

EXHIBIT B

APPROVED DECEMBER 5, 2017

MINUTES

HOUSE INTERIM COMMITTEE ON AGRICULTURE, FORESTRY, AND ECONOMIC DEVELOPMENT SENATE COMMITTEE ON TRANSPORTATION, TECHNOLOGY, AND LEGISLATIVE AFFAIRS MEETING JOINTLY

Thursday, October 5, 2017

The House Interim Committee on Agriculture, Forestry, and Economic Development held a joint meeting with the Senate Committee on Transportation, Technology, and Legislative Affairs on Thursday, October 5, 2017, at 9:30 a.m., Quapaw Baths and Spa, Quapaw Conference Room, 413 Central Avenue, Hot Springs, Arkansas.

House Agriculture, Forestry, and Economic Development Committee members present: Representatives Dan Douglas, Chair; David Hillman, Vice Chair; Fred Allen, Scott Baltz, Rick Beck, Mary Bentley, David Branscum, Karilyn Brown, Bruce Cozart, Charlotte Douglas, Jack Fortner, Steve Magie, Ron McNair, Stephen Meeks, Mathew Pitsch, and Matthew Shepherd.

Senate Transportation, Technology, and Legislative Affairs Committee members present: Senators Linda Chesterfield, Jimmy Hickey, and Eddie Joe Williams.

Other legislators present: Senators Alan Clark, Joyce Elliott, and Trent Garner. Representatives Bob Ballinger, Charles Blake, LeAnne Burch, Carol Dalby, Jim Dotson, Jon Eubanks, Kenneth Ferguson, David Fielding, Vivian Flowers, Mickey Gates, Justin Gonzales, Ken Henderson, Fredrick Love, Roger Lynch, Austin McCollum, Reginald Murdock, Milton Nicks, Aaron Pilkington, Laurie Rushing, James Sorvillo, and Les Warren.

Representative Dan Douglas called the meeting to order.

CONSIDERATION TO APPROVE MEETING MINUTES [Exhibit B]

Representative McNair made a motion to approve the meeting minutes of July 20, 2017, and without objection, the motion carried.

UPDATE BY ARKANSAS ECONOMIC DEVELOPMENT COMMISSION (AEDC)

Mr. Mike Preston, Executive Director, AEDC, was recognized and presented a PowerPoint presentation titled, "Arkansas Economic Development Commission" [Exhibit C]. Mr. Preston's presentation focused on recruitment of large projects in south Arkansas and the delta region. He stated AEDC has strong partnerships with the Arkansas Department of Parks and Tourism (ADPT) and the Arkansas Department of Workforce Services (ADWS). Since January 2015, some of AEDC's accomplishments include working with 297 companies to locate new operations in Arkansas and/or expand operations. The aforementioned companies have invested over \$6.6 billion in the state, and 10,979 jobs have been created. Moreover, there has been a 4.7% per capita income increase.

One large project recruitment to south Arkansas and the delta region is Sun Paper, which ranks among the top 500 Chinese enterprises and is one of the world's top pulp and paper makers. Sun Paper will open a bio-products mill in Arkadelphia, which represents their first facility in North America, as it is one of the top two largest private investors in Arkansas. The company will invest \$1 billion and create 250 jobs. Mr. Preston concluded by stating that some of the challenges include workforce development/training, as the unemployment rate is low, accessing qualified sites, energy, and quality of life in this region.

Ms. Patricia Brown, Director, Minority and Women Owned Business Enterprise, AEDC, was recognized and presented a PowerPoint presentation titled, “Arkansas Economic Development Commission” [Exhibit C]. Ms. Brown discussed Minority and Women-Owned Business Enterprise (MWBE). The Small and Minority Business Program was created in July 1977, by the Arkansas General Assembly for the purpose of supporting equal opportunity as well as economic development in every sector. Enabling legislation was passed throughout the years and a more recent change was Act 1080 of 2017, which changed the name, expanded the program to include women, spending targets, advisory council members and certification programs. The MWBE has four core program areas: certification, loan mobilization program, procurement reporting and coordination, and outreach. By law, MWBE is responsible for tracking, monitoring, and reporting the amount of state procurement awarded to minority businesses. State agencies, colleges and universities are encouraged to spend at least 15% of their procurement budgets with minority, women-owned and service disabled firms. Ms. Brown concluded by stating MWBE is working to increase the number of certified businesses.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS: PRE-APPRENTICESHIP SUPPORT PROGRAM

Mr. Kevin Kimble, Esq., Founder and President, American Innovation and Opportunity Fund (AIOF), was recognized and gave a brief overview of the AIOF. [Exhibit D] The Financial Services Innovation Coalition (FSIC) in conjunction with the Community Development Financial Institution (CDFI) and AIOF created an apprenticeship support program to allow greater access to companies and industries with unfilled high-wage skilled positions. The AIOF funds support young people who seek to participate in an apprenticeship or training program by providing incidental monetary support.

REPORT CONCERNING INTERNET ACCESS IN SOUTH ARKANSAS AND THE DELTA REGION

Mr. Don McDaniel, Director, Enterprise Network Division, Arkansas Department of Information Systems (DIS), was recognized. [Handouts 1-3] Mr. McDaniel stated the Federal Communications Commission categorizes an internet service as “broadband” if it transmits at a speed of at least 25 megabits per second for downloading and at least 3 megabytes for uploading. He stated significant progress has been made in closing the K-12 connectivity gap. Approximately 455,314 students in 234 school districts continue to have the minimum recommended bandwidth of 100 kbps per student. Also, according to the National Health Statistics Report by the Center for Disease Control, 35.2% of Arkansans are abandoning landline telephones in favor of cell phones.

UPDATE BY ARKANSAS DEPARTMENT OF WORKFORCE SERVICES (ADWS)

Mr. Daryl Bassett, Director, Arkansas Department of Workforce Services (ADWS), was recognized and gave a brief overview of the ADWS Annual Report [Handout 4]. He stated every six months ADWS conducts an Occupational Employment Statistics Survey, however, ADWS recently started doing this survey on a quarterly basis. Within a two-year period, ADWS has contacted approximately 18,000 employers to identify 621 detailed occupations. Mr. Bassett discussed high, moderate, and basic skill occupations and the projected employment opportunities list. [Handouts 5-6] He stated 2016 graduates overwhelmingly pursued degrees in the health professions, with 9,300 graduates. The average hourly wage for an Arkansas worker is \$19 per hour.

Mr. Bassett concluded by stating education and training contribute greatly to the growth and development of Arkansas’ workforce and are critical to a strong economy. ADWS continues to focus on improving access to job training and education and to increasing awareness of workforce services to equip individuals with skills that align with employer demand.

CAREER TECHNICAL EDUCATION PROGRAMS

Ms. Kyla Waters, Director, Center for Workforce, Arkansas Community Colleges, was recognized and gave a brief overview of career and technical education. [Handout 7] Ms. Waters stated the average age of a community college student is 27 with the following demographics: 32% are minority, 62% females, 56% part-time, and 96% are Arkansas residents. Ms. Waters also stated some of the most successful career and technical education partnership are with local industries.

Mr. Jerome Green, President, Shorter College, was recognized and provided an overview of the 2017 President's Report. **[Exhibit F2.C]** Shorter College is a fully accredited historically black private two-year college that was founded by the African Methodist Episcopal Church in 1886. Shorter College does not offer vocational courses, but its focus is primarily on general studies and certificate programs. Moreover, Shorter College is certified by ADWS. Shorter College is one of two Arkansas institutions participating in the Second Chance Pell Pilot Program for incarcerated students as provided under former President Barack Obama's direction, and is currently serving 268 students in 5 Arkansas correctional facilities. **[Handout 8]** This program creates an opportunity for incarcerated adults who are returning to the community to obtain a college education while they are incarcerated. According to statistics, the aforementioned population that participated in post-secondary education has a 20% reduction in the likelihood of committing a crime or recidivism for every year of post-secondary education completed. Mr. Green concluded by stating that 62% of participants in the program are Caucasians, 48% are African-American, and 32% are females.

TOURISM UPDATE

Mr. Joe Rice, Tourism Director, Arkansas Department of Parks and Tourism (ADPT), was recognized and gave a brief tourism update **[Handouts 9-10]**. He stated tourism is one of the fastest growing sectors in Arkansas' economy. In 2016, Arkansas had 29.2 million visitors who spent approximately \$7.7 billion. Mr. Rice concluded by stating he will retire within a few weeks and introduced his successor, Mr. Jim Dailey for comments.

There being no further business, the meeting adjourned at 12:30 p.m.