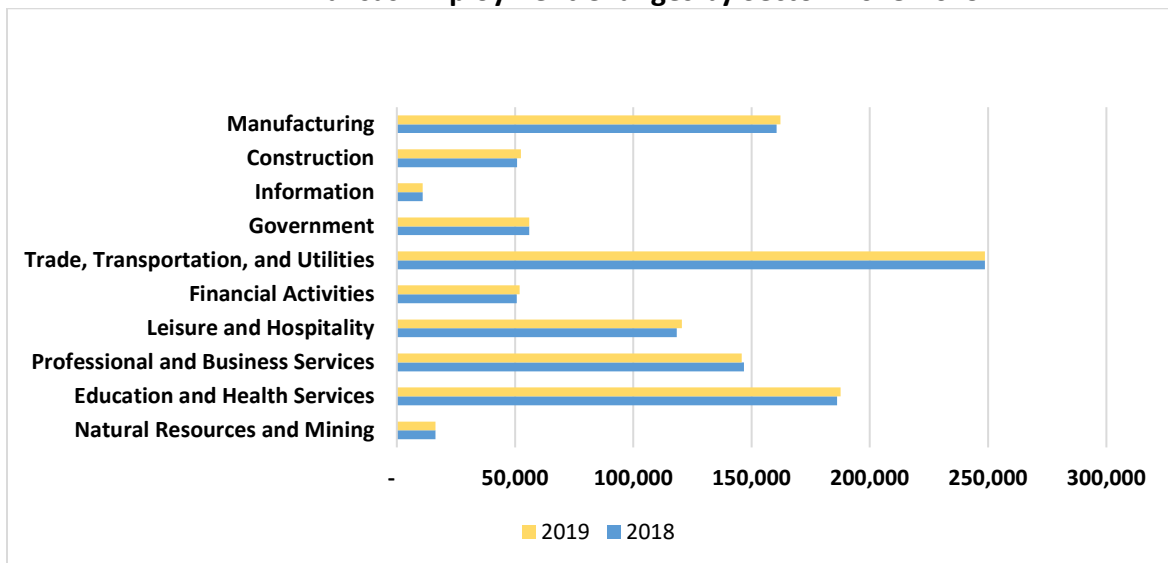
Table 9
2019 Major Manufacturing Closures

Location	Number of Jobs Lost	Reason for Closure
Crossett	530	Inability to compete in industry market
Fayetteville	85	NA
Fort Smith	45	Corporate restructuring
Harrison	108	Corporate restructuring
Hope	100	Inability to continue to compete in industry market
Little Rock	43	Corporate moved production to Tennessee
Morrilton	163	NA
Pine Bluff	75	Corporate decision to close location
Trumann	54	NA

Source: Arkansas Economic Development Commission Layoff and Closure Database and Arkansas Department of Workforce Services Dislocated Workers Taskforce

Economic Sector Changes

Chart 4
Arkansas Employment Changes by Sector: 2018-2019



Source: US Bureau of Labor Statistics

Sectors with Losses

Professional and Business Services had a loss of 915 jobs between 2018 and 2019. Many of these job losses were in administrative services which includes employment services and temporary help services. A decline in these businesses may be attributed to record low unemployment levels in 2019. Telephone call centers and telemarketing services also experienced job declines. The sector had gains in professional and technical services and consulting services jobs.



Government sector is comprised of those employed in local, federal and state government in Arkansas. State government had a loss of 245 jobs, however federal and local government had gains between 2018 and 2019.

Part 4 Strategies and Recommendations for the Coming Year

Plans for Preventing Closures and Job Losses

While there are many economic factors such as global competition, recession, and corporate restructuring that cannot be influenced by AEDC, there are areas where AEDC is positioned to provide support and guidance to existing businesses and industries.

Existing Industry Support and Outreach

The AEDC Existing Business Resource Division (EBRD) works closely with representatives of existing and newly located employers. The team members work directly with existing companies to evaluate and understand the complex issues affecting a company. In 2019, EBRD performed 488 on-site company visits statewide. The purpose of the visits was to identify concerns regarding workforce, growth, operational excellence, leadership, and supply chain management. Early identification and support to resolve these key issues lead to reduced business closures, layoffs, and job losses. Of these visits, 86 companies were referred to the division's Manufacturing Solutions team for follow-up assistance. In addition, 298 companies were referred to AEDC's Business Development Team for assistance. Additionally, the EBRD team works to provide support to industry clusters through various events including a series of Supply Chain Symposiums and partnerships with organizations such as the Arkansas Aerospace Alliance.

COVID-19 has presented many manufactures with supply chain issues. To assist companies who are struggling with supply chain disruptions related to the pandemic, AEDC's Manufacturing Solutions has put in place resources for companies to develop a plan to optimize their supply chain. Through the development of short-term and long-term solutions, companies can minimize disruptions and realize alternative suppliers.

Addressing the Entry Level Job Need

During 2019, the EBRD team's discovery visits highlighted the need to fill almost 10,000 entry level production jobs in the state. Of these jobs, 80% require a minimum of a high school diploma/GED as well as some technical training. Through a collaboration with the Office of Skills Development and the University of Arkansas Fort Smith, the Future Fit Pilot Program was developed and launched in 2019. The program helps place qualified individuals directly into well-paying jobs with participating companies in Arkansas. Participants of the program completed a training program that prepared them for entry-level employment with these companies. Over 10 companies participated in the Pilot program. In December 2019, 9 individuals completed the pilot program after 120 hours of training. Seven participants gained employment upon graduation or within two weeks of program completion at an average hourly wage of \$13.25. Approximately 60% of these graduates will be offered a substantial salary increase (on average up to \$40,000 per year) upon completing their company's required probationary period. Approximately 71% of the participants hired were in the justice system prior to completing the course of training. AEDC plans to expand the program to other areas of the state and is actively working to develop additional partnerships with companies and educational institutions. This program will be crucial to companies who need to fill entry jobs and Arkansans who are seeking employment or better employment opportunities.

Matching Skills Sets with Available Jobs

The EBRD Division has two team members with the ability to provide WorkKeys Job Profiling. The process aligns the needed WorkKeys skill sets with the requirements of a job to ensure that new hires have the required skill sets to perform the job successfully. These skills set include: Applied Math, Workplace Documents, Graphic Literacy, Applied Technology, and Observation Skills. The EBRD team is working to expand the service to additional locations. These profiles are helpful to new and expanding companies by ensuring the skill requirements they have are being successfully match with potential job candidates. The ACT WorkKeys National Career Readiness Certificates are available at no costs to all prospective employees for new and expanding companies. EBRD team members are working directly with companies to understand the ACT WorkKeys Program and generate increased enrollment in the profiling process.

Providing Solutions Based Support to Production Operators

AEDC's Manufacturing Solutions team provided technical and consulting assistance to 285 companies in 2019. Manufacturing Solutions is a specialized team of professionals that assist manufacturers in the areas of growth and innovation, workforce improvement, production development and location expansion, sustainability and waste reduction, leadership development, and operational excellence. Through an independent third party, company engagements were measured for 2019. These engagements resulted in new and retained company sales of \$220.6 million, \$11.2 million in operational costs savings, \$31.6 in capital investment made, and 974 jobs that were created or maintained due to service. The team will continue to provide assistance to Arkansas manufacturers by providing solutions in the area of focus listed above.

Cybersecurity

A growing area of concern for existing industry is cybersecurity. In calendar year 2019, EBRD provided companies with awareness of current and critical issues with cybersecurity. The team will continue to be a resource to support Arkansas manufacturers on how they can be impacted through a cyber attack and connect them with additional resources to protect their operations. A cybersecurity attack on a manufacturer can interrupt production in relation to the supply chain; however, it can also have lasting impacts through reduced customer confidence and loss of revenue.

In 2019, Act 1085, the Arkansas Cyber Initiative Act, authorized AEDC to support a cyber alliance to reduce cyber risks and encourage economic development. AEDC is working with universities, colleges, private businesses and other government agencies to establish the alliance to improve cyber infrastructure and expand innovation, workforce development and intelligence in relation to improving cybersecurity in the state. The development of a highly skilled cybersecurity workforce will enable companies to protect their organizations and customers from potential attacks. Through this initiative, Arkansas and AEDC can build a pipeline of skilled cybersecurity professionals that can move into needed jobs in businesses, government institutions, and higher education institutions.

Exporting Support to Arkansas Companies

Exporting to new markets can increase and diversify customers as well as boost revenue for many companies. However, entering foreign markets can present challenges that can negatively impact an organization that is unprepared. AEDC's ExportTech program is a comprehensive training program that helps a company develop a customized export plan. In 2019, the program assisted seven companies that are exploring exporting opportunities. AEDC representatives partner with professionals to provide an understanding of international market research and marketing, compliance issues, logistics, and governmental resources available. AEDC plans to host two cohorts of ExporTech training in 2020.



Assessment of the Relative Risk of Losing Factories, Plants, and Jobs

The overall manufacturing sector grew between 2015 and 2019. The sector experienced a net gain of 4.73%, which equaled 7,318 jobs. Several sectors that had been experiencing decline in recent years have added employment. These include paper manufacturing, nonmetallic minerals, furniture, and leather.

Table 10
Arkansas Manufacturing Transitions: 2015-2019p

Growth	Small to Moderate Decline (-.01% to -9.9%)	Large Decline (-10%+)
Food & Beverages (+13.22%)	Metals (-0.65%)	Computers & Electronic Products (-17.24%)
Transportation Equipment (+10.86%)	Misc. Manufacturing (-1.51%)	
Chemicals (+9.58%)	Plastics & Rubber (-3.94%)	
Furniture (+8.74%)	Printing & Related Support Activities (-6.25%)	
Petroleum & Coal (+6.75%)		
Machinery Manufacturing (+6.08%)		
Textiles & Apparel (+4.88%)		
Leather (+4.49%)		
Wood Products (+3.49%)		
Paper Manufacturing (+1.12%)		
Nonmetallic Minerals (+1.8%)		

Source: Bureau of Labor Statistics, 2015-2019p (preliminary) private sector Quarterly Census of Employment and Wages, June 2020



Summary of Manufacturing Sector Job Losses

Below is a summary by net loss and percentage of the sectors that did not experience growth from 2015 to 2019.

Plastics & Rubber: (2015-2019 net loss -440; -3.94%) The two segments with the largest job losses were nonpackaging plastics film and sheeting manufacturing and other plastics product manufacturing. Manufacturing of plastic pipe grew by 10.4% and laminated plastics plate, sheet and shapes grew by 25.5% in 2019. The sector also increased jobs in polystyrene foam product manufacturing by 71 jobs.

Miscellaneous Manufacturing: (2015-2019 net loss -51; -1.51%) The category of Miscellaneous Manufacturing had a 1.5% loss in jobs in 2019. Surgical appliance and supplies manufacturing experienced a 22.4% growth over the time period as the overall national demand for those products increased. Sign manufacturing and sporting and athletic goods manufacturing in Arkansas also added jobs in 2019.

Metals: (2015-2019 net loss -155; -0.65%) The metals subsector has a loss of -3.5% in the area of primary metal manufacturing from 2015 to 2019. However, between 2018 to 2019, primary metal manufacturing grew by 385 jobs. This can be attributed to projects announced with Big River Steel, Nucor, and other primary metal manufacturers currently in growth mode and increasing their workforce. Recovery in this segment of metals is expected to continue. Fabricated metals manufacturing grew by 1% during 2015 to 2019 by 155 jobs.

Computer and Electrical Equipment Manufacturing: (2015-2019 net loss -1325; -17.24%) Increases in tariffs of foreign goods and of costs related to importing and exporting triggered a slowdown in U.S. computer and electronic equipment manufacturing in 2019. Subsector job losses in this sector in 2019 reflected this lag as factories slowed production and trade tensions continued. Many subsector manufacturers have begun to explore onshoring production and contract with supply chain partners in areas outside of China. Arkansas did see job growth in the subsectors of wiring device manufacturing and relay and industrial control manufacturing.

Printing and Related Services: (2015-2019 net loss -249, -6.25%) This sector continued to lose employment as the shift to digital technology grew. Digital technology will continue to impact printing and related services. However, the area of commercial screen printing experienced a 10.9% increase in employment in 2019.

Plans for Increasing the Number of Economic Development Proposals

Transformation of State Government

The Transformation and Efficiencies Act of 2019 restructured Arkansas's state governmental agencies into fifteen cabinet level agencies. On July 1, 2019, the Arkansas Economic Development Commission became a division of the Arkansas Department of Commerce. In December of 2019, AEDC moved into a new location that will also house the sister divisions of the Arkansas Department of Commerce. These changes will provide for greater collaboration among the divisions to address the complex and changing issues that face workforce and economic development.

Focus on Workforce

Workforce is a key driver in business recruitment and expansion projects. Improving the skills and readiness of the state's existing workforce is necessary to win economic development projects. AEDC will expand the Future Fit Program to additional regions with a goal of having 250 students graduated by the end of 2020. Seven additional two-year colleges are being engaged around the state to expand the Future Fit program. The expectation is to have each site teach four classes a year with a minimum of 15 students per cohort. Four of the seven educational institutions have completed a MOU with AEDC to partner on the Future Fit Program. The Office of Skills Development (OSD), a division of the Arkansas Department of Commerce, will continue to be a key partner with AEDC in the expansion of the program. In 2020, OSD will provide the funding for equipment and the cost of instruction as well as technical expertise. The expansion of Future Fit will create a consistent pipeline of potential employees that both new and existing companies can rely on. This program can reduce the time and costs a company would expend to hire entry level workers. Future Fit can guarantee a pool of individuals who have completed a comprehensive training program with the skill set they need.

Expansion of the ACT WorkKeys Job Profiling Program will ensure that the skills needed to fill vacant and new positions are being aligned with prospective job candidates. Through expanding the program, AEDC and other workforce development partner can evaluate an in-demand skill set and coordinate industry needs with educational institutions that can implement corresponding curriculum. AEDC's Community Development Division is assisting communities to achieve ACT WorkReady Communities status. In 2019, the division worked with five communities to receive their WorkReady Community Certificate: Forrest City, Van Buren, Lafayette County, Bradley County, and Randolph County.

Act 820 of 2019 amended military and military spouse license portability in Arkansas. This allows automatic professional licensure for active duty service member as well as returning military veterans and their spouses. This Act will eliminate the red tape these individuals previously had to navigate in Arkansas in order to engage in an occupation if they held a license in good standing in another state. Act 820 will increase the number of licensed professionals in the state and give AEDC the ability to compete for projects that require an available pool of professionals. It will further encourage recently retired military personnel to make Arkansas their permanent home

Promoting Arkansas's More Competitive Business Climate

The 92nd General Assembly accomplished several tax reforms that increased the competitiveness of Arkansas's business climate. These tax reform changes have put Arkansas in a better position to attract projects that might have previously eliminated the state based on the tax code. These reforms included lowering the corporate tax rate, expanding net operating loss carry forward to 10 years, and changing apportionment from a double weighted sales factor to a single sales factor. Act 182 of 2019 lowered the individual income tax rate of those with income over \$79,300 and will consolidate six tax brackets into



three. Act 201 of 2019 will encourage investment of capital gains into qualified Opportunity Zones that mirrors the federal Opportunity Zone Program. These important changes will assist AEDC's Business Development team in recruiting new business, retaining existing business, and encouraging expansion projects.

Redeveloping Project Management

While COVID-19 has caused many companies to pause location or expansion plans in 2020, others are moving forward. Traditional face-to-face meetings and interactions between company representatives, local economic development professionals, site development consultants, and AEDC staff has dramatically changed. Travel restrictions and risks associated have shifted a traditional site location visit that is in person and on-site to a virtual platform. Through utilizing high quality videos and teleconference software, AEDC has continued to move forward with prospective location projects.

Promoting Arkansas Globally

In calendar year 2019, AEDC maintained three Arkansas international offices located in Europe, Japan and China. These offices focus on the growth of foreign direct investment through promoting the state's competitive business climate, central location, and proximity to major markets in North America. AEDC's international office staff work to create relationships with international companies who are considering a location or expansion in the United States. In calendar year 2019, AEDC's International Offices fostered international trade and foreign direct investment by attending 163 meetings, trade shows, special events, trade missions and prospective company visits.

Trade missions are an important way for the State of Arkansas and economic development partners to foster trade relationships with other countries. The missions allow AEDC and other state officials the opportunity to meet with foreign company executives, government officials, trade associations, and U.S. Embassy representatives in one-on-one settings. In 2019, AEDC participated in three trade missions to Europe, India, and Germany.

In calendar year 2019, AEDC signed incentive agreements for fourteen projects with companies that had a foreign owned parent company. These agreements created or retained 1,380 jobs at an average hourly wage of \$27.92. The projects collectively represented \$280,786,994 of proposed new investment. This average wage exceeded the 2019 state average hourly wage of all workers by \$5.71 per hour. Arkansas has approximately 280 operations that have a foreign-owned parent company.

Tech Sector Growth Through Fostering Innovation

The programs of the Division of Science and Technology encourage entrepreneurship and innovation through the commercialization aspect of startup companies. By nurturing companies and entrepreneurs at early state development, AEDC can grow the state's tech sector from within.

The Transfer Assistance Grant (TTAG) Program is positioned to increase the competitiveness of Arkansas based enterprises by providing funds for the transfer or deployment of innovative technology. AEDC awarded seventeen TTAG grants in 2019. In addition, the Arkansas Business and Technology Accelerator Grant Program connects early stage tech-based companies to connect with investors and industry experts that can provide the guidance and support they need to grow. In 2019, AEDC provide funding to eight Accelerator programs in Arkansas.

The Technology Development Program (TDP) concentrates on commercialization of new technology-based products. AEDC can provide bridge financing of up to \$100,000 to assist qualified organizations in



Arkansas. Through the Small Business Innovative Research Matching Grant Program (SBIR), AEDC provides matching grants to companies who have received federal SBIR funding. Through fostering cutting edge technology research at Arkansas based companies, AEDC is investing in the future growth and competitiveness of the state's technology sector.

Momentum from Film and Digital Product Success

The tremendous success of having filmed season 3 of HBO's True Detective in Arkansas is continuing to create positive ripple effects for the state 2019 saw an abundance of interest for filming feature productions, commercial/industrial productions, as well as an incredible increase in film-festival and film-workshop attendance. In 2019, the Arkansas Film Office represented AEDC at fifteen film festivals throughout the state to engage attendees in Q&A sessions, providing technical assistance, programming expertise, and marketing and promotional assistance. The Office worked to promote and develop the Arkansas Production website to effectively capture and promote the state's industry professionals, locations and vendor services.

Calendar year 2020 was on pace to realize even more progress, until the industry was put on hold for five consecutive months due to COVID-19. With the concerted efforts and input from AEDC, Arkansas Department of Heritage, and Arkansas Department of Parks and Tourism, an action plan was created to institute safety protocols to help navigate the pandemic and safely enable film productions to resume.

Targeted Marketing and Communications

The AEDC Marketing and Communication Divisions promote Arkansas as a destination for business expansion and relocation projects that will create new jobs and investment. The Marketing and Communications team members will leverage traditional and digital marketing channels that include content and media buys in print and broadcast channels, website, podcasts, social media, and other targeted marketing activities. This targeted approach through a strong mix of content and media, will continue to effectively promote the competitive advantages of doing business in Arkansas to prospective companies.

COVID-19 has impacted agency staff members from traveling to meet face to face with prospective companies, consultants and existing businesses. As some of these face-to-face meetings move to a virtual environment, AEDC will move to strengthen its digital presence through video and other media content to continue to provide targeted marketing campaigns and effective branding of the state. As a result, outreach to these groups and other targeted business will be critical to effectively promote the advantages of doing business in Arkansas. AEDC plans to highlight the state's response to the COVID-19 pandemic, including actions taken by state government and businesses across the state to preserve jobs and stabilize the economy.

Specific activities that occurred in 2019 include:

- The Marketing Division partnered with other agency divisions to plan and implement marketing needs for conferences, informational sessions, and other in-person events that the agency participated in or hosted through developing informational brochures and other items.
- The division launched a targeted, digital marketing campaign to support the Arkansas delegation at the Paris Air Show that generated 58,700 impressions and 735 clicks. AEDC was able to amplify an expansion announcement at the show that generated 53 potential leads.
- AEDC developed digital campaigns that generated 16 million impressions, 234,000 clicks and 1,367 leads.

- Launched email marketing campaigns, digital display advertising, social media (paid and organic) and created value-added content.
- Coordinated with AEDC divisions to plan media buys in local and national publications.
- Created digital content to include 49 blog posts, 27 newsletters, 6 podcasts, 2 case studies, 3 industry reports, and multiple videos and infographics.
- The division assisted in coordinating 9 networking events throughout the U.S. as well as the Paris Air Show. These events furthered relationships with site location consultants and industry executives who attend them.
- Promoted the HBO series “True Detective” through multiple videos highlighted through social media, email newsletters, and the AEDC website.
- Produced and promoted videos across digital channels and business development outreach. These included: “6 Weeks of Expansions in Arkansas,” “1500 jobs in 10 Days,” and videos highlighting four shovel-ready sites across Arkansas.
- Promoted the “Why Arkansas” video throughout 2019 to prospective companies through digital channels and face-to-face meetings.
- AEDC’s social media followers grew 31.3% year-over-year across LinkedIn, Twitter and Facebook for a total audience of 14,988.

Community Development and Readiness

Successful community development facilitates successful business recruitment, business retention and economic growth at a local level. AEDC’s Community Development Division is a strategic partner to Arkansas communities as they develop and obtain the necessary resources to identify and address local development challenges.

Through the Competitive Communities Initiative (CCI), AEDC works with communities to develop a plan to increase their competitiveness for new jobs and investment. The CCI program is an important tool to prepare communities to market quality building and sites that will lead to new investment and create jobs. The program provides community leaders with best practices and guidance from professional economic developers and includes a third-party evaluation to strengthen their competitiveness. In the second year of the CCI program, AEDC designated Little Rock, Jonesboro, Crossett, Paragould, and Newport as designated CCI communities. The Community Development Division assisted communities working to achieve CCI status including Camden, El Dorado, Clarksville, Magnolia, Hope, West Memphis, Mississippi County, and Forrest City.

In 2019, AEDC’s team of Community Development Regional Managers developed a new Resource Guide for community leaders to guide them in economic development and provide an understanding of agency resources. The new guide was presented to leaders in 14 communities in 2019.

The Community Development Block Grant (CDBG) Program, funded through the Housing and Urban Development Department (HUD), is administered by AEDC’s Grants Management Division. The team assists low-to-moderate income communities by providing funds for community development projects such as water/wastewater projects, senior citizen centers, childcare centers, public health buildings, fire stations and fire equipment, community centers and other public facility and public infrastructure projects. Through these projects, communities with limited resources can build and maintain infrastructure that is critical for economic recruitment, business retention and overall community growth and development. In 2019, AEDC administered an allocation of \$17.9 million from HUD. In the



next year, AEDC will develop a new five-year consolidated plan for administering CDBG funds in Arkansas.

The Division of Rural Services is charged with assisting rural communities with a population of 20,000 and under. In 2019, Rural Services began the administration of the Community Assistance Grant Program (CAGP). These funds originated from a \$1 million appropriation by Governor Hutchinson from the Rainy-Day Fund. The CAGP was established to provide grant funding of up to \$50,000 to cities of the first class, cities of the second class, incorporated towns, unincorporated communities, counties, or governmental entities of the State of Arkansas for eligible community and economic development projects. The Division of Rural Services received 141 applications for CAPG funds. AEDC was able to grant funds to 23 of the total applications received.

In 2019, the Arkansas Rural Connect (ARC) Program was developed as an initiative to expand broadband into rural Arkansas communities. The ARC program will distribute grants to partnerships between localities and internet service providers. This initiative is an important step to increasing the broadband footprint to areas that lack reliable, high-speed connection. Greater broadband access will increase the ability for rural Arkansas to compete for economic development projects and to provide training programs that residents can access locally.

Plans for Creating New Initiatives/Incentives

AEDC and partner divisions of the Arkansas Department of Commerce plan to expand the Future Fit Pilot Program to include seven additional locations in Arkansas. Building on the success of the Pilot program AEDC will work to engage additional company and educational institutions to partner to grow and improve the state's workforce.

AEDC's Manufacturing Solutions is preparing to work with small to medium sized manufacturers to mitigate risks associated with COVID-19 through providing no costs risks assessments. This program will safeguard employees and significantly reduce the possibility of a shutdown or closure due to an outbreak of the virus. Through reducing risk of outbreaks in Arkansas's manufacturing settings the program will reduce the potential spread of COVID-19 in Arkansas communities.

AEDC will continue to work with CCI Communities to develop quality buildings and turnkey sites to market to prospective companies. An increased inventory of shovel ready sites and available buildings will be critical to competition for new companies to locate to the state and for existing companies to expand.

The State Broadband Office and the Arkansas Department of Commerce will continue to develop and implement the ARC Program initiative launched in 2019. AEDC will work with local communities and internet service providers to provide information and technical assistance to apply for ARC grants. Funding for Round 1 of the ARC program will begin in 2020.

At the time of filing this report for calendar year 2019, the world is experiencing the worst pandemic in over a century. AEDC is working with companies and economic development organizations around the state to determine how company operations, job duties, and other business functions are changing as a result of COVID-19.



AEDC continues to market the state on a global scale while understanding that companies and industries are in an unprecedented state of flux. The pandemic could make long lasting changes to how companies and communities operate, and the agency and the Arkansas Department of Commerce are committed to evaluating programs and incentives to better fit a changing global economy.

2020 has presented challenges that have made business in every category vulnerable and they face unique challenges such as workforce retention, supply chain slowdowns, unbudgeted costs to implement health and safety measures, and unpredictable consumer markets. Many companies are reexamining their supply chain locations and evaluating the potential issues of having overseas production facilities. This shift to relocate suppliers and manufacturing production domestically could provide Arkansas with a unique opportunity to reshore jobs and capital investment. Arkansas's manufacturers were not as severely impacted as some states that had lengthy and widespread stay at home orders that shuttered many facilities. AEDC will partner with stakeholders and the General Assembly to address company strategies to move production and jobs from overseas facilities.

AEDC is supportive of the Governors Executive Order 20-33 that was signed to protect Arkansas Businesses from liability related to the COVID-19 Pandemic. The proclamation allowed businesses to reopen without fear of a litigation. Without this Executive Order, many businesses would have likely decided not to reopen until later or closed their doors permanently. AEDC will assist stakeholder groups and the Arkansas General Assembly in working to address the ongoing litigation issue during the next Legislative Session.



Part 5 Director’s Assessment of the Department’s Performance

Comparison of the Department’s Performance for the Past Two Years

Table 11
2018-2019 Job Opportunities from Signed Incentive Agreements:
New and Expanded Year-End Results

Year	Type	Projects	Jobs	Total Investment	Average Hourly Wage	Cost Benefit Ratio
2018	New	17	833	\$174,263,348	\$20.17	4.44
	Expanded	56	3,232	\$1,632,107,632	\$17.59	
	Retention	1**	214	\$500,000	\$12.21	
	Total	74	4,279	\$1,806,870,980	\$17.76	
2019	New	13	1,404	\$207,929,586	\$23.31	4.30
	Expanded	84	3,630	\$837,627,860	\$27.55	
	Retention	3	934	\$249,500,000	\$33.64	
	Total	100	5,968	\$1,295,057,446	\$25.79	

* a cost benefit ratio-for a cost benefit ratio of 4.30 means that, over a ten-year period, the state will get back, in taxes, \$4.30 for each dollar of incentives used for job creation projects.

**Retention project also included an expansion of 25 new jobs

Table 12
2019 Arkansas Job Creation and Job Loss Comparison

Jobs from Signed Incentive Agreements with AEDC Involvement – AEDC Eligible Businesses Only	5,968
Jobs Lost Due to Layoffs/Closures – AEDC Eligible Businesses Only*	1,203
Net Gain (+)/Loss (-) AEDC Eligible Businesses	+4,765

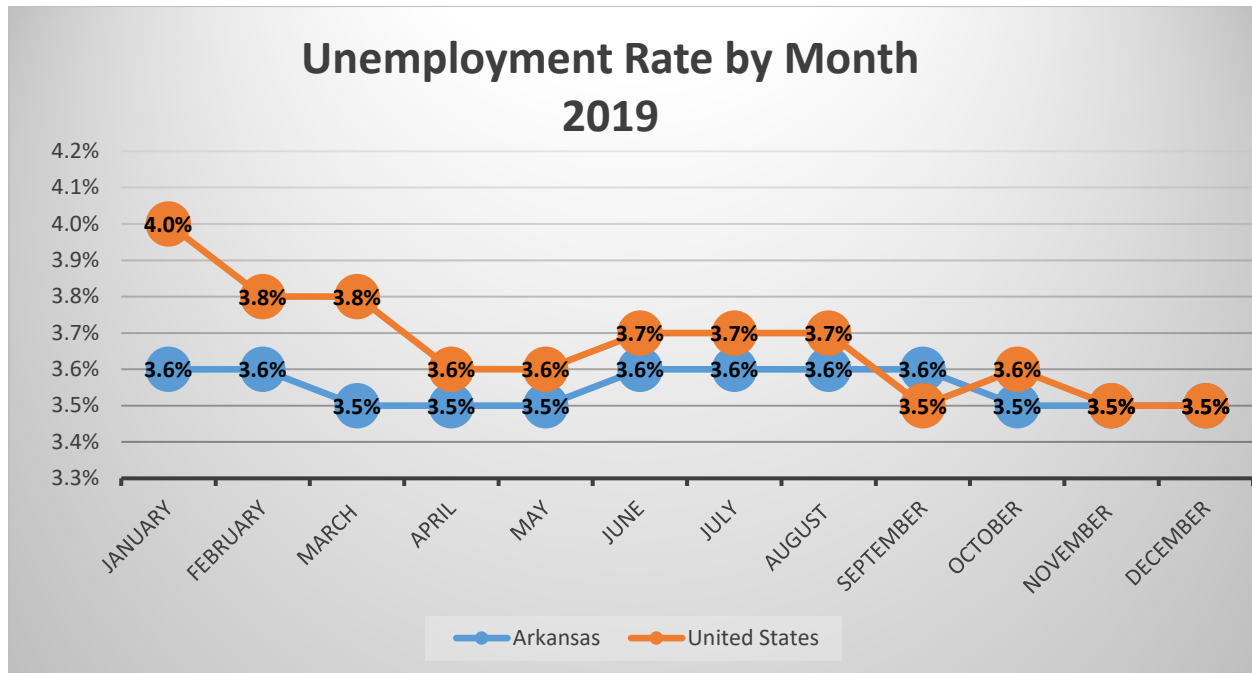
Source: AEDC New & Expanded Database and Arkansas Department of Workforce Services Dislocated Worker Task Force

Table 13
2018-2019 Unemployment Rate Comparison

	AR Unemp Rate	US Unemp Rate
2018 annual average unemployment rate	3.6%	3.9%
2019 annual average unemployment rate	3.5%	3.7%

Sources: Arkansas Department of Workforce Services, Unemployment Rates and Labor Force Statistics, annual rates are not seasonally adjusted. <http://www.discover.arkansas.gov>

Chart 5



Source: Arkansas Department of Workforce Services, Local Area Unemployment Rates, 2019 Monthly Unemployment Rates, seasonally adjusted, <http://www.discover.arkansas.gov>

Arkansas’s Economic Performance Compared to Neighboring States

Gross Domestic Product

Table 14
2019 Per Capita Real GDP by State: Arkansas and Surrounding States

State	2018 GDP Per Capita*	National Rank
United States	\$58,107	--
Texas	\$61,682	13
Louisiana	\$51,729	28
Oklahoma	\$50,876	30
Tennessee	\$47,407	38
Missouri	\$47,407	38
Arkansas	\$39,580	49
Mississippi	\$35,015	50

*In chained 2012 dollars

Source: Bureau of Economic Analysis, Gross Domestic Product by State, 2019 Per Capita Real GDP by State

Table 15
Percent Change in GDP Per Capita* by State (2017 to 2019)
Arkansas and Surrounding States

State	2017 Per Capita Income	2017 Rank	2019 Per Capita Income	2019 Rank	Change 2017-2019	Rank
United States	\$55,720	--	\$58,107	--	4.28%	--
Texas	\$58,182	16	\$61,682	13	6.02%	4
Louisiana	\$49,539	29	\$51,729	28	4.42%	12 (tied)
Oklahoma	\$48,723	31	\$50,876	30	4.42%	12 (tied)
Missouri	\$45,555	38	\$47,407	38	4.07%	19
Tennessee	\$46,780	36	\$48,440	36	3.55%	27
Mississippi	\$33,969	50	\$35,015	50	3.08%	36
Arkansas	\$38,432	49	\$39,580	49	2.99%	38

*In chained 2012 dollars

Source: US Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data, State Annual Personal Income, June 2020

Labor Force Comparison

Table 16
Percent Labor Force Growth (2016-2019)
Arkansas and Surrounding States

State	Percentage Labor Force Growth (2016-2019)	National Rank
United States	2.7	--
Tennessee	7.1%	6
Texas	5.3%	10
Arkansas	1.7%	31
Oklahoma	0.5%	35
Missouri	0.1%	40
Mississippi	-0.2%	41
Louisiana	-1.2%	45

Source: US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics, and Labor Force Statistics from the Current Population Survey, June 2020



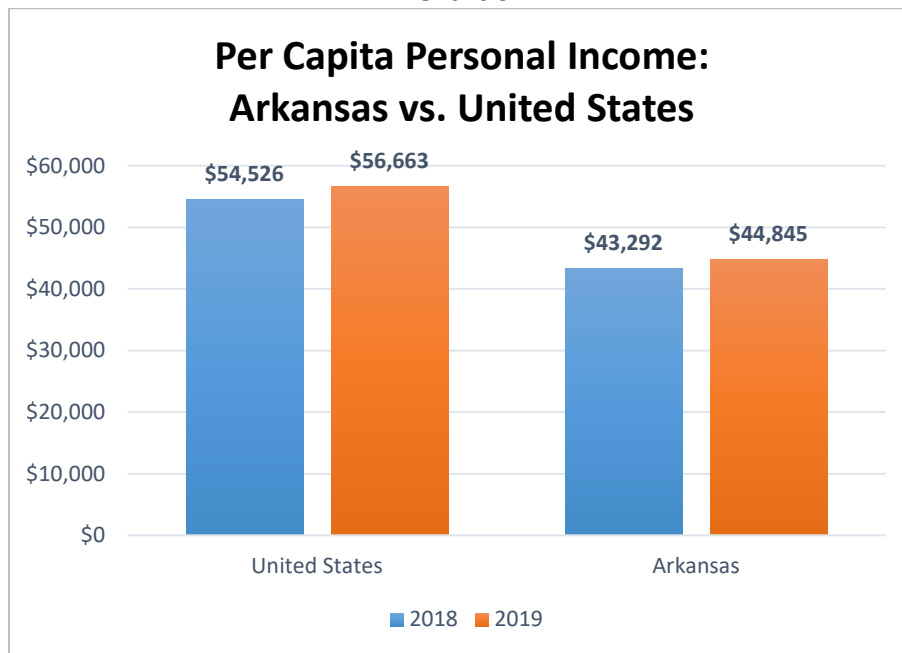
Per Capita Personal Income Comparison

Table 17
2019 Per Capita Personal Income
Arkansas and Surrounding States

State	2018	2019	2019 Rank
United States	\$54,526	\$56,663	-
Texas	\$50,483	\$52,504	27
Missouri	\$47,784	\$49,589	33
Tennessee	\$46,889	\$48,761	35
Louisiana	\$46,245	\$48,008	39
Oklahoma	\$46,267	\$47,951	40
Arkansas	\$43,292	\$44,845	45
Mississippi	\$37,904	\$39,368	50

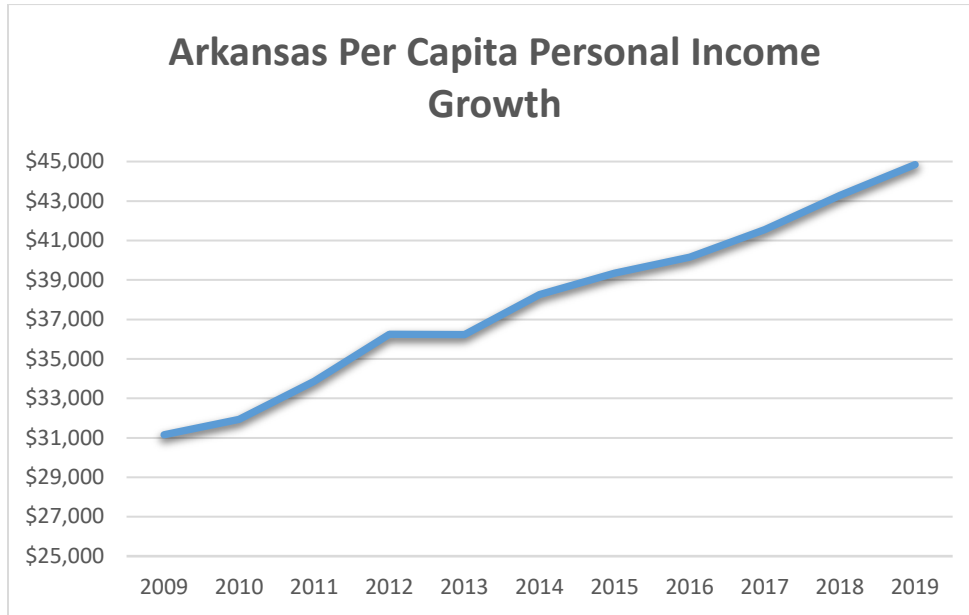
Source: U.S. Department of Commerce, U.S. Bureau of Economic Analysis, Per Capita Personal Income, June 2020

Chart 6



Source: U.S. Department of Commerce, U.S. Bureau of Economic Analysis, Per Capita Personal Income, June 2020

Chart 7



Source: U.S. Department of Commerce, U.S. Bureau of Economic Analysis, Per Capita Personal Income, June 2020

Unemployment Rates Comparison

Table 18
Unemployment Rate Annual Averages 2018-2019
Arkansas and Surrounding States

<i>State</i>	<i>2018 Unemployment Rate</i>	<i>2019 Unemployment Rate</i>	<i>National Rank 2019</i>
United States	3.9%	3.7%	--
Missouri	3.2%	3.3%	17 (tied)
Oklahoma	3.4%	3.3%	17 (tied)
Tennessee	3.5%	3.4%	21 (tied)
Arkansas	3.6%	3.5%	24 (tied)
Texas	3.8%	3.5%	24 (tied)
Louisiana	4.9%	4.8%	46
Mississippi	4.8%	5.4%	49

Source: US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics, not seasonally adjusted, June 2020



Hourly Earnings Comparison

Table 19
2019 Average Hourly Earnings of Manufacturing Production Workers
Arkansas and Surrounding States

<i>State</i>	<i>Hourly Earnings</i>	<i>National Rank</i>
United States	\$27.70	–
Louisiana	\$22.57	12
Texas	\$21.89	17
Missouri	\$21.55	21
Mississippi	\$20.77	30
Tennessee	\$19.76	41
Oklahoma	\$18.94	47
Arkansas	\$18.48	49

Source: US Department of Labor, Bureau of Labor Statistics, Current Employment Statistics, 2019 Annual Averages, Not Seasonally Adjusted (national) and US Department of Labor, Bureau of Labor Statistics, State and Area Employment, Hours and Earnings, 2019 Annual Averages, Not Seasonally Adjusted, June 2020

Table 20
2019 Average Hourly Earnings of All Workers*
Arkansas and Surrounding States

<i>State</i>	<i>Hourly Earnings</i>	<i>National Rank</i>
United States	\$28.00	–
Texas	\$26.22	25
Missouri	\$25.38	33
Oklahoma	\$24.44	39
Louisiana	\$24.20	42
Tennessee	\$24.19	43
Arkansas	\$22.21	49
Mississippi	\$21.57	50

*Total private employees

Source: US Department of Labor, Bureau of Labor Statistics, Current Employment Statistics, 2019 Annual Averages, Not Seasonally Adjusted (national) and US Department of Labor, Bureau of Labor Statistics, State and Area Employment, Hours and Earnings, 2019 Annual Averages, Not Seasonally Adjusted, June 2020



Table 21
Population Change: 2015-2019
Arkansas and Surrounding States

<i>State</i>	<i>Percent Change</i>	<i>National Rank</i>
United States	2.37%	–
Texas	5.55%	8
Tennessee	3.61%	17
Arkansas	1.33%	24
Oklahoma	1.21%	25
Missouri	1.08%	28
Louisiana	-0.34%	42
Mississippi	-0.41%	43

Source: U.S. Census Bureau, Table 1. Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2019

Poverty Rate Comparison

Table 22
Percentage of Population in Poverty: 3-Year Average (2016-2018)
Arkansas and Surrounding States

<i>State</i>	<i>Percent in Poverty</i>
United States	12.3%
Missouri	11.9%
Tennessee	12.6
Texas	13.7%
Oklahoma	14%
Arkansas	15.5%
Mississippi	19.8*
Louisiana	19.8%

Source: U.S. Census Bureau, Current Population Survey, 2016 to 2019 Annual Social and Economic Supplements

Comparative State Indices

AEDC uses various state indices to evaluate economic competitiveness of the State of Arkansas. Below, are examples of indices that compare states through various methods.

The Beacon Hill Institute’s Annual State Competitiveness Report is centered on a comprehensive index that is based on a broad set of indicators that are divided into eight groups: government and fiscal policy, security, infrastructure, human resources, technology, business incubation, openness, and environmental policy. Among the various factors, Arkansas ranked highest in fiscal policy (11th), environmental policy (13th), infrastructure (17th), and business incubation (24th). Lowest scores were in security (34th), technology (48th), openness (40th), and human resources (45th).

Table 23
State Competitiveness Index
Arkansas and Surrounding States

<i>State</i>	<i>2018 Index Score</i>	<i>2018 National Rank</i>	<i>2017 National Rank</i>	<i>Change in Rank (2017-2018)</i>
Texas	6.695	3	5	+2
Missouri	4.49	35	31	-4
Tennessee	4.322	38	33	-5
Arkansas	4.216	39	29	-11
Mississippi	3.82	44	44	0
Oklahoma	3.68	47	47	0
Louisiana	3.136	49	48	-1

Source: Beacon Hill Institute, 18th State Competitiveness Report 2019

The American Legislative Exchange Council’s Economic Outlook Ranking is a based on equal-weighted averages of 15 state policy variables. Among the various factors, Arkansas ranked highest in right-to-work state (1st), estate/inheritance tax (1st), average workers’ compensation costs (3rd), property tax burden (3rd), debt service as a share of tax revenue (8th), recently legislated tax changes (11th), number of tax expenditure limits (15th), and top marginal corporate income tax rate (21st). Lowest scores were in the categories of sales tax burden (46th), personal income tax progressivity (43th), public employees per 10,000 of population (38th), state liability system (36th), top marginal personal income tax rate (32nd), and state minimum wage (30th).

Table 24
Economic Outlook Rankings
Arkansas and Surrounding States

<i>State</i>	<i>2018 Ranking</i>	<i>2017 Ranking</i>	<i>Change in Rank (2017-2018)</i>
Tennessee	12	5	-7
Texas	14	9	-5
Oklahoma	16	16	--
Arkansas	22	23	+1
Missouri	23	24	-1
Mississippi	24	22	+2
Louisiana	27	28	-1

Source: American Legislative Exchange Council, Rich States, Poor States 11th Edition, ALEC-Laffer State Economic Competitiveness Index, Economic Outlook Rankings 2018

The Tax Foundation’s State Business Tax Climate Index is a ranking of states’ various tax components by a myriad of factors. States are ranked from 1 to 50 with a score of 1 reflecting the most competitive tax structure. The report noted these rankings do not reflect changes to Arkansas’s tax structure during the 2019 Legislative session as they are scheduled for phasing in over several years. However, the report stated they will be reflected in subsequent versions.

Table 25
State Business Tax Climate Index Rank
Arkansas and Surrounding States

State	Overall Rank	Corporate Tax Rate	Individual Income Tax Rate	Sales Tax Rate	Property Tax Rate	Unemployment Insurance Tax Rank
Texas	13	47	6	36	38	12
Missouri	14	5	24	24	7	9
Tennessee	18	24	8	47	31	24
Oklahoma	27	8	33	39	19	1
Mississippi	31	10	27	34	37	5
Louisiana	41	37	32	48	33	4
Arkansas	46	34	40	46	29	23

Source: Tax Foundation, 2020 State Business Tax Climate Index, Table 1: 2020 State Business Tax Climate Index Ranks and Component Tax Ranks.

The Small Business & Entrepreneurship Council evaluates and ranks each state on policy and costs that impact small businesses and entrepreneurship.

Table 26
Small Business Policy Index
Arkansas and Surrounding States

State	2018 Ranking	2017 Ranking	Change in Rank (2017-2018)
Tennessee	12	5	-7
Texas	14	9	-5
Oklahoma	16	16	--
Arkansas	22	23	+1
Missouri	23	24	-1
Mississippi	24	22	+2
Louisiana	27	28	-1

Source: Small Business & Entrepreneurship Council, Small Business Policy Index 2019

GOVERNOR'S QUICK ACTION CLOSING FUND ANNUAL REPORT

FISCAL YEAR 2020





The Governor’s Quick Action Closing Fund (QACF) is a vital tool for economic development in Arkansas. Traditionally, the QACF has allowed the Governor to act quickly and decisively in highly competitive recruitment situations to finalize an agreement with a company to choose Arkansas as the location for an economic development project. Since 2007, the program has increased the ability of the Arkansas Economic Development Commission to close deals with companies that have increased jobs, created new investment, and broadened the State’s tax base. During fiscal year 2020, the QACF assisted AEDC in securing commitments from companies in competitive recruitment situations that helped to generate record low unemployment and grew the state’s per capita personal income.

The support from Governor Hutchinson and the General Assembly to continue to fund this appropriation on an annual basis has not only provided AEDC with an important tool to win competitive economic development projects, but also has provided needed assistance to existing businesses during the COVID-19 pandemic.

Since 2007, QACF has assisted companies to propose 94 job creation and/or retention projects in Arkansas. These projects cumulatively have proposed the creation and/or retention of 29,573 jobs at an average hourly wage of \$20.95 and projected new investment of \$3.18 billion. As of June 30, 2020, these 94 projects have created and retained 24,134 jobs.

In March of 2020, the COVID-19 global pandemic created an unrepresented health and economic crisis in Arkansas and the United States. In response to assistance requests from businesses around the state, AEDC allocated \$4,000,000 of QACF to create the Quick Action Loan Program. Attorney General Rutledge provided an additional \$3,000,000 from the Consumer Education and Enforcement Fund to support the program. The Quick Action Loan Program provided \$7,050,000 in loans to 412 existing companies that had been impacted by COVID-19. The intent of these loans was to serve as bridge for affected businesses until more significant federal assistance became available.

Expenditures and Commitments of the Governor’s Quick Action Closing Fund

Expenditures 2007-2019	\$127,140,423.25
FY20 expenditures	9,547,312.01
Committed funds	29,313,746.00
Projects offered but not yet accepted	27,394,350.00
Remaining QACF balance	27,169,149.00
COVID-19 funding from Attorney General	3,000,000.00
Clawbacks/loan repayments	(651,535.64)
TOTAL	\$222,913,444.62



Section 1: Project-Based QACF Expenditures for FY 2020

Funding for traditional economic development projects (unrelated to COVID-19 relief funding) for fiscal year 2020 are listed below:

Annual Report of Expenditures for Fiscal Period July 1, 2019 – June 30, 2020

Company Name	Location	Date	Purpose	Amount
Door in the Woods, LLC	Northwest Arkansas	1/21/2020	Film Production	\$66,656.21
Nucor Corporation	Blytheville	1/21/2020	Infrastructure	\$1,250,000.00
Cupcakes Movie, LLC (Sweet Inspirations)	Northwest Arkansas	1/21/2020	Film Production	\$102,000.00
Carvana (Williams & Anderson LLP)	West Memphis	10/31/2019	Professional Fees	\$1,246.50
Love Finds You Movie, LLC	Eureka Springs	4/17/2019	Film Production	\$87,000.00
Risever Machinery, LLC	Jonesboro	7/22/2019	Infrastructure	\$1,000,000.00
Total				\$2,497,312.01



Section 2: QACF Disbursements Related to COVID-19 Relief

QACF loans to businesses impacted by COVID-19 are listed below. The loans are forgivable provided that the business meets job retention requirements. The loans were issued between April 1, 2020 and June 30, 2020.

Quick Action Loan Program

Company Name	Location	Date	Purpose	Amount
Moose & Orbit Corp	Mountain Home	4/2/2020	QALP	\$15,000
Arkansas Wood Solutions, Inc.	Knoxville	4/2/2020	QALP	\$25,000
Clark Office Products Inc.	Harrison	4/2/2020	QALP	\$25,000
Flyway Brewing, LLC	North Little Rock	4/2/2020	QALP	\$25,000
Outbooks Inc	Tontitown	4/2/2020	QALP	\$25,000
Telephone Connections, Inc.	Mountain Home	4/2/2020	QALP	\$25,000
Bristin Travel, LLC	Fayetteville	4/2/2020	QALP	\$25,000
LCC, Inc	El Dorado	4/2/2020	QALP	\$25,000
Zweig White LLC	Fayetteville	4/2/2020	QALP	\$25,000
Mike Frederick's Body Shop, Inc	Paris	4/2/2020	QALP	\$25,000
Linda K Massey	Heber Springs	4/2/2020	QALP	\$25,000
Joshua Sharp	Brookland	4/2/2020	QALP	\$25,000
Diamond Bear Brewing Company	North Little Rock	4/3/2020	QALP	\$15,000
Treadstone Logistics LLC	Benton	4/3/2020	QALP	\$25,000
Gregg Farm Services, Inc.	Gassville	4/3/2020	QALP	\$25,000
The Floor Store LLC	Hot Springs	4/3/2020	QALP	\$25,000
Quest Research Inc.	Little Rock	4/3/2020	QALP	\$25,000
TFS of Gurdon, Inc	Malvern	4/3/2020	QALP	\$25,000
James Eyecare Center, Inc	Little Rock	4/3/2020	QALP	\$25,000
Ridgerunner Courier Inc	Fayetteville	4/3/2020	QALP	\$24,000
Safety & Environmental Associates, Inc.	Little Rock	4/3/2020	QALP	\$25,000
Horseshoe Canyon Ranch	Jasper	4/3/2020	QALP	\$25,000
Tomorrows Vittles, LLC	Fayetteville	4/3/2020	QALP	\$25,000
Ozark Outdoor Supply, Inc.	Little Rock	4/3/2020	QALP	\$25,000
Innerplan, Inc.	North Little Rock	4/3/2020	QALP	\$25,000
313 Book Club	Little Rock	4/3/2020	QALP	\$25,000
Donnie L Lindsey	North Little Rock	4/3/2020	QALP	\$15,000
David W Williams	Little Rock	4/3/2020	QALP	\$10,000
Jonesboro Blueprint and Supply Co, Inc	Jonesboro	4/6/2020	QALP	\$15,000
Nine Grand Trucking LLC	Berryville	4/6/2020	QALP	\$25,000
Seiz Company	Hot Springs	4/6/2020	QALP	\$25,000
Michael A Gwatney	Harrison	4/6/2020	QALP	\$25,000



Natural State Recovery Centers, LLC	Little Rock	4/6/2020	QALP	\$25,000
Omar Kasim	Bentonville	4/6/2020	QALP	\$15,000
Suzanne Boscarolo	Little Rock	4/6/2020	QALP	\$25,000
Kidspiration Pediatric Therapy Services	Mountain Home	4/6/2020	QALP	\$25,000
El Dorado Glass & Mirror Co., Inc.	El Dorado	4/6/2020	QALP	\$25,000
Esco Processing and Recycling, LLC	Rogers	4/6/2020	QALP	\$25,000
Terry Massey Refrigeration	Jonesboro	4/6/2020	QALP	\$25,000
Frederick Poe Travel Service, Inc	Little Rock	4/6/2020	QALP	\$25,000
Johnson's Quick Lube, INC	Warren	4/7/2020	QALP	\$10,000
Dr Jeffrey W Holt Chiropractic PA	Mountain Home	4/7/2020	QALP	\$10,000
Michael G Beatty	Austin	4/7/2020	QALP	\$20,000
Cowling Electric PLLC	Little Rock	4/7/2020	QALP	\$25,000
Christopher L Allen	Monticello	4/7/2020	QALP	\$10,000
John W Cole	Fayetteville	4/7/2020	QALP	\$25,000
Kenneth Wade Martin	De Queen	4/7/2020	QALP	\$25,000
Bookkeeping Solutions of NE Arkansas	Paragould	4/7/2020	QALP	\$10,000
Richard Duley	Pine Bluff	4/7/2020	QALP	\$15,000
David and Melissa Hill	Nashville	4/7/2020	QALP	\$25,000
Crider Aircraft Painting Inc	Mena	4/7/2020	QALP	\$25,000
Byrd's Adventure Center, Inc	Ozark	4/7/2020	QALP	\$25,000
James E King	Pyatt	4/7/2020	QALP	\$15,000
Home Plate Café, LLC	Hot Springs	4/7/2020	QALP	\$25,000
Ashley Trucking, LLC	Warren	4/7/2020	QALP	\$18,000
Rise Physical Therapy, PA	Fayetteville	4/7/2020	QALP	\$10,000
Joe Milam Refrigeration Inc	Harrison	4/7/2020	QALP	\$25,000
Maria Del Rosarie Morales-Lozano	Fayetteville	4/7/2020	QALP	\$15,000
F.L. Davis Building Center Inc	Greers Ferry	4/7/2020	QALP	\$25,000
Wingard Photography, Inc	Gassville	4/7/2020	QALP	\$10,000
Vibrant Occasions, LLC	Benton	4/7/2020	QALP	\$25,000
Med-Tech EMS of Conway County, Inc.	Morrilton	4/9/2020	QALP	\$25,000
DKB Corporation	Fort Smith	4/9/2020	QALP	\$25,000
Running Threads, LLC	Jonesboro	4/9/2020	QALP	\$10,000
Kerry Brashears	Mountain Home	4/9/2020	QALP	\$25,000
Lana Wood	Mena	4/9/2020	QALP	\$10,000
Escapade, Inc.	Mountain Home	4/9/2020	QALP	\$15,000
Best Friends Pet Clinic, Inc.	Fort Smith	4/9/2020	QALP	\$15,000
Charles W Ivey	Highland	4/14/2020	QALP	\$25,000
Northeast Arkansas Monument Company	Brookland	4/14/2020	QALP	\$10,000
The MegaSack Corporation	Magnolia	4/14/2020	QALP	\$25,000
Millers Mud Mill Pottery	Dumas	4/14/2020	QALP	\$15,000
CW Electrical LLC	Evening Shade	4/14/2020	QALP	\$15,000



Monticello Ambulance Service, Inc	Monticello	4/14/2020	QALP	\$25,000
Sweet Boutique LLC	Van Buren	4/14/2020	QALP	\$15,000
Dean Nash	Brinkley	4/14/2020	QALP	\$10,000
Paw Paw Properties, LLC	Harrison	4/14/2020	QALP	\$15,000
C Note Inc	Hot Springs	4/14/2020	QALP	\$20,000
Low's Bridal & Formal	Brinkley	4/14/2020	QALP	\$25,000
Mojo Developments LLC	Greenbrier	4/14/2020	QALP	\$25,000
Carraway & Carraway PLLC	Newport	4/14/2020	QALP	\$10,000
JA Outfitters Inc	Paris	4/14/2020	QALP	\$10,000
George W Jackson, M.D., P.A.	Highland	4/14/2020	QALP	\$25,000
Jared Clinton Rhodes	El Dorado	4/14/2020	QALP	\$25,000
Ricky Self Golf Management Group LLC	Cabot	4/14/2020	QALP	\$10,000
Delta Behavioral Health LLC	Manila	4/14/2020	QALP	\$15,000
Ricky Griffin	Arkadelphia	4/14/2020	QALP	\$25,000
Stoby's #2	Russellville	4/14/2020	QALP	\$25,000
Saline Audiology Assoc. LLC	Benton	4/14/2020	QALP	\$25,000
Midsouth Metal Supply, LLC	Paragould	4/14/2020	QALP	\$25,000
Scott Frame and Art, LLC	Rogers	4/14/2020	QALP	\$15,000
Backwater, Inc	Crossett	4/14/2020	QALP	\$25,000
Murdock's, Inc	Jonesboro	4/14/2020	QALP	\$25,000
Caraco, Inc	Little Rock	4/14/2020	QALP	\$25,000
LMG Enterprises Inc	Highland	4/15/2020	QALP	\$20,000
Pargreen Inc	Mountain View	4/15/2020	QALP	\$17,500
City Pharmacy Inc	Pocahontas	4/15/2020	QALP	\$25,000
Herwig Lighting, Inc	Russellville	4/15/2020	QALP	\$10,000
Stewart Properties LLC	Arkadelphia	4/15/2020	QALP	\$10,000
Pizza Joint, LLC	Jonesboro	4/15/2020	QALP	\$25,000
Harrison Auto Salvage, Inc	Harrison	4/15/2020	QALP	\$20,000
South Creek Logging, Inc	Malvern	4/15/2020	QALP	\$25,000
Hayden Taylor Publishing LLC	Brinkley	4/15/2020	QALP	\$10,000
Associated Pathologists Laboratory	El Dorado	4/15/2020	QALP	\$15,000
2Will Holdings, Inc	Batesville	4/15/2020	QALP	\$25,000
Irvin & Dribell Medical Clinic	Mountain View	4/15/2020	QALP	\$20,000
Vapor Valley Spirits, Inc.	Hot Springs	4/15/2020	QALP	\$20,000
Mechanisms, Inc	Crossett	4/15/2020	QALP	\$25,000
Vincent Scherrey	Conway	4/15/2020	QALP	\$15,000
U.S. Dunnage LLC	Crossett	4/15/2020	QALP	\$25,000
ButlerCo, Inc.	Lonoke	4/15/2020	QALP	\$25,000
James Hayes	Pine Bluff	4/16/2020	QALP	\$15,000
T-Rex Ventures, LLC	Pocahontas	4/16/2020	QALP	\$15,000
Shane A Fite	Malvern	4/16/2020	QALP	\$10,000



Crossett Service Co LLC	Crossett	4/16/2020	QALP	\$25,000
F.O. Williams Advertising, Inc.	Fort Smith	4/16/2020	QALP	\$25,000
Trailblazer Transport, LLC	Warren	4/16/2020	QALP	\$10,000
Davis Cash Lumber Inc.	Clinton	4/17/2020	QALP	\$25,000
Elite Fence & Iron LLC	Malvern	4/17/2020	QALP	\$20,000
LED Enterprises, Inc.	College Station	4/17/2020	QALP	\$25,000
Randy D Walker MD PLLC	De Queen	4/17/2020	QALP	\$25,000
Southern Reprographics, Inc.	Little Rock	4/17/2020	QALP	\$25,000
STP Machine, LLC	El Dorado	4/17/2020	QALP	\$25,000
Tonia English	Fort Smith	4/17/2020	QALP	\$10,000
Tornado Shelter Systems Inc	Austin	4/17/2020	QALP	\$15,000
White Rock Technologies, Inc.	Little Rock	4/17/2020	QALP	\$15,000
Alma Tractor & Equipment, Inc.	Alma	4/20/2020	QALP	\$25,000
Amazing U, Inc.	Sherwood	4/20/2020	QALP	\$25,000
American Service and Supply, Inc	Smackover	4/20/2020	QALP	\$25,000
Brewer Search, Inc.	Fort Smith	4/20/2020	QALP	\$25,000
Cadelli - Caldarera Inc	Fort Smith	4/20/2020	QALP	\$15,000
Carolyn J Crook	Fayetteville	4/20/2020	QALP	\$25,000
Cossatot Rock LLC	Lockesburg	4/20/2020	QALP	\$25,000
CP & P Constuction, LLC	El Dorado	4/20/2020	QALP	\$25,000
Delta Glass, LLC	Jonesboro	4/20/2020	QALP	\$25,000
Edwin Ortiz	Bentonville	4/20/2020	QALP	\$15,000
Floors Unlimited and Home Finishes LLC	Hot Springs Village	4/20/2020	QALP	\$15,000
Gadget Grave Holdings LLC	Fort Smith	4/20/2020	QALP	\$10,000
Gates Therapy Group	Rogers	4/20/2020	QALP	\$25,000
Gregory Scott Ray	White Hall	4/20/2020	QALP	\$10,000
KC Winn Enterprises, Inc	Wynne	4/20/2020	QALP	\$20,000
Laine Berry, INC	Conway	4/20/2020	QALP	\$15,000
Lee E Doucet	Prescott	4/20/2020	QALP	\$15,000
Con Quesos, LLC	Fayetteville	4/20/2020	QALP	\$15,000
R A Richardson Forestry, Inc	Warren	4/20/2020	QALP	\$15,000
Ranch House Café of De Queen, Inc	De Queen	4/20/2020	QALP	\$25,000
Ranger Tool & Die, Inc.	Paragould	4/20/2020	QALP	\$25,000
Shelia M Bell	Arkadelphia	4/20/2020	QALP	\$25,000
Shree AJ LLC	El Dorado	4/20/2020	QALP	\$20,000
Sisco Hospitality Group LLC	Carroll County	4/20/2020	QALP	\$15,000
Stan Jones Mallard Lodge LLC	Alicia	4/20/2020	QALP	\$20,000
Total Document Solutions Inc	Fayetteville	4/20/2020	QALP	\$25,000
Unified Vision, LLC	Springdale	4/20/2020	QALP	\$15,000
Amigo Juan Mexican Café Inc.	Hope	4/21/2020	QALP	\$25,000
Ark-La Timber Harvesting, Inc.	Warren	4/21/2020	QALP	\$25,000



Bunyard Broadcasting, Inc.	De Queen	4/21/2020	QALP	\$20,000
Conquest Industrial Services LLC	Horatio	4/21/2020	QALP	\$25,000
Dean's Heating and AC, Inc	Camden	4/21/2020	QALP	\$25,000
Fields Refrigeration Service, INC.	Newport	4/21/2020	QALP	\$15,000
Hood Tooling & Machine LLC	Malvern	4/21/2020	QALP	\$15,000
Horton Brothers Printing Co, Inc.	North Little Rock	4/21/2020	QALP	\$25,000
Idestini Dev Studio Inc.	Bryant	4/21/2020	QALP	\$15,000
JG & L Inc	El Dorado	4/21/2020	QALP	\$25,000
Long's Roofing & Sheet Metal, Inc	El Dorado	4/21/2020	QALP	\$25,000
M & M Milling Inc	Texarkana	4/21/2020	QALP	\$25,000
Namida Lab, Inc	Fayetteville	4/21/2020	QALP	\$25,000
Quality Care Counseling, PLLC	Harrison	4/21/2020	QALP	\$15,000
Rue Holdings, LLC.	Bryant	4/21/2020	QALP	\$15,000
Sammy J Sharp	North Little Rock	4/21/2020	QALP	\$25,000
Sorrell-Smith Engineering Consultants, LLC	West Memphis	4/21/2020	QALP	\$25,000
Southern Sellers, LLC	El Dorado	4/21/2020	QALP	\$25,000
Stanley & Sons Services, LLC	Little Rock	4/21/2020	QALP	\$25,000
Steve-Felix Belinga	Fort Smith	4/21/2020	QALP	\$25,000
Team CPR, Inc.	Little Rock	4/21/2020	QALP	\$15,000
United Machine Works	El Dorado	4/21/2020	QALP	\$25,000
Walter W Hayes, DPM, PA	Jonesboro	4/21/2020	QALP	\$15,000
Womens Health Associates of NWA, PLLC	Bentonville	4/21/2020	QALP	\$25,000
Against the Grain Mercantile, LLC	Marion	4/22/2020	QALP	\$15,000
AMS Global	De Queen	4/22/2020	QALP	\$25,000
Bar 3 Machine and Tool, Inc.	Texarkana	4/22/2020	QALP	\$25,000
Brooke Vines	Little Rock	4/22/2020	QALP	\$15,000
Cobalt Aero Services	Hot Springs	4/22/2020	QALP	\$25,000
Dance A Performance, Inc	Harrison	4/22/2020	QALP	\$20,000
Evers Cox & Gober PLLC	El Dorado	4/22/2020	QALP	\$25,000
Family Pet Clinic, Inc.	Jonesboro	4/22/2020	QALP	\$25,000
G&M Drywall, Inc.	Pine Bluff	4/22/2020	QALP	\$25,000
Glenn Crockett	Conway	4/22/2020	QALP	\$25,000
Harris and Renshaw Rehab Center, Inc	North Little Rock	4/22/2020	QALP	\$25,000
Ideal True Value, Inc.	Crossett	4/22/2020	QALP	\$25,000
Jerry H Grant M.D., P.A.	El Dorado	4/22/2020	QALP	\$25,000
Joseph R. Glasgow, JR.	Little Rock	4/22/2020	QALP	\$10,000
Juanitas Candy Kitchen LLC	Arkadelphia	4/22/2020	QALP	\$20,000
Kimball & Thompson Produce Co. Inc	Lowell	4/22/2020	QALP	\$25,000
Lost 40 Brewery LLC	Little Rock	4/22/2020	QALP	\$25,000
Martha Ellen Myers O.D., P.A.	Fayetteville	4/22/2020	QALP	\$15,000
Medark	Magnolia	4/22/2020	QALP	\$20,500



Pathagility, LLC	Little Rock	4/22/2020	QALP	\$25,000
Phillip Suffridge	Benton	4/22/2020	QALP	\$25,000
Portable Kitchens, Inc.	Little Rock	4/22/2020	QALP	\$25,000
Revel's & Company CPA's PA	De Queen	4/22/2020	QALP	\$25,000
Rich Context	Rogers	4/22/2020	QALP	\$25,000
Shawn Purifoy M.D., P.A.	Malvern	4/22/2020	QALP	\$25,000
SRRV Inc.	De Queen	4/22/2020	QALP	\$15,000
Teyar, LLC	Hope	4/22/2020	QALP	\$25,000
The Eagle Publishing Company, Inc.	Warren	4/22/2020	QALP	\$15,000
Tree of Life Seeds, Inc.	North Little Rock	4/22/2020	QALP	\$25,000
JaJo Ozark Investments, Inc.	Searcy	4/27/2020	QALP	\$15,000
Phillips Funeral Home, Inc.	Paragould	4/27/2020	QALP	\$25,000
Hudson Lumber Co., Inc.	Western Grove	4/27/2020	QALP	\$15,000
Thomason Eye Care, P.A.	Springdale	4/27/2020	QALP	\$25,000
R & M Broadcasting, Inc.	Crossett	4/27/2020	QALP	\$10,000
At The Corner Diner LLC	Little Rock	4/27/2020	QALP	\$20,000
Independence County Off Road, Inc.	Batesville	4/27/2020	QALP	\$25,000
Real Practices, Inc.	Russellville	4/28/2020	QALP	\$25,000
Pyramid Plastics, Inc	Hope	4/28/2020	QALP	\$25,000
Brian Hirschy	Fayetteville	4/28/2020	QALP	\$25,000
Anonymous Coffee Roasters, LLC	Rogers	4/28/2020	QALP	\$25,000
Northwest Arkansas Logistics Group, LLC	Rogers	4/28/2020	QALP	\$15,000
Jonathan Mitchell	Conway	4/28/2020	QALP	\$20,000
Ouachita Enrichment Centers, Inc.	Camden	4/28/2020	QALP	\$25,000
Harrison Battery, Inc	Harrison	4/28/2020	QALP	\$15,000
Power Technology Inc.	Alexander	4/28/2020	QALP	\$25,000
Tony Cathey	Warren	5/5/2020	QALP	\$10,000
Mid South Tool Supply, Inc.	West Memphis	5/5/2020	QALP	\$25,000
Fenter Physical therapy LLC	Marion	5/5/2020	QALP	\$25,000
Corning Publishing Company Inc	Corning	5/5/2020	QALP	\$25,000
Danny Lyons, P.T.	Atkins	5/5/2020	QALP	\$25,000
Big Whiskeys of Little Rock LLC	Little Rock	5/5/2020	QALP	\$25,000
ALVAR Resins Inc	Crossett	5/5/2020	QALP	\$25,000
Triple L Liquor Inc	De Witt	5/5/2020	QALP	\$15,000
Little River Country Club, Inc.	Winthrop	5/5/2020	QALP	\$15,000
Fabco Machine Corporation	Paragould	5/5/2020	QALP	\$25,000
Three J's Corporation	Bee Branch	5/13/2020	QALP	\$7,500
Shawnee Boats INC	Mountain Home	5/13/2020	QALP	\$10,000
Joey Brandon Ryburn	Highland	5/13/2020	QALP	\$5,000
Mobley Law Firm, P.A.	Russellville	5/13/2020	QALP	\$5,000
Heart Residence LLC	Little Rock	5/13/2020	QALP	\$10,000



PREMIERCHOICE, LLC.	West Memphis	5/13/2020	QALP	\$15,000
ASLC, LLC	Paragould	5/13/2020	QALP	\$5,000
Boys & Girls Club of Siloam Springs Arkansas Inc	Siloam Springs	5/13/2020	QALP	\$10,000
DNT Media, Inc.	Little Rock	5/13/2020	QALP	\$10,000
SHREE GOPAL LLC,	De Queen	5/13/2020	QALP	\$5,000
Seven Minute Life, Inc.	Jonesboro	5/13/2020	QALP	\$5,000
Jim Golden Ford Lincoln LLC	Camden	5/13/2020	QALP	\$15,000
Tailgaters Burger Company	Hope	5/13/2020	QALP	\$7,500
P & C Hotels, LLC	Hope	5/13/2020	QALP	\$10,000
Little Rock Climbing Center	Little Rock	5/13/2020	QALP	\$7,500
Rex White Plumbing	Little Rock	5/13/2020	QALP	\$10,000
LANE EYE CARE CENTER, P.A.	Little Rock	5/13/2020	QALP	\$7,500
Switchtail, LLC	Batesville	5/13/2020	QALP	\$15,000
Hot Springs Property Management LLC	Hot Springs	5/13/2020	QALP	\$7,500
Austin Family Dentistry PA	Maumelle	5/13/2020	QALP	\$10,000
LSS TECHNOLOGIES INC	Rogers	5/13/2020	QALP	\$7,500
FSIS Group LLC	Mountain Home	5/13/2020	QALP	\$15,000
Brooklyn's "The Bridge to Learning" Childcare Center	White Hall	5/13/2020	QALP	\$7,500
Confetti's Party Rental Company	Little Rock	5/13/2020	QALP	\$10,000
McBride Rehabilitation Group LLC	Mountain Home	5/13/2020	QALP	\$7,500
Compassion Ministries Ltd	Springdale	5/13/2020	QALP	\$7,500
Sanderson & Helm Ltd	Fayetteville	5/13/2020	QALP	\$7,500
Premier Gastroenterology Associates, PLLC	Little Rock	5/13/2020	QALP	\$15,000
L&M Associates, Inc	Mountain Home	5/13/2020	QALP	\$15,000
Roush Electrical Company LLC	Cabot	5/13/2020	QALP	\$10,000
The RSI Group, LLC	Little Rock	5/13/2020	QALP	\$7,500
L and C Consulting	Mountain Home	5/13/2020	QALP	\$5,000
Justin B. Franks, O.D., P.A.	Bryant	5/13/2020	QALP	\$10,000
J. Anthony Smith, DDS, PA	Bentonville	5/13/2020	QALP	\$10,000
John Dean DDS PA	North Little Rock	5/13/2020	QALP	\$15,000
C Squared Networks	North Little Rock	5/13/2020	QALP	\$7,500
Freyaldenhoven Automotive	Conway	5/13/2020	QALP	\$5,000
Mainstreet Technologies, Inc.	Hiwasse	5/13/2020	QALP	\$10,000
Southern Light Pictures LLC	North Little Rock	5/13/2020	QALP	\$7,500
Matthew T. Baxter CPA PA	Fayetteville	5/13/2020	QALP	\$7,500
VISHNU INC	North Little Rock	5/13/2020	QALP	\$10,000
Jesse R Gray, DDS, PLLC	Fayetteville	5/13/2020	QALP	\$15,000
WEB Lubrication Inc.	Little Rock	5/13/2020	QALP	\$15,000
W Wesley Moore, DDS	Fort Smith	5/13/2020	QALP	\$10,000



WLM Landscape & Sprinkler Services Inc.	North Little Rock	5/13/2020	QALP	\$7,500
Matthew Emrich Agency, LLC	Rogers	5/13/2020	QALP	\$5,000
Canine Country Club of AR, LLC	Roland	5/13/2020	QALP	\$15,000
Joseph B. Suffridge, DDS, PA	El Dorado	5/13/2020	QALP	\$7,500
Arkansas Family Dental	Little Rock	5/13/2020	QALP	\$15,000
Leverett Garden Apartments, LLC	Little Rock	5/13/2020	QALP	\$7,500
Bold Strategies, Inc.	Rogers	5/13/2020	QALP	\$15,000
River Bend Park LLC	Gassville	5/13/2020	QALP	\$5,000
RHR AdPro Advertising	Russellville	5/13/2020	QALP	\$10,000
Mena Steel Buildings, Inc.	Mena	5/13/2020	QALP	\$15,000
Joint Effort Physical Therapy Inc	Hot Springs	5/13/2020	QALP	\$7,500
Fidelity Home Dialysis	Little Rock	5/13/2020	QALP	\$10,000
Systemedic, Inc	Little Rock	5/13/2020	QALP	\$15,000
Vachy R. Story Foundation, Inc.	Beebe	5/13/2020	QALP	\$5,000
Richard D Roblee, DDS, MS, PLLC	Fayetteville	5/13/2020	QALP	\$15,000
Garland Insurance Agency	Mountain Home	5/13/2020	QALP	\$5,000
Buffalo Outdoor Center, Inc.	Ponca	5/13/2020	QALP	\$15,000
Little Bird Systems, LLC	Fayetteville	5/13/2020	QALP	\$15,000
Paddymellon Limited	Eureka Springs	5/13/2020	QALP	\$5,000
Ireland Alexander, LLC	Rogers	5/13/2020	QALP	\$15,000
Cathey Insurance Agency, LLC	Warren	5/13/2020	QALP	\$5,000
Kevin G. Jones DDS Family Dentistry PLLC	Little Rock	5/13/2020	QALP	\$10,000
Effectual Operations, LLC	Bentonville	5/13/2020	QALP	\$10,000
Andrew Aldridge Insurance Agency, Inc	Fayetteville	5/13/2020	QALP	\$5,000
Miner's Diner & Steakhouse	Pearcy	5/13/2020	QALP	\$5,000
Frisbie Insurance Agency LLC	Prairie Grove	5/13/2020	QALP	\$5,000
WattGlass, Inc	Fayetteville	5/13/2020	QALP	\$10,000
Jason Moore	Quitman	5/13/2020	QALP	\$5,000
ARDB, INC.	Little Rock	5/13/2020	QALP	\$7,500
South Arkansas Orthopedics & Sports Medicine Center, PLLC	El Dorado	5/13/2020	QALP	\$15,000
Rusty Hagler Insurance Agency, INC	Nashville	5/13/2020	QALP	\$7,500
The Janet Jones Company, Inc.	Little Rock	5/13/2020	QALP	\$15,000
G Friend DDS, MS & M Wilson DDS, MS PA	Conway	5/13/2020	QALP	\$15,000
TOG KIDS INC.	Little Rock	5/13/2020	QALP	\$15,000
TRUE SELF RECOVERY LLC	Rogers	5/13/2020	QALP	\$5,000
Greenworks SKG, LLC	Little Rock	5/13/2020	QALP	\$5,000
Brian Nelson Insurance and Associates	Bentonville	5/13/2020	QALP	\$5,000
Om Subway, INC	Little Rock	5/13/2020	QALP	\$10,000
The Peacock Group, LLC	Little Rock	5/13/2020	QALP	\$7,500
Simply Charming Interiors, Inc.	Little Rock	5/13/2020	QALP	\$7,500



L,L&A, LLC	Marion	5/13/2020	QALP	\$10,000
A.H.W., Enterprises, L.L.C.	De Queen	5/13/2020	QALP	\$7,500
Arkansas Cinema Society	Little Rock	5/13/2020	QALP	\$7,500
Carries Business Equipment, Inc	Sherwood	5/13/2020	QALP	\$7,500
Learning Steps Inc.	Little Rock	5/13/2020	QALP	\$7,500
Ouachita Children's Center Inc.	Hot Springs	5/13/2020	QALP	\$15,000
West 3rd, LLC	Crossett	5/13/2020	QALP	\$5,000
DRDHPCCC LLC	El Dorado	5/13/2020	QALP	\$5,000
Whole Hog Cafe Inc	Little Rock	5/13/2020	QALP	\$10,000
Holt Auto Group	Crossett	5/13/2020	QALP	\$15,000
Catering Unlimited LLC	Springdale	5/13/2020	QALP	\$15,000
The Friedman Agency	Crossett	5/13/2020	QALP	\$5,000
Gregory Wesley Booker II	Maumelle	5/13/2020	QALP	\$5,000
Mathias Ventures Inc	Bentonville	5/13/2020	QALP	\$15,000
Rusty Tractor Vineyards, LLC	Little Rock	5/13/2020	QALP	\$5,000
Metro Marketing Realty LLC	Fayetteville	5/13/2020	QALP	\$15,000
Reynolds Radio Service Inc	Warren	5/13/2020	QALP	\$5,000
Arkansas Skatium	Little Rock	5/13/2020	QALP	\$10,000
John Vincent DC PA	Little Rock	5/13/2020	QALP	\$7,500
Gaines House, Inc	Little Rock	5/13/2020	QALP	\$7,500
Jay Chafin Ins Agency, Inc.	Mountain Home	5/13/2020	QALP	\$15,000
Matthew Reith DDS PLLC	Lowell	5/13/2020	QALP	\$7,500
Master Technicians and Mechanicals, LLC	Crossett	5/13/2020	QALP	\$10,000
DLK Holdings, LLC	Little Rock	5/13/2020	QALP	\$7,500
Arkansas Soft Water, LLC	North Little Rock	5/13/2020	QALP	\$10,000
All Electric Supply, Inc	Little Rock	5/13/2020	QALP	\$15,000
Little Rock Violin Shop, Inc.	Little Rock	5/13/2020	QALP	\$7,500
Gregory Lawn & Garden, Inc.	Bryant	5/13/2020	QALP	\$15,000
Clint A. Albright	Little Rock	5/13/2020	QALP	\$5,000
Infiniti Athletics, Inc	Bentonville	5/13/2020	QALP	\$10,000
VentureTech, LLC	Springdale	5/13/2020	QALP	\$10,000
A&M Lewis Enterprises, Inc	Fayetteville	5/13/2020	QALP	\$15,000
Choice Promotions, LLC	Little Rock	5/13/2020	QALP	\$7,500
Younger Lumber Co,	Pleasant Grove	5/13/2020	QALP	\$10,000
Naff Construction Company, Inc	Crossett	5/13/2020	QALP	\$25,000
Newport Advanced Physical Therapy, Inc	Newport	5/13/2020	QALP	\$25,000
Prime Completions, LLC	Little Rock	5/13/2020	QALP	\$10,000
Little Rock Dermatology Clinic, PA	Little Rock	5/19/2020	QALP	\$15,000
Coffee by Alley, Inc	Little Rock	5/19/2020	QALP	\$10,000
Trucks Ventures LLC	Fayetteville	5/19/2020	QALP	\$7,500
eLeMeNO-Pee LTD	Fayetteville	5/19/2020	QALP	\$5,000



Magna IV Color Imaging Inc	Little Rock	5/19/2020	QALP	\$15,000
Greer & Greer Independent Insurance	Fayetteville	5/19/2020	QALP	\$15,000
Ragtag, Inc	Batesville	5/19/2020	QALP	\$7,500
Minimal Access Surgery Inc	Springdale	5/19/2020	QALP	\$15,000
Remedy Road	Bentonville	5/19/2020	QALP	\$5,000
ARCCO Inc	Farmington	5/19/2020	QALP	\$5,000
Clark Auto Recovery & Towing LLC	Higden	5/19/2020	QALP	\$7,500
Bailey Insurance	Mountain Home	5/19/2020	QALP	\$10,000
Pristine Health LLC	Springdale	5/19/2020	QALP	\$7,500
Ashley Havens Insurance LLC	Mountain Home	5/19/2020	QALP	\$7,500
The Wall Agency - Allstate	North Little Rock	5/19/2020	QALP	\$5,000
Dong's Asia Cuisine LLC	Paragould	5/19/2020	QALP	\$7,500
Delta Grass Masters, LLC	Little Rock	5/19/2020	QALP	\$10,000
Ruben J Perez Insurance Agency, Inc	Lowell	5/19/2020	QALP	\$5,000
Milestones Learning Academy	Fort Smith	5/19/2020	QALP	\$10,000
Gregory L Stafford D.D.S., P.A.	Little Rock	5/19/2020	QALP	\$10,000
Hedberg Allergy and Asthma Center, P	Rogers	5/19/2020	QALP	\$15,000
NWRV, Inc	Springdale	5/19/2020	QALP	\$15,000
Hooker Tires Plus, Inc	De Queen	5/19/2020	QALP	\$7,500
Webata, LLC	Huntsville	5/19/2020	QALP	\$10,000
JMD Construction Services, LLC	Little Rock	5/19/2020	QALP	\$15,000
The Parsonage	Jonesboro	5/19/2020	QALP	\$5,000
Heights Corner Market, LLC	Little Rock	5/19/2020	QALP	\$10,000
Jones Home Furnishings	Newport	5/19/2020	QALP	\$7,500
Parkinson Building Group, Inc.	Little Rock	5/19/2020	QALP	\$10,000
AR Fresh Mex, Inc	North Little Rock	5/19/2020	QALP	\$7,500
Boys and Girls Club of the Alma Area	Alma	5/19/2020	QALP	\$10,000
Arkansas Times Limited Partnership	Little Rock	5/19/2020	QALP	\$15,000
Inside Effects Inc.	North Little Rock	5/19/2020	QALP	\$15,000
Jonesboro Montessori Academy	Jonesboro	5/19/2020	QALP	\$10,000
Serenity Personal Care Service LLC	Monticello	5/19/2020	QALP	\$7,500
Children's Corner Preschool, Inc.	Benton	5/20/2020	QALP	\$7,500
Splat LLC	El Dorado	5/20/2020	QALP	\$15,000
The Ridge Coffee LLC	Brookland	5/20/2020	QALP	\$5,000
Ramsey Holdings, LLC	Fayetteville	5/20/2020	QALP	\$7,500
Hines Homes, LLC	Maumelle	5/20/2020	QALP	\$7,500
Evo Business Environments, Inc.	Little Rock	5/20/2020	QALP	\$15,000
The Hospitality Administration Mana	Little Rock	5/20/2020	QALP	\$7,500
Arkansas Elite Turf LLC	Hot Springs	5/20/2020	QALP	\$7,500
Gillum Group LLC	Little Rock	5/20/2020	QALP	\$10,000
Boys & Girls Club of Jacksonville	Jacksonville	5/20/2020	QALP	\$7,500



The Cashion Company, Inc.	Little Rock	5/20/2020	QALP	\$15,000
Emerald's Triangle LLC.	Brookland	5/20/2020	QALP	\$7,500
Jones Services Group Inc	Paragould	5/20/2020	QALP	\$5,000
Orange, LLC	Farmington	5/20/2020	QALP	\$5,000
Contractors Leasing Corporation	Little Rock	5/20/2020	QALP	\$15,000
Woods Agency Inc	De Queen	5/27/2020	QALP	\$7,500
Big Orange - Rogers LLC	Little Rock	5/27/2020	QALP	\$15,000
Eventure America dba Little Rock Coaches	Little Rock	6/15/2020	QALP	\$15,000
Bamboo Garden	Mountain Home	6/15/2020	QALP	\$7,500
Executive Travel Management Company	North Little Rock	6/24/2020	QALP	\$7,500
Smart Choice Delivery	Little Rock	4/15/2020	QALP	\$100,000
21st Century Janitorial Services	Little Rock	4/12/2020	QALP	\$100,000
NowDiagnostic	Springdale	4/15/2020	QALP	\$250,000
Integrated Stair System	Calico Rock	4/15/2020	QALP	\$50,000
Total Loans		412		\$7,050,000