



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

November 10, 2020

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

Dear Co-Chairs:

Eight months ago, I came before this committee to present a budget for the coming fiscal year, not knowing that the COVID-19 pandemic was about to hit. Since that time, we have cut more than half a billion in spending and focused on the core priorities of education, public safety, and healthcare.

While we continue to fight the pandemic, today's budget will fully fund state operations and will continue the priorities and momentum of my administration. It will fund productivity within our institutions of higher education, meet the recommendations of the legislative educational adequacy committee, and see the largest increase in public school funding in more than a decade.

This budget also continues my administration's commitment to lower the tax burden on working Arkansans. It allows us to not just absorb cuts adopted in prior years, but also sets aside \$50 million for low and middle income tax relief. This includes a plan to reduce sales taxes on vehicles priced less than \$10,000 and introduces a new measure, one that offers a lower income tax rate to new Arkansans, and will assist in recruiting workforce to our state.

Additionally, this budget presents a plan for the use of \$240.9 million which we have accumulated in surplus funds. This includes funding to continue our investment in statewide broadband and educational facilities.

It also includes an investment in the future of our state. When I took office, the balance in the Long-Term Reserve was zero. Today, the balance is \$185 million. With my budget today, I will be presenting a plan that will see that balance rise to at least \$420 million by the end of the biennium.

This budget provides continued funding for our crisis stabilization units and our public safety needs, from the crime lab to state police vehicles.

Finally, as a result of our work together to transform state government, the budget identifies \$26.5 million in reductions to state agencies. This is the result of reducing the number of state employees through attrition (858 in FY 2020) and the increased efficiencies from shared resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Asa Hutchinson". The signature is written in a cursive style with a large, sweeping initial "A".

Asa Hutchinson

**STATE GENERAL REVENUE
2021 - 2023 Executive Recommendations**

FUND ACCOUNTS	FY21 FORECAST	Fiscal Year 2022			Fiscal Year 2023		
		BASE LEVEL 1	Executive Recommendation	TOTAL	BASE LEVEL 1	Executive Recommendation	TOTAL
Div. of Elementary and Secondary Education	2,187,669,810	2,187,708,897	29,745,792	2,217,454,689	2,187,718,268	99,358,239	2,287,076,507
State Library	5,359,823	5,359,823	282,096	5,641,919	5,359,823	282,096	5,641,919
Career and Technical Education 2	30,366,357	30,368,452	500,000	30,868,452	30,368,621	500,000	30,868,621
PUBLIC SCHOOL FUND	2,223,395,990	2,223,437,172	30,527,888	2,253,965,060	2,223,446,712	100,140,335	2,323,587,047
GENERAL EDUCATION FUND							
Div. of Elementary and Secondary Education	15,529,092	16,331,868	817,321	17,149,189	16,379,120	817,321	17,196,441
Div. of Elementary and Secondary Education - Succeed Scholarship	0	0	3,300,000	3,300,000	0	3,300,000	3,300,000
Educational Facilities Partnership	41,828,951	41,828,951	0	41,828,951	41,828,951	28,500,000	70,328,951
Div. of Academic Facilities & Transportation	2,491,050	2,527,107	131,198	2,658,305	2,531,297	131,198	2,662,495
Educational Television	5,202,689	5,382,727	77,231	5,459,958	5,393,951	78,930	5,472,881
School for the Blind	6,885,722	7,118,142	585,430	7,703,572	7,136,122	585,430	7,721,552
School for the Deaf	10,006,090	10,350,845	720,136	11,070,981	10,372,183	720,136	11,092,319
State Library	3,435,963	3,514,904	180,840	3,695,744	3,515,890	180,840	3,696,730
Div. of Career and Technical Education	9,500	9,500	0	9,500	9,500	0	9,500
Rehabilitation Services	11,354,786	11,596,466	0	11,596,466	11,641,802	0	11,641,802
Subtotal - General Education	96,743,846	98,660,510	5,812,156	104,472,666	98,808,816	34,313,855	133,122,671
Technical Institutes:							
Northwest TI	2,999,927	3,059,189	0	3,059,189	3,066,434	0	3,066,434
Riverside VTS	2,240,714	2,312,769	117,932	2,430,701	2,317,086	117,932	2,435,018
Subtotal - Technical Institutes	5,240,641	5,371,958	117,932	5,489,890	5,383,520	117,932	5,501,452
TOTAL GENERAL ED. FUND	101,984,487	104,032,468	5,930,088	109,962,556	104,192,336	34,431,787	138,624,123
HUMAN SERVICES FUND							
DHS-Administration	22,601,484	23,733,915	0	23,733,915	23,778,727	0	23,778,727
Children & Family Services	118,956,010	119,946,575	0	119,946,575	119,997,824	0	119,997,824
Child Care/Early Childhood Ed.	2,009,177	2,167,125	0	2,167,125	2,173,405	0	2,173,405
Youth Services	48,799,561	48,897,465	0	48,897,465	48,903,006	0	48,903,006
Devel. Disab. Services	63,650,743	65,234,278	0	65,234,278	65,306,674	0	65,306,674
Medical Services	2,220,986	2,325,764	0	2,325,764	2,333,276	0	2,333,276
DHS-Grants	1,313,215,466	1,313,215,466	75,252,977	1,388,468,443	1,313,215,466	125,966,432	1,439,181,898
Behavioral Health	93,993,600	95,165,518	0	95,165,518	95,232,260	0	95,232,260
Provider Services and Quality Assurance	5,118,262	5,312,733	0	5,312,733	5,321,846	0	5,321,846
County Operations	45,797,548	47,383,974	0	47,383,974	47,470,649	0	47,470,649
TOTAL HUMAN SERVICES	1,716,362,837	1,723,382,813	75,252,977	1,798,635,790	1,723,733,133	125,966,432	1,849,699,565
STATE GENERAL GOVT FUND							
Div. of Ark. Heritage	7,141,636	7,324,050	0	7,324,050	7,327,148	0	7,327,148
Department of Agriculture	16,837,301	17,391,324	886,174	18,277,498	17,406,921	886,174	18,293,095
Dept. of Labor and Licensing	3,068,060	3,127,575	650,000	3,777,575	3,127,575	650,000	3,777,575
Div. of Higher Education	11,006,173	11,064,808	579,272	11,644,080	11,066,536	579,272	11,645,808
Institution Productivity Funding 3	0	0	0	0	0	11,260,828	11,260,828
Higher Education Grants	38,016,592	38,018,752	2,000,873	40,019,625	38,018,752	2,000,873	40,019,625
Economic Development Commission	14,076,611	14,552,810	740,874	15,293,684	14,555,029	6,540,874	21,095,903
Div. of Correction	360,991,738	369,401,401	5,657,595	375,058,996	369,577,554	9,378,462	378,956,016
Div. of Community Correction	91,439,530	94,320,088	2,579,801	96,899,889	94,397,166	2,756,341	97,153,507
Div. of the Military	6,385,424	7,064,903	681,018	7,745,921	7,069,321	679,051	7,748,372
Parks & Tourism	19,748,929	20,614,754	0	20,614,754	20,630,801	0	20,630,801
Div. of Environmental Quality	3,767,151	3,847,006	198,271	4,045,277	3,848,855	198,271	4,047,126
Miscellaneous Agencies 4	61,582,393	67,230,530	3,813,374	71,043,904	63,122,604	3,811,931	66,934,535
TOTAL STATE GENERAL GOVT	634,061,538	653,958,001	17,787,252	671,745,253	650,148,262	38,742,077	688,890,339

2021 - 2023 Executive Recommendations

Fiscal Year 2023

Fiscal Year 2022

FUND ACCOUNTS	FY21 FORECAST	Fiscal Year 2022			Fiscal Year 2023			OVER FY21	TOTAL	OVER FY22
		BASE LEVEL 1	Executive Recommendation	TOTAL	BASE LEVEL 1	Executive Recommendation	TOTAL			
OTHER FUNDS										
County Aid	20,357,186	1,071,430	21,428,616	5.3%	20,357,186	1,071,430	21,428,616	0.0%	21,428,616	0.0%
County Jail Reimbursement	18,397,647	968,297	19,365,944	5.3%	18,397,647	968,297	19,365,944	0.0%	19,365,944	0.0%
Crime Information System 4	3,541,309	(1,000,000)	2,541,309	-28.8%	3,541,309	(1,000,000)	2,543,658	0.1%	2,543,658	0.1%
Child Support Enforcement	12,334,851	0	12,619,632	2.3%	12,619,632	0	12,631,574	0.1%	12,631,574	0.1%
Dept. of Health	78,751,022	2,096,840	82,483,861	4.7%	80,496,222	2,096,840	82,593,062	0.1%	82,593,062	0.1%
Performance Fund	0	3,629,362	3,629,362	100.0%	0	3,629,362	3,629,362	340.8%	16,000,000	340.8%
Motor Vehicle Acquisition	0	0	0	0.0%	0	0	0	0.0%	0	0.0%
Municipal Aid	27,903,494	1,468,605	29,372,099	5.3%	27,903,494	1,468,605	29,372,099	0.0%	29,372,099	0.0%
Div. of Arkansas State Police	62,366,357	3,282,440	69,820,141	12.0%	66,601,474	3,282,440	69,883,914	0.1%	69,883,914	0.1%
Div. of Workforce Services-TANF	3,671,598	0	3,682,210	0.3%	3,682,210	0	3,685,419	0.1%	3,685,419	0.1%
Div. of Workforce Services-Adult Education	899,680	0	918,273	2.1%	918,273	0	918,996	0.1%	918,996	0.1%
Services for the Blind	1,867,855	1,897,471	1,897,471	1.6%	1,897,471	0	1,900,926	0.2%	1,900,926	0.2%
Skills Development Fund	3,580,309	3,585,793	3,585,793	0.2%	3,585,793	0	3,586,921	0.0%	3,586,921	0.0%
TOTAL OTHER FUNDS	233,701,610	11,516,974	251,344,711	7.5%	240,023,517	23,887,612	263,911,129	5.0%	263,911,129	5.0%
<i>See Footnote related to Productivity Funding.</i>										
INSTITUTIONS OF HIGHER EDUCATION - Four Year Institutions:										
Arkansas State University	56,712,052	4,463,585	61,175,637	7.9%	56,712,052	2,984,845	59,696,897	-2.4%	59,696,897	-2.4%
Arkansas Tech University	31,718,000	2,029,067	33,747,067	6.4%	31,718,000	1,669,368	33,387,368	-1.1%	33,387,368	-1.1%
Henderson State University	18,079,415	1,243,486	19,322,901	6.9%	18,079,415	951,548	19,030,963	-1.5%	19,030,963	-1.5%
Southern Arkansas University	16,320,222	1,456,934	16,894,452	3.5%	15,437,518	858,959	16,296,477	-3.5%	16,296,477	-3.5%
UA-Fayetteville	116,687,604	9,716,928	126,404,532	8.3%	116,687,604	6,141,453	122,829,057	-2.8%	122,829,057	-2.8%
UA - System	3,305,500	173,974	3,479,474	5.3%	3,305,500	173,974	3,479,474	0.0%	3,479,474	0.0%
UA - Archeological Survey	2,250,810	118,464	2,369,274	5.3%	2,250,810	118,464	2,369,274	0.0%	2,369,274	0.0%
UA - Agriculture	62,510,131	3,290,007	65,800,138	5.3%	62,510,131	3,290,007	65,800,138	0.0%	65,800,138	0.0%
UA - Clinton School	2,220,051	116,845	2,336,896	5.3%	2,220,051	116,845	2,336,896	0.0%	2,336,896	0.0%
UA - Criminal Justice Institute	2,145,702	112,932	2,258,634	5.3%	2,145,702	112,932	2,258,634	0.0%	2,258,634	0.0%
UA - AR Sch. Math, Science, & Arts	1,076,396	56,652	1,133,048	5.3%	1,076,396	56,652	1,133,048	0.0%	1,133,048	0.0%
U of A - Ft. Smith	19,329,841	1,302,984	20,632,825	6.7%	19,329,841	1,017,360	20,347,201	-1.4%	20,347,201	-1.4%
UA-Little Rock	57,494,393	3,201,950	60,696,343	5.6%	57,494,393	3,026,021	60,520,414	-0.3%	60,520,414	-0.3%
UA-Medical Sciences	83,612,237	4,400,644	88,012,881	5.3%	83,612,237	4,400,644	88,012,881	0.0%	88,012,881	0.0%
UAMS - Child Abuse/Rape/Domestic Violence	710,820	37,412	748,232	5.3%	710,820	37,412	748,232	0.0%	748,232	0.0%
UAMS - Pediatrics/Psychiatric Research	1,885,845	99,255	1,985,100	5.3%	1,885,845	99,255	1,985,100	0.0%	1,985,100	0.0%
UAMS - Child Safety Center	696,881	36,678	733,559	5.3%	696,881	36,678	733,559	0.0%	733,559	0.0%
UAMS - Indigent Care	5,166,423	271,917	5,438,340	5.3%	5,166,423	271,917	5,438,340	0.0%	5,438,340	0.0%
UA-Monticello	15,174,764	1,149,718	16,324,482	7.6%	15,174,764	798,672	15,973,436	-2.2%	15,973,436	-2.2%
UA-Pine Bluff	24,901,490	1,639,063	26,540,553	6.6%	24,901,490	1,310,605	26,212,095	-1.2%	26,212,095	-1.2%
University of Central Arkansas	52,490,524	3,694,367	56,184,891	7.0%	52,490,524	2,762,659	55,253,183	-1.7%	55,253,183	-1.7%
Subtotal - 4 Year Institutions	574,489,095	38,612,862	612,219,259	6.6%	573,606,397	30,236,270	603,842,667	-1.4%	603,842,667	-1.4%
INSTITUTIONS OF HIGHER EDUCATION - Two Year Institutions:										
Arkansas Northeastern College	8,263,505	653,321	8,929,506	7.5%	8,226,185	434,921	8,661,106	-2.5%	8,661,106	-2.5%
Arkansas State University - Beebe	11,163,297	361,752	11,525,049	3.2%	11,163,297	587,542	11,750,839	2.0%	11,750,839	2.0%
Arkansas State Univ.-Mt. Home	3,499,574	110,513	3,610,087	3.2%	3,499,574	184,188	3,683,762	2.0%	3,683,762	2.0%
Arkansas State Univ. - Newport	6,458,124	834,418	7,292,542	4.7%	5,925,957	339,901	6,265,858	-7.3%	6,265,858	-7.3%
Cossatot C C of the UA	3,302,237	288,809	3,591,046	8.7%	3,302,237	173,802	3,476,039	-3.2%	3,476,039	-3.2%
East Arkansas Cmty. College	7,832,089	660,109	8,492,198	8.4%	7,832,089	412,215	8,244,304	-2.9%	8,244,304	-2.9%
Arkansas State Univ. - Mid-South	3,840,264	274,957	4,097,247	6.7%	3,822,290	202,119	4,024,409	-1.8%	4,024,409	-1.8%
ASU - Mid-South - ADTEC	1,450,650	76,350	1,527,000	5.3%	1,450,650	76,350	1,527,000	0.0%	1,527,000	0.0%
National Park College	8,380,599	615,043	8,995,642	7.3%	8,380,599	441,084	8,821,683	-1.9%	8,821,683	-1.9%
North Arkansas College	7,416,724	234,212	7,650,936	3.2%	7,416,724	390,354	7,807,078	2.0%	7,807,078	2.0%
Northwest Arkansas Cmty. College	11,564,140	1,571,815	11,957,237	3.4%	10,385,422	608,639	10,994,061	-8.1%	10,994,061	-8.1%
Phillips Cmty. College of the UA	8,539,259	741,307	9,280,566	8.7%	8,539,259	449,435	8,988,694	-3.1%	8,988,694	-3.1%

2021 - 2023 Executive Recommendations

Fiscal Year 2023

Fiscal Year 2022

FUND ACCOUNTS	FY21 FORECAST	Fiscal Year 2022			Fiscal Year 2023			
		BASE LEVEL 1	Executive Recommendation	OVER FY21	BASE LEVEL 1	Executive Recommendation	OVER FY22	
U of A - Rich Mountain	3,383,343	3,064,504	418,259	3,482,763	3,064,504	178,071	3,242,575	-6.9%
Southern Ark. University - Tech	5,292,367	5,292,367	494,353	5,786,720	5,292,367	278,546	5,570,913	-3.7%
SAU-Tech-Envir. Control Center	356,284	356,284	18,752	375,036	356,284	18,752	375,036	0.0%
SAU-Tech-Fire Training Academy	1,596,896	1,596,896	84,047	1,680,943	1,596,896	84,047	1,680,943	0.0%
South Arkansas Cmty. College	5,731,301	5,731,301	336,748	6,068,049	5,731,301	301,647	6,032,948	-0.6%
U of A - Cmty. College at Batesville	3,923,626	3,923,626	268,649	4,192,275	3,923,626	206,507	4,130,133	-1.5%
U of A - Cmty. College at Hope-TEXARKANA	4,739,641	4,445,127	572,367	5,017,494	4,445,127	249,455	4,694,582	-6.4%
U of A - Cmty. College at Morrilton	5,099,641	4,815,231	533,348	5,348,579	4,815,231	268,402	5,083,633	-5.0%
Subtotal - 2 Year Institutions	111,833,561	109,169,619	9,149,129	118,318,748	109,169,619	5,885,977	115,055,596	-2.8%
INSTITUTIONS OF HIGHER EDUCATION - Technical Colleges								
Black River	5,663,516	5,663,516	178,848	5,842,364	5,663,516	298,080	5,961,596	2.0%
ASU - Three Rivers	3,297,333	3,297,333	110,185	3,407,518	3,297,333	173,544	3,470,877	1.9%
Ozarka	2,896,343	2,896,343	361,274	3,257,617	2,896,343	152,439	3,048,782	-6.4%
U of A - Pulaski Tech	14,023,209	14,023,209	442,839	14,466,048	14,023,209	738,064	14,761,273	2.0%
Southeast Arkansas College	5,221,887	5,221,887	164,902	5,386,789	5,221,887	274,836	5,496,723	2.0%
Subtotal - Technical Colleges	31,102,288	31,102,288	1,258,048	32,360,336	31,102,288	1,636,963	32,739,251	1.2%
TOTAL INST'S OF H. E.	717,424,944	713,878,304	49,020,039	762,898,343	713,878,304	37,759,210	751,637,514	-1.5%
Restricted Reserve	60,368,593	0	0	0	0	0	0	0.0%
Total Request	5,687,300,000	5,658,516,495	190,035,218	5,848,551,713	5,655,422,264	360,927,453	6,016,349,717	2.9%
OFFICIAL FORECAST 11.10.20	5,687,300,000			5,859,400,000			6,144,500,000	
Add: Fund Transfer from the General Revenue Allotment Reserve Fund				25,000,000				
TAX REFORM				(6,548,287)			(13,096,574)	
Less: Used Motor Vehicle Sales Tax/3.5% Rate < \$10,000				(1,550,000)			(4,650,000)	
Less: 4.9% Income Tax Plan for New Residents				(2,750,000)			(5,500,000)	
Less: Income Tax Table Cliff Adjustment				(25,000,000)			(50,000,000)	
Less: Individual Income Tax Change				5,848,551,713			6,071,253,426	
ADJUSTED REVENUE AVAILABLE								
Transfer to the Long Term Reserve Fund							54,903,709	
Surplus/(Deficit)								

1. Base Level includes adjustments for the FY20 and FY21 Performance Pay, 2021-2023 Retirement Rate Contribution Rates, calculated 2021-2023 Career Service Payments, and the \$360 annual increase in EBD Contribution.
2. The Executive Recommendation for Public School Fund - Career and Technical Education in the amount of \$500,000 is for the Adult Education Basic and General Education Program.
3. Executive Recommendations for formula institutions reflect restoration of Category D funding and the Productivity Funding Distribution for FY22. FY23 allocations for formula institutions reflect the calculated base level distribution and restoration of Category D funding. Any amount above the FY23 allocations for formula institutions is provided in the Institution Productivity Funding line.
4. The Executive Recommendation reflects a reallocation of \$1,000,000 from the Crime Information System line to the Misc. Agencies line for the Department of Public Safety - Crime Laboratory.

One-time Funding Schedule 2021 – 2023 Biennium

<u>Estimated Available Funds</u>	
Unobligated Balance Carryforward	\$201,719,705
FY20 General Revenue Reclaimed	\$39,188,451.05
FY20 Prior Year Adjustment	\$42,529.57
<hr/>	
Total Estimated Funds for 2021-2023 Biennium	\$240,950,686
 <u>Less Mandatory/Debt Obligations:</u>	
Dept of Correction – Lease Payments	\$6,010,750
 <u>Less Executive Recommendations:</u>	
Transfer to Long Term Reserve	\$100,000,000
Transfer to General Revenue to Offset Tax Reduction	\$25,000,000
Transfer to Department of Education for Academic Facilities	\$28,500,000
Transfer to Department of Commerce for Rural Broadband	\$30,000,000
Transfer to Department of Public Safety for State Police Vehicles	\$3,000,000
Transfer to Department of Commerce for Economic Programs	\$5,800,000
Transfer to Rainy Day Fund	\$25,000,000
Transfer Medicaid Trust Fund	\$4,108,119
<hr/>	
Total Executive Recommendations and Transfers	\$227,418,869
 Remaining Funding to Distribute	 \$13,531,817



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

OFFICE OF THE SECRETARY
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
www.arkansas.gov/dfa

November 10, 2020

The Honorable Cecile Bledsoe, Co-Chair
The Honorable Jeff Wardlaw, Co-Chair
Arkansas Legislative Council
State Capitol
Little Rock, Arkansas 72201

Dear Senator Bledsoe and Representative Wardlaw:

In accordance with Arkansas Code Annotated §19-4-304 (b) (2), I am submitting our Official General Revenue Forecast for the 2021 – 2023 Biennium. This law states that the Legislative Council shall require from the Chief Fiscal Officer of the State, not later than sixty (60) days prior to the convening of the General Assembly, the budget estimates and recommendations prepared by him. Included in the tables are selected economic assumptions and the details of the updated revenue forecasts for Fiscal Year 2021 and the 2021-2023 Biennium.

Summary of Net Available Revenues:

Actual

- In FY 2020 net available revenues totaled \$5,753.4 million, a decrease of \$168.1 million or -2.8% from FY 2019. A surplus of \$3.2 million resulted from exceeding the full amount of the allocations in the Revenue Stabilization Law.

Current Year

- For FY 2021 net available revenues are expected to reach \$5,687.3 million, a decrease of \$66.1 million, or -1.1 percent from FY 2020 results for net available. Year-to-date actual growth after four months in the fiscal year has been 12.2 percent above year earlier levels, resulting in \$231.8 million above forecast at that point. Individual Income Tax collections have been above year ago because of the tax filing deadline change to July and better than expected results in Payroll Withholding Tax. Sales and Use Tax collections have been above forecast with the combined effects of economic rebound from initial COVID-19 reductions and Federal transfer payments to households as stimulus payments and enhanced benefits for unemployment

recipients. Corporate Income tax collections are also above forecast as large accounts have generally held up over the pandemic recession to date.

The FY 2021 forecast is expected to fund the allocations “A” + “A1” + “B” + “C” in the current Revenue Stabilization Law.

Forecast

- For FY 2022 net available revenues are expected to reach \$5,859.4 million, an increase of \$172.1 million or 3.0 percent above FY 2021.
- For FY 2023 net available revenues are expected to reach \$6,144.5 million, an increase of \$285.1 million or 4.9 percent above FY 2022.

Economic Forecast Assumptions

Economic models employed by the Department of Finance and Administration indicate further economic recovery overall but mixed performance by sectors and elevated risk through CY 2021. Considerable fiscal and monetary stimulus provides a backdrop for the forecast across the biennial projection period. Revenue growth performance since the start of COVID-19 disruption has been encouraging in part from better-than-expected income tax payments from tax year 2019 liabilities that played out across FY 2020 and the first half of FY 2021. Sales tax collections from marketplace sellers and other online purchasing surged and transfer payments to households as stimulus payments and enhanced unemployment benefits provided an unexpected surge in revenues compared to projections. Pent up demand and displaced spending patterns including less long-distance travel also contributed to local tax collections. The prospect of reduced transfer payments going forward will be mixed with further recovery and expansion in the private sector economy and a pledge for delayed interest rate hikes in response to inflation by the Federal Reserve. A mixed picture of rising wage incomes and falling non-wage incomes via transfer payments will set the tone in FY 2022 while a return to normality by most standards is expected in FY 2023.

The Arkansas economy currently displays mixed signals for revenue potential from both income and purchasing patterns. Total nonfarm employment dropped with the national plunge into the unusual supply shock of efforts to control pandemic spread. Weekly insured unemployment rates spiked briefly and fell to a position 4 percentage points below the national rate and tied with Missouri for lowest in the region. Further declines in the respective rates continued as of late October 2020. Estimates of the general population unemployment rate remain elevated but statistically different (lower) than the national average. Employment levels and incomes are more severely impacted in the sectors related to travel, restaurants, and a variety of personal services. Additional issues of impact from pandemic control efforts extend to many more sectors, including education, real estate, and a broad range of small business dominated activities.

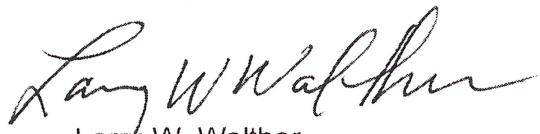
The short-term outlook for the Arkansas economy remains mixed, much like current conditions. Noticeable lags in recovery by sectors including travel, conventions, and full-service restaurants will add another unique signature to this cycle compared to prior cases. Wage income will take two fiscal years to recover to 4.0-4.5 percent growth after meager growth in FY20 and 21. This pattern was masked in revenue growth that included pre-COVID tax payments from TY2019 and fiscal stimulus that more than made up for lost income in some cases compared to prevailing wage averages. Transfer payments in the nonwage categories of personal income is expected to fall 11 percent in FY22 in the aftermath of multiple stimulus programs. Retail sales are expected to soften in FY22 in the shadow of high consumption rates in FY20 and 21 from stocking up, pent up demand, and stimulus payments. A blended picture for growth will mark FY22 with notable recovery in wage income and jobs, offsetting declines in transfer payments from stimulus programs.

Risk remains for revenue prediction in the uncharted outlook of pandemic control efforts, sawtooth pattern in federal stimulus, and uncertainty about the financial health of families and small businesses in the state. The pessimistic case with a 30 percent probability involves weaker recovery in consumer spending and more difficulties in controlling COVID-19 cases. The optimistic case with a 20 percent probability is tied to better COVID-19 containment and the same fiscal stimulus as in the baseline case. A more severe scenario of some type of financial crisis in household budgets, commercial real estate markets, and banks could extend the slowdown after a series of failures in pandemic containment. The Department will act expeditiously to adjust the forecast and budgets if conditions warrant.

The department utilizes more stable and conservative forecast sources and models among national forecast contractors to maintain a conservative input process. Revenue sources are evaluated separately to capture collection issues for each contributing revenue line. We have provided a conservative revenue forecast recognizing the growth opportunities and the risk profile.

I have attempted to provide this information in a format that facilitates your work. A narrative summary of the revenue forecasts and tables for quick reference are included with this letter.

Sincerely,



Larry W. Walther
Secretary

LWW/jps
Attachments (3)

STATE AND NATIONAL ECONOMIC AND REVENUE FORECASTS

The following sections summarize the economic outlook for the nation and Arkansas for the next two years with comments updating current year conditions. The Official Revenue Forecast for the 2021-2023 Biennium Forecast is included.

The revenue forecasts are conditionally based on the expected economic conditions in the state and nation as of October 2020. The U.S. and state economic forecasts were compiled from simulations representing structural economic modeling systems at IHS Markit Inc., a national forecast provider. The Office of Economic Analysis and Tax Research, DFA, prepared the general revenue forecast.

Economic and Revenue Estimates for Fiscal Year 2021

Summary of Economic and Revenue Estimates for FY 2021

- **FY 2021 U.S. Gross Domestic Product (Real Output).** This summary is based on the October 2020 baseline forecast of IHS Markit Inc. During FY 2021, the United States economy is expected to produce final goods and services valued in inflation-adjusted dollars at \$18,823 billion, for an annual increase of \$145 billion or 0.8 percent. Two general measures of inflation indicate modest near-term price gains during the year, stemming from energy price weakness and mixed economic recovery. These consist of the Consumer Price Index (CPI) and the GDP price deflator, a measure of overall price inflation spanning consumers, businesses, and government. The Consumer Price Index is expected to increase 1.9 percent and the GDP price deflator is expected to rise by 1.4 percent.
- **U.S. gross domestic product in current dollars** is estimated at \$21,550 billion, an increase of \$458 billion or 2.2 percent.
- **Average annual U.S. oil prices** are estimated at \$41 per barrel (domestic crude price to refineries) in FY 2021 from the October forecast. Energy prices in general have been hit by deep recession and limited travel recovery in major economies. Weekly and monthly price swings could vary widely around the annual averages.
- **FY 2021 Arkansas nonfarm personal income** (the sum of wages and salaries, proprietor's income, rent, dividends, interest and transfer payments) is estimated at \$143.8 billion (current dollars), an increase of \$4.8 billion or 3.5 percent over FY 2020.

- **FY 2021 Arkansas wage and salary disbursements** are estimated at \$60.8 billion, an increase of \$1.0 billion or 1.6 percent.
- **FY 2021 Arkansas payroll employment** is expected to reach a level of 1.240 million jobs, a decrease of approximately 14,200 jobs or -1.1 percent. Private sector job change is expected to be -1.0 percent below the prior period.

FY 2021 Gross General Revenues

Gross general revenues are estimated at \$6,941.0 million, a decrease from FY 2020 of \$26.7 million, or -0.4 percent.

Pursuant to Arkansas Code §19-5-202, the total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2019 was set at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. Under this formula, \$348.5 million has been determined to be distributed (net) in FY 2021.

FY 2021 Net Available General Revenues

The net available forecast for FY 2021 is unchanged from the Official General Revenue Forecast of April 2, 2020. Net available revenues are estimated at \$5,687.3 million, a decrease of \$66.1 million or -1.1 percent from FY 2020.

FY 2021 revenues are expected to fund the allocations “A” + “A1” + “B” + “C” in the current Revenue Stabilization Law.

FY 2021 Selected Special Revenues:

- **FY 2021 Educational Adequacy Fund:** Act 107 of the Second Extraordinary

Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. Effective July 1, 2004, a new sales tax on selected services went into effect in addition to an increase in vending machine decal fees. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting dyed diesel from sales tax.

The additional revenues are deposited as special revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. Estimate for FY 2021: \$535.6 million.

- **FY 2021 WorkForce 2000 (Special Corporate Income Taxes).** Act 1315 (1999) established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. Under this formula, it has been determined that \$30.8 million will be distributed in FY 2021.

Economic and Revenue Estimates for the 2021–2023 Biennium

Summary of Economic and Revenue Estimates for FY 2022

- **FY 2022 U.S. Gross Domestic Product (Real Output).** This summary is based on the October 2020 baseline forecast of IHS Markit Inc. During FY 2022, the United States economy is expected to produce final goods and services valued in inflation-adjusted dollars at \$19,377 billion, an increase of \$555 billion or 2.9 percent. Two general measures of inflation indicate higher price pressures during the year. The Consumer Price Index is expected to increase 2.7 percent and the GDP price deflator is expected to rise by 1.5 percent.
- **U.S. gross domestic product in current dollars** is estimated at \$22,529 billion, an increase of \$979 billion or 4.5 percent over FY 2021.
- **Average annual U.S. oil prices** are estimated at \$51 per barrel (domestic crude price to refineries) in FY2022. Gradual price gain in annual averages is expected during the biennium, after back-to-back percentage losses in FY 20-21. Weekly and monthly price swings could vary widely around the annual averages.
- **FY 2022 Arkansas nonfarm personal income** is estimated at \$144.5 billion (current dollars), an increase of \$0.63 billion or 0.4 percent over FY 2021. Lower

transfer payments in FY 2022 from stimulus in the prior year accounts for the weak year-over-year change.

- **FY 2022 Arkansas wage and salary disbursements** are estimated at \$63.5 billion, an increase of \$2.66 billion or 4.4 percent. Total disbursements reflect the combined effects of net job growth, longer average work weeks, and any gains in wage rates, bonuses, or level of overtime pay rates.
- **FY 2022 Arkansas payroll employment** is expected to reach a level of 1.258 million jobs, an increase of approximately 18,200 jobs or 1.5 percent. Private sector job growth is expected to be 1.4 percent in FY 2022.

FY 2022 Gross General Revenues

Gross general revenues are estimated at \$6,906.6 million, a decrease from FY 2021 of \$34.4 million, or -0.5 percent.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2022 is assumed to remain at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. \$351.0 million is estimated to be distributed (net) in FY 2022.

FY 2022 Net Available General Revenues

Net available revenues are estimated at \$5,859.4 million, an increase of \$172.1 million or 3.0 percent compared to FY 2021.

FY 2022 Selected Special Revenues:

- **FY 2022 Educational Adequacy Fund:** Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. Effective July 1, 2004, a new sales tax on selected services went into effect in addition to an increase in vending machine decal

fees. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting dyed diesel from sales tax.

The additional revenues are deposited as special revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. Estimate for FY 2022: \$549.4 million.

- **FY 2022 WorkForce 2000 (Special Corporate Income Taxes).** Act 1315 (1999) established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. \$27.7 million is estimated to be distributed in FY 2022.

Summary of Economic and Revenue Estimates for FY 2023

- **FY 2023 U.S. Gross Domestic Product (Real Output).** During FY 2023, the United States economy is expected to produce final goods and services valued at \$19,985 billion in inflation-adjusted dollars, an increase of \$608 billion or 3.1 percent. The two inflation measures of consumer price index (CPI) and GDP price deflator are expected to moderate as energy price gains stall. The consumer price index (CPI) is expected to increase 2.0 percent and the GDP price deflator is expected to increase 1.7 percent in FY 2023.
- **U.S. gross domestic product in current dollars** is estimated at \$23,626 billion for FY 2023, an increase of \$1,097 billion or 4.9 percent.
- **Average annual U.S. oil prices** are estimated at \$55 per barrel (domestic crude price to refineries) in FY 2023. Oil prices and domestic energy demand are expected to gradually recover. Weekly and monthly price swings could vary widely around the annual averages.
- **FY 2023 Arkansas nonfarm personal income** will reach \$150.3 billion (current dollars), an increase of \$5.8 billion or 4.0 percent over FY 2022. Nonfarm income is expected to expand moderately in a rising job market and expanding national economy.
- **FY 2023 Arkansas wage and salary disbursements** are estimated at \$66.3 billion, an increase of \$2.8 billion or 4.4 percent.

- **FY 2023 Arkansas payroll employment** is estimated to grow from a level of 1.258 million jobs in FY 2022 to 1.276 million jobs in FY 2023. This represents an increase of approximately 17,900 jobs or 1.4 percent. Private sector job growth is expected to be 1.3 percent in FY 2023.

FY 2023 Gross General Revenues

The forecast for gross general revenues in FY 2023 is \$7,186.8 million, an increase of \$280.2 million or 4.1 percent over FY 2022.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2023 is assumed to remain at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. Under this formula, an estimated \$362.9 million may be distributed (net) in FY 2023.

FY 2023 Net Available General Revenues

For FY 2023, net available general revenues are estimated at \$6,144.5 million, an increase of \$285.1 million or 4.9 percent over FY 2022.

FY 2023 Selected Special Revenues:

- **FY 2023 Educational Adequacy Fund:** Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. Effective July 1, 2004, a new sales tax on selected services went into effect in addition to an increase in vending machine decal fees. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting

dyed diesel from sales tax.

The additional revenues are deposited as special revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. Estimate for FY 2023: \$569.5 million.

- **FY 2023 WorkForce 2000 (Special Corporate Income Taxes) Act 1315 (1999)** established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. Under this formula, an estimated \$27.0 million may be distributed (net) in FY 2023.

**Office of the Secretary and
Economic Analysis and Tax Research,
Department of Finance and Administration
November 10, 2020**

**Official General Revenue Forecast
FY 2021 - 2023 Biennium**

Millions of Dollars

	11/10/20 Estimate	FY 21 Increase	% CH	11/10/20 Estimate	FY 22 Increase	% CH	11/10/20 Estimate	FY 23 Increase	% CH
INDIVIDUAL INCOME	3,380.4	-38.2	-1.1	3,300.4	-80.0	-2.4	3,452.9	152.5	4.6
CORPORATE INCOME	453.3	-28.8	-6.0	450.9	-2.4	-0.5	459.2	8.3	1.8
SALES and USE TAX	2,561.8	18.1	0.7	2,648.6	86.8	3.4	2,749.1	100.5	3.8
ALCOHOLIC BEVERAGE	62.5	1.7	2.7	63.6	1.1	1.8	64.9	1.3	2.0
TOBACCO	199.3	-21.1	-9.6	192.8	-6.5	-3.3	186.6	-6.2	-3.2
INSURANCE	164.2	39.2	31.3	139.6	-24.6	-15.0	162.7	23.1	16.5
RACING	1.6	-0.1	-3.8	1.5	-0.1	-6.3	1.3	-0.2	-13.3
GAMING	31.2	-1.2	-3.7	31.2	0.0	0.0	31.2	0.0	0.0
SEVERANCE	6.4	-1.1	-14.3	8.0	1.6	25.0	8.6	0.6	7.5
CORPORATE FRANCHISE	8.0	0.0	0.0	8.0	0.0	0.0	8.0	0.0	0.0
REAL ESTATE TRANSFER	2.6	0.0	-0.3	2.6	0.0	0.0	2.6	0.0	0.0
MISCELLANEOUS	69.7	4.7	7.3	59.4	-10.3	-14.8	59.7	0.3	0.5
TOTAL GROSS	6,941.0	-26.7	-0.4	6,906.6	-34.4	-0.5	7,186.8	280.2	4.1
LESS: SCS/COF	215.2	-0.5	-0.2	214.1	-1.1	-0.5	222.8	8.7	4.1
INDIVIDUAL REFUNDS	501.8	-1.8	-0.4	291.7	-210.1	-41.9	261.4	-30.3	-10.4
CORP REFUNDS	63.8	14.5	29.5	68.6	4.8	7.5	74.4	5.8	8.5
CLAIMS RESERVE	10.0	10.0	0.0	10.0	0.0	0.0	10.0	0.0	0.0
ECON DEV INCENTIVE	23.4	5.5	30.6	23.4	0.0	0.0	23.4	0.0	0.0
RECYCLING TAX CREDIT	16.0	0.0	0.0	16.0	0.0	0.0	16.0	0.0	0.0
AMENDMENT 82 BOND	5.3	0.0	0.2	5.3	0.0	0.0	5.3	0.0	0.0
WATER/SWR BONDS	14.8	0.0	0.0	14.8	0.0	0.0	14.8	0.0	0.0
COLL SVNGS BONDS	23.2	0.0	0.0	20.4	-2.8	-12.1	18.3	-2.1	-10.3
MLA CITY/CO TOURIST	0.9	0.0	1.4	0.9	0.0	0.0	0.9	0.0	0.0
EDUC EXCEL TRUST	348.5	10.8	3.2	351.0	2.5	0.7	362.9	11.9	3.4
EDUCATIONAL ADQCY	30.8	0.9	3.2	31.0	0.2	0.6	32.1	1.1	3.5
NET AVAILABLE	5,687.3	-66.1	-1.1	5,859.4	172.1	3.0	6,144.5	285.1	4.9
LESS: SURPLUS	0.0	-3.2							
NET AVAILABLE DISTRIBUTION	5,687.3	-62.9	-1.1	5,859.4	172.1	3.0	6,144.5	285.1	4.9

Prepared by Economic Analysis and Tax Research, DFA

**Economic Assumptions and the
Official General Revenue Forecast
FY 2021 - 2023 Biennium**

Millions of Dollars	FY21			FY22			FY23		
	11/10/20 Estimate	Increase	% CH	11/10/20 Estimate	Increase	% CH	11/10/20 Estimate	Increase	% CH
INDIVIDUAL INCOME TAX	3,380.4	-38.2	-1.1	3,300.4	-80.0	-2.4	3,452.9	152.5	4.6
INDIVIDUAL REFUNDS	<u>501.8</u>	<u>-1.8</u>	<u>-0.4</u>	<u>291.7</u>	<u>-210.1</u>	<u>-41.9</u>	<u>261.4</u>	<u>-30.3</u>	<u>-10.4</u>
NET INDIVIDUAL INCOME	2,878.6	-36.3	-1.2	3,008.7	130.1	4.5	3,191.5	182.8	6.1
CORPORATE INCOME TAX	453.3	-28.8	-6.0	450.9	-2.4	-0.5	459.2	8.3	1.8
CORPORATE REFUNDS	<u>63.8</u>	<u>14.5</u>	<u>29.5</u>	<u>68.6</u>	<u>4.8</u>	<u>7.5</u>	<u>74.4</u>	<u>5.8</u>	<u>8.5</u>
NET CORPORATE INCOME	389.5	-43.3	-10.0	382.3	-7.2	-1.8	384.8	2.5	0.7
SALES AND USE TAX	2,561.8	18.1	0.7	2,648.6	86.8	3.4	2,749.1	100.5	3.8
NET ECONOMIC TAX REVENUE	5,829.9	-61.5	-1.0	6,039.6	209.7	3.6	6,325.4	285.8	4.7
OTHER TAX REVENUE	<u>545.5</u>	<u>22.2</u>	<u>4.2</u>	<u>506.7</u>	<u>-38.8</u>	<u>-7.1</u>	<u>525.6</u>	<u>18.9</u>	<u>3.7</u>
GROSS GENERAL REVENUES	6,941.0	-26.7	-0.4	6,906.6	-34.4	-0.5	7,186.8	280.2	4.1
LESS: SCS/COF	215.2	-0.5	-0.2	214.1	-1.1	-0.5	222.8	8.7	4.1
INDIVIDUAL REFUNDS	501.8	-1.8	-0.4	291.7	-210.1	-41.9	261.4	-30.3	-10.4
CORPORATE REFUNDS	63.8	14.5	29.5	68.6	4.8	7.5	74.4	5.8	8.5
CLAIMS	10.0	10.0	0.0	10.0	0.0	0.0	10.0	0.0	0.0
ECON DEVEL INCENTIVE FUND	23.4	5.5	30.6	23.4	0.0	0.0	23.4	0.0	0.0
RECYCLING EQUIP CREDIT	16.0	0.0	0.0	16.0	0.0	0.0	16.0	0.0	0.0
AMENDMENT 82 BOND	5.3	0.0	0.2	5.3	0.0	0.0	5.3	0.0	0.0
WATER/SEWER BONDS	14.8	0.0	0.0	14.8	0.0	0.0	14.8	0.0	0.0
COLLEGE SAVINGS BONDS	23.2	0.0	0.0	20.4	-2.8	-12.1	18.3	-2.1	-10.3
MLA CITY/CO TOURIST	0.9	0.0	1.4	0.9	0.0	0.0	0.9	0.0	0.0
EDUC EXCEL TRUST FUND	348.5	10.8	3.2	351.0	2.5	0.7	362.9	11.9	3.4
EDUCATIONAL ADEQUACY	30.8	0.9	3.2	31.0	0.2	0.6	32.1	1.1	3.5
NET AVAILABLE	<u>5,687.3</u>	<u>-66.1</u>	<u>-1.1</u>	<u>5,859.4</u>	<u>172.1</u>	<u>3.0</u>	<u>6,144.5</u>	<u>285.1</u>	<u>4.9</u>
LESS: SURPLUS	0.0	-3.2							
NET AVAILABLE DISTRIBUTION	<u>5,687.3</u>	<u>-62.9</u>	<u>-1.1</u>	<u>5,859.4</u>	<u>172.1</u>	<u>3.0</u>	<u>6,144.5</u>	<u>285.1</u>	<u>4.9</u>

ECONOMIC ASSUMPTIONS	FY2021			FY2022			FY2023		
U.S. GDP Nominal (Billion \$)	21,550.0	457.8	2.2%	22,529.0	979.0	4.5%	23,626.0	1,097.0	4.9%
U.S. GDP Real (Billions 2012\$ Chain-Weight)	18,822.6	145.3	0.8%	19,377.3	554.8	2.9%	19,985.2	607.9	3.1%
U.S. GDP Deflator (Chain-Wt, 2012=100)	114.5	1.5	1.4%	116.3	1.8	1.5%	118.2	1.9	1.7%
U.S. CPI Price Index (1982-84=100)	262.1	4.8	1.9%	269.0	7.0	2.7%	274.4	5.4	2.0%
OIL - Avg. Dom. Crude to Refinery (\$ per barrel)	41.1	-8.0	-16.3%	51.2	10.1	24.5%	55.1	3.9	7.6%
AR. Net General Revenue (Million \$)	6,375.4	-39.4	-0.6%	6,546.3	170.9	2.7%	6,851.0	304.7	4.7%
AR. Net GR % of Non-Farm Personal Income	4.4	-0.2	-3.9%	4.5	0.1	2.2%	4.6	0.0	0.6%
AR. Non-Farm Personal Income (Million \$)	143,848.9	4,817.7	3.5%	144,482.8	633.9	0.4%	150,287.4	5,804.6	4.0%
AR. Wage & Salary Disbursements (Million \$)	60,837.3	964.3	1.6%	63,500.3	2,663.0	4.4%	66,300.3	2,800.0	4.4%
AR. Non-Farm Proprietor Income (Million \$)	6,284.7	-536.4	-7.9%	6,109.8	-174.9	-2.8%	6,633.6	523.8	8.6%
AR. Per Capita Income (\$)	47,463.0	1,472.0	3.2%	47,528.0	65.0	0.1%	49,264.0	1,736.0	3.7%
AR. GDP Nominal (Million \$)	132,020.7	2,824.9	2.2%	136,804.6	4,783.9	3.6%	142,974.0	6,169.4	4.5%
AR. Employment Total Payroll (Thousands)	1,240.2	-14.2	-1.1%	1,258.4	18.2	1.5%	1,276.3	17.9	1.4%
AR. Employment Private Sector (Thousands)	1,035.7	-10.2	-1.0%	1,050.5	14.8	1.4%	1,064.0	13.5	1.3%
AR. Employment Manufacturing (Thousands)	144.9	-12.0	-7.6%	146.6	1.7	1.2%	148.3	1.7	1.2%
AR. New Car/Light Truck registrations (Thous.)	130.5	11.3	9.5%	123.6	-6.9	-5.3%	121.6	-2.0	-1.6%
AR. Retail Sales (Million \$)	45,571.0	3,283.4	7.8%	45,869.6	298.6	0.7%	46,635.4	765.8	1.7%

U.S. Summary: IHS Markit, October 2020 baseline
Arkansas Summary: IHS Markit, October 2020 baseline