Arkansas’s Economic Recovery Task Force

Interim Report

May 28, 2020

“Arkansans will face this challenge, as we always have, with compassion, resiliency, and an unbeatable, entrepreneurial spirit.”
– Governor Asa Hutchinson & Chairman Steuart Walton –
May 28, 2020

The Honorable Asa Hutchinson  
Governor, State of Arkansas

Governor Hutchinson,

On behalf of the Members of the Economic Recovery Task Force, attached herein is an interim report on the work underway to restore Arkansas’s economy. This interim report summarizes the work of the Task Force to date, assesses the status of the recovery effort, and outlines areas where we will continue to focus our attention. Although many challenges are ahead, we are confident that Arkansas is on the right path toward achieving a strong recovery.

In the six weeks since you established the Economic Recovery Task Force, our Members have actively engaged on many facets to allow the state to launch and successfully manage a Phase I recovery effort. The members of the Task Force have been effective advocates for their organizations and our citizens. You would be proud of the way they have actively provided input, and conveyed the latest guidance and information to constituencies throughout the state. In partnership with your Administration, several resources for businesses and consumers have already been developed and disseminated.

There is more work to be done and this Task Force will continue to engage on a range of issues and initiatives over the next few weeks to help us begin to consider Phase II reopening. We will continue to deploy as many tools and resources as possible to help Arkansas respond and recover.

Finally, it is important to stress that much of Arkansas’s recovery will be predicated by our citizens and our businesses continuing to be responsible stakeholders in the recovery efforts. Over the next few months, we will all need to adhere to Arkansas’s Department of Health and Centers for Disease Control’s directives in order to manage the impact of COVID-19 throughout our state. Importantly, we need Arkansans to maintain social distancing protocols set out by the Arkansas Department of Health in public settings. Doing so will help protect our friends and relatives from the spread of the virus and undoubtedly accelerate our state’s economic recovery.

Arkansans have accomplished amazing things by working together for nearly two centuries. We’re encouraged by what we are seeing as Arkansas responds to the COVID-19 crisis.

Respectfully,

Steuart Walton  
Chairman
Executive Summary

Over the past six weeks, the Economic Recovery Task Force, made up of thirty-five industry and state leaders from the private and public sectors, has been actively working to reopen Arkansas’s economy and restore consumer confidence in a safe and healthy manner.

When the Task Force was established on April 18, 2020, at the peak of the economic disruption, a National Governor’s Association report estimated that more than 35 percent of Arkansas’s small businesses were closed, more than 200,000 Arkansans were unemployed, there were fears of food supply chain disruptions, and families faced uncertainty on multiple fronts.

To date, the full Task Force has met four times and held more than twenty-five committee and subcommittee meetings. The work has broadly focused on:

- Identifying and addressing issues and concerns of all stakeholders from business, religious, educational, and other institutions across Arkansas;
- Consulting with the Department of Health on guidance and directives as they are being developed and providing a bridge between industry stakeholders and the Department of Health as a means of sharing valuable feedback;
- Disseminating clear, concise information about best practices, policies, and procedures across our state.

Based on input from Members of the Task Force, efforts were organized with multiple constituencies in mind:

- Citizens – we’ve made it a priority to give all Arkansans clear and concise information about best practices, guidance, and measures that are in place to allow them to safely return to in-person activities.
- Employees – we’re working to address barriers that returning workers might face including clear guidance about safety procedures and ensuring that childcare options are available and affordable.
- Employers – with many businesses and other organizations (e.g. educational institutions) facing severe economic disruption, we’re looking at ways to ensure all employers have the tools, resources, and information they need to safely operate with confidence.

There is much more work to be done on each of these fronts as well as a number of policy and administrative issues that still need to be addressed. It is essential that Arkansans continue to adhere to best practices and guidance from Public Health Officials, the Center for Disease Control (CDC), and the Occupational Safety and Health Administration (OSHA) to stem the tide of the virus and to ensure organizations and businesses can safely resume operations.

In summary, there are early signs of economic recovery, but there is much more to be done. This Task Force looks forward to continuing to work on behalf of the State of Arkansas.
About the Economic Recovery Task Force

On April 18, 2020, Governor Asa Hutchinson established the Governor’s Economic Recovery Task Force through Executive Order 20-20. Executive Order 20-20 directed the following:

“The task force shall develop a strategy for the economic recovery efforts from the effects of COVID-19. The task force will examine the impact and recovery needs across the spectrum of businesses and industries in the state and make any recommendations necessary to assist with the easing of COVID-19 mitigation measures and the restoration of the Arkansas economy.”

Chaired by Steuart Walton and consisting of industry and state leaders from the private and public sectors, the Task Force is collaborating across sectors and with the Arkansas Department of Health to provide guidance based on science, data, and smart decision making to ensure businesses and industries are equipped with the knowledge, supplies, and testing necessary to operate during these times. The Task Force is a critical link for disseminating information to organizations and constituencies throughout the state.

The Task Force is working to stem job losses in the short term by a carefully phased approach of reestablishing the workforce while inspiring consumer confidence to reinvigorate the economy.

Task Force Organization
The first meeting of the Task Force was held on April 21, 2020 – just three days after the Governor’s Executive Order was issued. The Task Force has met semi-weekly since that initial meeting. Members of the Task Force were assigned into three working committees that meet weekly to advise on policies and to share information and concerns. (Committee assignments are included at Appendix A.)

Issue-specific subcommittees have been established in a number of areas that include both members of the Economic Recovery Task Force as well as other experts from around the State of Arkansas. These working groups were organized to consult on guidance and directives in the following areas of focus: faith-based organizations; travel and convention industry; higher education; K-12 education; professional service sectors; state and federal parks/land; and others.

In addition to Task Force members, senior officials from the Arkansas Department of Health, Arkansas Department of Education, Arkansas Department of Human Services, and various leaders participate in meetings of the Task Force to provide both state-specific and national perspectives. Some examples of subject-matter experts consulted include:

- Dan Bartlett, Executive Vice President, Corporate Affairs, Walmart
- Craig Greenberg, CEO, 21C Museum Hotels
- Eric Jackson, Senior Vice President, Oaklawn Racing Casino Resort
- John Tyson, Chairman, Tyson Foods
- U.S. Congressman Steve Womack

Finally, the Task Force regularly reviewed and consulted a number of recovery resources and best practices guides published by various associations and organizations. A sample listing of resources is included later in this report. (Appendix C)
# COVID-19 Impact on Arkansas’s Economy

<table>
<thead>
<tr>
<th><strong>206,910</strong></th>
<th><strong>119,332</strong></th>
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<tbody>
<tr>
<td><strong>INITIAL UNEMPLOYMENT CLAIMS</strong></td>
<td><strong>CONTINUED UNEMPLOYMENT CLAIMS</strong></td>
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</table>

- **206,910** is the number of initial unemployment claims that were filed from the week ending March 7 to the week ending May 9, 2020. For the week ending May 2, there were **119,332** continued unemployment claims.
  
  **SOURCE:** U.S. Department of Labor

- **10.2% unemployment rate** in Arkansas in April 2020, up from 5.0% in March 2020. The state’s unemployment rate is below the national unemployment rate of 14.7%.
  
  **SOURCE:** Bureau of Labor Statistics

- **48.7% decline** is forecasted for the U.S. 2nd Quarter 2020 Gross Domestic Product (GDP).
  
  **SOURCE:** Federal Reserve Bank of St. Louis

- **5,536 direct jobs** have been lost in Arkansas’s hotel industry due to the COVID-19 pandemic according to the American Hotel & Lodging Association. Another **19,626 indirect support jobs** are estimated to have also been lost.
  
  **SOURCE:** American Hotel and Lodging Association

- **12.59% reduction in general turnback funds** for Arkansas cities and counties is anticipated for April, May, June and July.

- **13.4% decrease in total consumer spending** is projected in Arkansas during the 2nd Quarter of 2020 and is anticipated to remain significantly below the baseline forecast through the end of 2021.
  
  **SOURCE:** HIS Markit, Arkansas Economic Development Institute
The National Governors Association’s report on small business impacts estimates that at the mid-April peak of business disruption, approximately 35% of Arkansas’s small businesses were closed. Although this was below the nationwide average of 45% of businesses that were closed, in real numbers, it meant 17,000 Arkansas-based small businesses were shuttered and continue to face challenges and uncertainties. Although some have reopened since the mid-April peak, as of May 14, an estimated 22% of Arkansas’s small businesses remain closed.

The US Census Bureau’s Economic Pulse Survey from May 7-12, 2020 found that 39% of Arkansans report having lost some employment income since mid-March. 23.3% more Arkansan households report facing “housing insecurity” since COVID-19 impacts began.

**Unemployment**
Arkansas’s unemployment rate doubled from 5.0% in March to 10.2% in April according to the Bureau of Labor Statistics’ preliminary unemployment report. At 10.2%, our unemployment rate is just slightly below Arkansas’s highest rate on record (10.3% unemployed) that was set in February of 1983. We are still well below the U.S. rate of 14.7% and are tied for the 9th lowest rate of unemployment among states.

While it is devastating to see unemployment rates jump from an all-time low of 3.6% prior to COVID-19, Arkansas has fared better relative to many other states through smart leadership, creative and quick dissemination of assistance grants and loans offered by the state, and federal programs made available to Arkansas’s businesses.

The non-farm employment levels fell precipitously across the state between February and April of 2020. According to preliminary Bureau of Labor Statistics data, Arkansas’s non-farm employment fell 8.7% (-111,700) in just two months to our lowest level since June of 2011. Non-farm employment levels fell across all metros although some were impacted much more severely than others:

<table>
<thead>
<tr>
<th>Metropolitan Statistical Area</th>
<th>February, 2020 Non-farm Employment</th>
<th>April, 2020 Non-Farm Empl. (estimate)</th>
<th>Two-Month Decrease</th>
<th>Two-Month % Decrease</th>
<th>Years of Job Gains Reversed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>1,281,600</td>
<td>1,169,900</td>
<td>-111,700</td>
<td>-8.7%</td>
<td>8 years, 10 mos.</td>
</tr>
<tr>
<td>Fay-Spr-Rogers</td>
<td>267,600</td>
<td>241,800</td>
<td>-25,800</td>
<td>-9.6%</td>
<td>4 years, 5 mos.</td>
</tr>
<tr>
<td>Fort Smith</td>
<td>112,900</td>
<td>103,100</td>
<td>-9,800</td>
<td>-8.7%</td>
<td>23 years, 9 mos.</td>
</tr>
<tr>
<td>Hot Springs</td>
<td>39,700</td>
<td>33,700</td>
<td>-6,000</td>
<td>-15.1%</td>
<td>23 years, 2 mos.</td>
</tr>
<tr>
<td>Jonesboro</td>
<td>61,000</td>
<td>56,300</td>
<td>-4,700</td>
<td>-7.7%</td>
<td>3 years, 7 mos.</td>
</tr>
<tr>
<td>LR-NLR-Conway</td>
<td>362,900</td>
<td>331,100</td>
<td>-31,800</td>
<td>-8.8%</td>
<td>15 years, 1 mo.</td>
</tr>
<tr>
<td>Mem-W. Memphis</td>
<td>658,000</td>
<td>589,400</td>
<td>-68,600</td>
<td>-10.4%</td>
<td>23 years, 1 mo.</td>
</tr>
<tr>
<td>Pine Bluff</td>
<td>32,500</td>
<td>29,600</td>
<td>-2,900</td>
<td>-8.9%</td>
<td>&gt;30 years</td>
</tr>
<tr>
<td>Texarkana</td>
<td>61,100</td>
<td>54,000</td>
<td>-7,100</td>
<td>-11.6%</td>
<td>26 years, 3 mos.</td>
</tr>
</tbody>
</table>
Manufacturing
According to the Bureau of Labor Statistics, 9,600 manufacturing jobs were lost in Arkansas between February and April 2020. This 5.6% drop is comparable to the rate of loss of manufacturing jobs during the 2008 recession. At 150,600, Arkansas’s manufacturing employment stands at the lowest level since at least 1990.

Agriculture
Agriculture is Arkansas’s largest industry, contributing more $21 billion to the state’s economy annually and providing 269,556 jobs, one in every six, in the state. Arkansas ranks in the top 25 nationally in the production of 15 agriculture commodities. Our broad and diverse agriculture industry includes livestock, poultry, aquaculture, specialty crops, row crops, and forestry.

Forestry, livestock and poultry, and row crop sectors are the three primary areas of Arkansas’s agriculture most impacted by COVID-19. Arkansas is the 9th leading producer of timber in the United States, harvesting more than 24 million tons per year worth an estimated $445 million to landowners. Profit losses within the Arkansas forest industry are expected to total between $77 million to $111 million. The forest industry workforce is estimated to shrink by 1,000 to 1,500 workers.

The livestock and poultry industries provide more than $5.3 billion to the state’s economy annually. Disruptions to the nation’s meat processing industry resulted in fewer marketing opportunities and lower cattle prices for Arkansas producers. Studies show that cow-calf producers lost approximately $111.91 per head for each mature breeding animal. Processing disruption and decreased demand from the restaurant industry caused Arkansas’s poultry producers to receive less flocks, potentially reducing their annual income by approximately 15-20%.

The disruptions to the nation’s food supply chain and the reduction in meat processing capacity emphasized Arkansas’s need for regionalized, smaller-scale meat processing facilities that producers and consumers can access during normal and emergency situations.

The COVID-19 pandemic impacted Arkansas’s row sector through the loss of exports and the contraction in the animal feed industry. These impacts have caused a 5-10% reduction in crop prices in the 2020-2021 marketing year for Arkansas’s producers. In many instances, a farmer’s per unit cost of production is exceeding farm market prices.

The total economic loss to all sectors of Arkansas’s agriculture industry due to COVID-19 cannot be accurately estimated at this time, but the impact will be significant. Some of these losses will be offset by the United States Department of Agriculture (USDA) Coronavirus Food Assistance Program (CFAP) which will provide up to $16 billion in direct payments to deliver relief to America’s farmers and ranchers impacted by the coronavirus pandemic and USDA’s Farmers to Families Food Box program which will purchase $3 billion in fresh produce, dairy, and meat across the country. Unfortunately, individual poultry growers and forestry are not eligible for payments through these USDA programs.
Hospitality
The American Hotel and Lodging Association estimates that Arkansas is poised to lose 5,536 direct hotel-related jobs and 19,626 total jobs lost supporting the hotel industry.

A report from the University of Arkansas’s Division of Agriculture pointed to a substantial impact on Arkansas’s tourism-related economy. Accommodation and Food Service jobs make up about 7% of Arkansas’s workforce and some forecasts indicate that at the April peak, nearly 80% of these workers were laid-off. Some have begun returning to work with the reopening of some restaurants and accommodations, but it is expected to take months to restore many of these positions.

Retail
Nationwide consumer spending fell 16.4% in April 2020 compared to April 2019. This was after an 8.3% year-over-year drop reported in March. Apparel stores were down 78.8% in April, electronics and appliances were down 60.6%, home furnishings down 58.7% and sporting goods down 38% year-over-year.

Taken together, this data illustrates the devastating economic impact COVID-19 has had on our state and highlights the importance of the work underway to restore Arkansas’s economy.
Arkansas Economic Recovery – Key Dates

- April 18, 2020 – The Governor issued an executive order creating the Governor’s Economic Recovery Task Force to develop an industry-specific strategy and provide the Governor with recommendations for Arkansas’s economic recovery.

- April 21, 2020 – The Governor issued an executive order creating the Governor’s COVID-19 Testing Working Group to make recommendations to expand the capacity and performance of COVID-19 testing in the state.

- April 22, 2020 – The Governor announced medical service providers can resume certain nonessential outpatient procedures on April 27.
  - The Arkansas Department of Health issued certain requirements for hospitals and outpatient clinics to follow in order to re-engage elective procedures.
  - The Governor also announced that he has established target dates to decide whether the state will lift restrictions on certain other services and businesses.

- April 23, 2020 – The Governor launched a two-day Arkansas Surge Campaign to increase COVID-19 testing from 1,000 to 1,500 per day over the next two days.

- April 27, 2020 – The Governor announced Walmart & Quest Diagnostic opened drive-thru COVID testing site in Central Arkansas for symptomatic Arkansans, and for healthcare workers & first responders.

- May 1, 2020 – The Governor announced the Arkansas Ready for Business initiative to aid the owners of small businesses recovering from the financial losses.

- May 5, 2020 – The Governor issued an executive order extending Arkansas’s COVID-19 public health and disaster emergency for an additional 45 days.
  - The order also updated a directive for all travelers from New York, New Jersey, Connecticut, New Orleans, and all international locations must follow quarantine directives outlined by the Arkansas Department of Health.

- May 8, 2020 – The Economic Recovery Task Force launched the ArkansasReady.com website to provide information to help Arkansans confidently and safely return to life and work.

- May 15, 2020 – The Arkansas Department of Human Services announced additional federal child care funding to help centers and essential workers.

Arkansas Department of Health Directives and additional announcements on key dates referenced in Appendix B.
Resources for Arkansans

The Economic Recovery Task Force worked on a number of fronts to create resources for Arkansans. Resources that were created include:

**Arkansas Ready for Business Public Education Campaign**

The Arkansas Ready for Business website ([ArkansasReady.com](http://ArkansasReady.com)) was established as a resource for clear, concise information for citizens and businesses on how to safely return to life and work. The site includes resources on health guidelines and directives, sourcing information for Arkansas-based vendors offering personal protective equipment and cleaning supplies and information for businesses to safely operate.

For citizens, the site provides informative guidelines and information to help inspire confidence in returning to the workplace and in-person activities. For businesses, the site provides both resources and guidance in one accessible location organized by sector/type of industry.

The site also includes a timeline for citizens to keep up with health-related directives and reopening announcements.

A statewide digital and traditional media campaign was launched to inform citizens of the website as a resource and to educate the public regarding best practices to flatten the curve of virus infection. Key messages included:

- Public service announcements outlining general practices for businesses and consumers
- Public service announcements containing information on proper use of face coverings
- Advertisements encouraging the use of face coverings and social distancing

Promotion of the site and related content has yielded over 2 million impressions in the first three weeks of the campaign.

**Examples of ArkansasReady.com’s Resources for Businesses and Consumers**

![Example 1](https://example.com)

![Example 2](https://example.com)
**Ready for Business Grants**

In order to assist Arkansas’s businesses and organizations with the additional cost of operations in the COVID-19 environment, the Department of Commerce led an effort to utilize federal funds provided to the State through the CARES Act to provide $147 million for businesses in Arkansas across all industry sectors.

With a maximum grant amount of $100,000 per business, 12,234 companies and organizations applied for grants. To date, 10,537 companies and organizations have been approved to receive funding.

Funding can be utilized to cover eligible expenditures including Personal Protective Equipment (PPE) and no-contact thermometers for employees and customers, no-contact Point of Sale (POS) payment equipment; supplies and disinfectants to initially deep clean premises and for use on an ongoing basis. Other eligible uses included: expenses associated with hiring a third party to perform periodic deep cleaning services, hand sanitizer stations, restocking of necessary supplies/raw materials, expenses associated with reconfiguring business to meet recommended health and safety guidelines, signage, marketing and other one-time expenses associated with reopening or resuming normal operations.

The Ready for Business grant funding will support the retention of 196,001 full-time jobs and 50,220 part-time jobs across the State of Arkansas. The program was especially successful at meeting the need of smaller entities with businesses and organizations of less than 50 employees accounting for 94.5% of the applications.

**Personal Protective Equipment (PPE) Sourcing**

Through funding made available by Governor Hutchinson, the state was able to set aside approximately $70 million to purchase PPE. Over 13 million pieces of PPE have been distributed to the medical community and long-term care facilities across the state. Additional PPE shipments are expected in the future.

The private supply chain for PPE is helping provide supplies to both the medical community and the private sector. The state purchased 134,000 N95 masks, 3 million surgical masks, 1.5 million gowns, and 80 million gloves through the private supply chain. Additionally, the state is utilizing a PPE sanitizing system – Batelle Critical Care Decontamination System – to ensure supplies are reusable and cost effective and to allow the private supply chain to direct more PPE to the private sector.

The Arkansas Division of Emergency Management worked with the Arkansas Economic Development Commission to produce a list of PPE vendors. This list was broadly distributed through local chambers to share with industries and businesses throughout the state and is available on the Arkansas Ready for Business website.
Recommendations

Committees of the Task Force discussed a number of recovery-related policy issues and developed recommendations for the Governor to consider. Issues considered and discussed include:

- Testing and Tracing
- COVID-19-Related Liability Concerns
- Childcare - Resources, Funding and Availability
- Workforce Training
- Broadband

Testing and Tracing

During the Phase One period of lifting restrictions, the Task Force is focused on restoring many areas of the economy while reducing the impact and containing the spread of the virus. The Task Force remains committed to finding creative solutions to assist with testing and contact tracing.

Since March 11, 2020, the date that the first positive case of coronavirus was confirmed in Arkansas, the state has moved swiftly to increase testing capacity and contract tracing efforts. On April 21, 2020, the Governor created a Testing Advisory Group to expand and increase testing in the state. Since then, the state has increased testing in high-risk settings, such as long-term care facilities, and expanded testing to include all people who think they have been exposed to the virus, even if they aren’t showing symptoms. The testing plan also addresses minority and underserved populations.

At the beginning of May, the Governor set a goal of conducting 60,000 tests during the month of May – that is 2 percent of the state population and a key part of the White House Coronavirus Task Force recommendations for ramping up states’ testing numbers. The Arkansas Department of Health exceeded the goal of 60,000 tests in May. To date, 118,641 Arkansans have been tested for COVID-19.

In mid-May, the Governor announced a partnership with the Community Health Centers across Arkansas, who committed to provide over 2,000 test collections per week. These health centers are located throughout the state and offer drive-through screenings and testing free of charge.

Another great partnership is with Walmart. They have partnered to provide approximately 130 mobile testing units across the country. Currently, they have seven sites operating in Bentonville, Little Rock, Fort Smith, Jonesboro, Hot Springs, Texarkana, and West Memphis.

The ADH has been engaged in contact tracing to mitigate the spread of COVID-19 since the start of the public health emergency. Initially, the ADH started with five contact tracers who focused on high-risk groups, such as individuals returning from trips overseas. Currently, there are approximately 200 individuals employed to work on contact tracing efforts. The ADH is also collaborating with non-profit organizations and institutions of higher education and to-date has secured at least 85 volunteers to help with contact tracing. Additionally, the ADH is working to hire a partner to strengthen the state’s contact tracing efforts. The ADH expects to hire 350 additional contact tracers through this partner.

Recommendations:
The Task Force recommends the state place priority on CARES Act funding to be allocated towards testing and tracing capabilities to keep the state moving forward.
COVID-19-Related Liability Concerns

The Economic Recovery Task Force recognizes that as businesses and organizations consider reopening, many are concerned about potential lawsuits and unsettled or unknown legal liabilities. Many representatives on the Task Force have raised uncertainty from potential legal liability arising from COVID-19 as a significant factor to restoring Arkansas’s economy. As expressed by the Arkansas Chamber of Commerce, “uncertainty that they may face litigation related to COVID-19 exposure will provide additional strain to businesses, healthcare facilities, and other organizations as they try to safely and responsibly resume services.”

Arkansas currently has an Executive Order in place that exempts physicians, physician assistants, nurse practitioners, RNs, LPNs, and emergency responders for injury or death sustained as a result of an act or omission by the medical profession in the course of providing services in support of COVID-19. Exceptions to this protection are willful misconduct, gross negligence, or bad faith.

Across the Task Force there is broad support for the need to sensibly protect organizations from liability related to COVID-19 as well as possible loss of protections under the Arkansas Workers Compensation Act. The Task Force recognizes that the legal uncertainty surrounding COVID-19 could lead to significant additional expenditures that prevent businesses from recovering quickly, or even lead to widespread business closures.

The Task Force recognizes that immunity should be targeted and would not apply in the instance that there was clear and convincing evidence that damages or injuries were caused through gross negligence, intentional conduct, or bad faith. However, simply conducting or operating a business or organization during a health pandemic does not equal gross negligence, intentional conduct, or bad faith.

Recommendations
The Task Force recommends three potential ways to clarify and address concerns related to legal liability related to COVID-19:

- An Executive Order by the Governor to provide protection for businesses and employers;
- Introduce legislation addressing immunity protection in a special session of the General Assembly; or
- Introduce new liability protection in legislation during the 2021 Legislative Session.
Childcare – Resources, Funding, and Availability

A significant issue impacting Arkansas businesses and organizations as they prepare to reopen and resume operations is the lack of available childcare for employees. Members of the Task Force report hearing from businesses, institutions, and employees who are either not able to find adequate childcare or not comfortable leaving their children at childcare or daycare facilities at this time. When both parents in a household work or in the case of a working single parent, childcare is a critical service for those with children who are too young to stay home without a caregiver.

When schools have been closed due to the pandemic and into the summer months, a lack of childcare is also an issue for parents with school-aged children due to a lack of day camps and other programs. Childcare facilities are also struggling financially as many have remained closed and others are only operating at partial capacity.

Even though employers are putting measures in place to meet safety guidelines in the workplace, they will have challenges getting their employees to return at full capacity until the childcare issues are at least partially mitigated. One viable option for some employers is to allow employees who are not able to find available childcare to continue working from home for the short term.

Some states have announced aid programs for childcare facilities, including directing funds from the CARES Act to help offset expenses related to safety guidelines and to supplement staff payrolls.

Through the CARES Act, Arkansas has provided over $41 million in Child Care Development Block Grant funds, which the Arkansas Department of Human Services (DHS) Division of Child Care and Early Childhood Education (DCCECE) plans to use to assist licensed child care providers and families. DCCECE licenses about 2,000 providers in the state.

Additional support for childcare facilities could potentially be included in future federal stimulus legislation.

Recommendations
The Task Force recommends the following potential actions:

- Encourage stakeholders to engage with businesses to develop creative and appropriate solutions for employees with childcare needs.
- Create an advisory team to work with the Arkansas Department of Human Services to better understand the impact of the childcare issues on working Arkansans and to develop a coordinated plan to help reestablish childcare services across the state.
- Create a specific childcare resource/education campaign to provide one place where families can go to learn about childcare opportunities across the state, linking school facilities with licensed DHS facilities and considerations for all businesses to provide quality childcare for Arkansas families.
Workforce Training

With the growth in the number of unemployed in Arkansas due to COVID-19, there is an opportunity to provide training for those out of work for both immediate and longer-term employment. Community colleges can provide customized and in-demand education and training for both the immediate and long-term needs of state businesses.

Specifically, community colleges are positioned to:

- Provide training to educate contact tracers. Many community colleges in other states are doing this type of work.
- Provide education for businesses who need employees trained on safety protocols, disinfecting procedures, and other infectious disease mitigation practices. Providing this training should help businesses to limit potential liability.
- Expand allied health programs to produce additional RNs, Respiratory Therapists, CNAs and other medical professionals.
- Create new online courses for immediate availability that focus on both essential skills, such as collaboration and problem solving, and technical skills, including partnering with Department of Commerce for an online version of Future Fit.
- Create new short-term training programs that are designed to be completed in 2-8 weeks with condensed schedules. This will help businesses to get the employees they need faster. A recent survey by Strada indicated that employees who have been laid off prefer short-term online training to help them get back to work.
- Expand professional technical programs and explore accelerating certificate and two-year degrees to be earned in less time. These programs will focus on the future of work and will be aligned with a longer-term strategy for the economic development needs in Arkansas.

Community college leaders are working to identify the needs of the state’s industries, through surveys and by collecting national data to identify specific courses and programs to create or expand. Additional funding may be required to research, prepare and conduct these new training programs.

Recommendations:
The Task Force recommends investments in workforce training continue to be a priority.
Broadband

In the 21st century, internet access has become a necessity for most people. Arkansas is ranked 41st out of 50 states for broadband access. In Arkansas, 15% lacked home internet access before the pandemic, including 26% of those over the age of 60. One of the most common reasons for the lack of access is that high-speed internet was not available in their area.

The COVID-19 pandemic has heightened the need for broadband as more households, at least temporarily, try to meet their needs online. Online educational instruction, telecommuting, and telehealth have become an effective and critical method for the state to combat the spread of COVID-19 while preserving the economy and the education system.

For those Arkansans who choose not to subscribe to high-speed internet at home, the barrier is often affordability. A lack of home internet access is overwhelmingly concentrated to low-income households. In households with incomes of less than $20,000 per year, 40% lack home internet access.

There are large areas of the state, especially poor and rural areas, where broadband internet is not available, except through high-latency satellite connections. This not only limits economic development in those areas but also hinders the ability of rural residents to socially distance. A lack of broadband access further strains those rural residents who are vulnerable members of the population and are further from medical providers.

Broadband deployment would contribute not only to public health but is also critical to economic recovery. Increased access in Arkansas will help connect job seekers and employers, provide online coursework, expand e-commerce to small businesses, and connect residents to healthcare providers without the need to travel long distances. Expanded access can create opportunities to attract skilled teleworkers to some parts of the state, as many organizations have made a transition to telework which may never be fully reversed. The Task Force sees the expansion of broadband access throughout Arkansas necessary to help the state quickly recover from COVID-19 and also to build long-term economic, educational, and quality of life opportunities for residents of our state.

Recommendations:
The Task Force recommends the following:

- Arkansas Rural Connect Grants be funded to the full $25 million appropriated
- Support the Rural ID Broadband Program
- Consider investments to increase broadband accessibility and availability
Future Areas of Focus

The Task Force’s initial progress is evident, but much more work remains ahead. Arkansas is well-positioned for a strong recovery, and Arkansas’s Economic Recovery Task Force is committed to continue working with the businesses and organizations throughout the state to move forward successfully and safely.

Over the next few weeks, the Task Force anticipates focusing on these and other emerging issues:

- Assisting with formulation of guidance for K-12 education, higher education, and use of school facilities
- Enhanced capacity for testing and tracing
- Contingency planning in the event of a virus outbreak later in the year
- Ensuring the food supply system remains intact
- Growing consumer confidence
- Advising on guidance for moving to Phases 2 and 3 as health indicators warrant
- Recommendations for additional economic stimulus and/or legislation
- Recommendations on regulatory changes that need to be extended or maintained post-emergency (e.g., tele-health, delivery/carry-out options for alcohol, logistics, infrastructure, zoning…)
- Continuing to evaluate methods to accelerate the accessibility and availability of broadband
Appendices
Appendix A - Arkansas’s Economic Recovery Task Force Membership

Thirty-five Arkansans, representing a number of key organizations, community organizations and industries, were appointed to the Economic Recovery Task Force by Governor Asa Hutchinson.

<table>
<thead>
<tr>
<th>Member</th>
<th>Organization Represented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steuart Walton, Chairman</td>
<td>Runway Group, Co-Founder</td>
</tr>
<tr>
<td>Secretary Mike Preston</td>
<td>Arkansas Department of Commerce</td>
</tr>
<tr>
<td>Secretary Wes Ward</td>
<td>Arkansas Department of Agriculture</td>
</tr>
<tr>
<td>Secretary Stacy Hurst</td>
<td>Arkansas Department of Parks, Heritage, and Tourism</td>
</tr>
<tr>
<td>Marvin Childers</td>
<td>The Poultry Federation, President</td>
</tr>
<tr>
<td>Randy Zook</td>
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<td>Public Service Commission, Chairman</td>
</tr>
<tr>
<td>Sylvester Smith</td>
<td>National Federation of Independent Business/AR, State Director</td>
</tr>
<tr>
<td>Joey Dean</td>
<td>Associated General Contractors of Arkansas, Exec. Vice President</td>
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<td>Arkansas Hospitality Association, CEO</td>
</tr>
<tr>
<td>Kelly Eichler</td>
<td>Indoor Recreational Facilities</td>
</tr>
<tr>
<td>Deke Whitbeck</td>
<td>Arkansas Game and Fish Foundation, President</td>
</tr>
<tr>
<td>Lance Taylor</td>
<td>Arkansas Activities Association, Executive Director</td>
</tr>
<tr>
<td>Hunter Yurachek</td>
<td>University of Arkansas – Fay., Vice Chancellor/Dir. of Athletics</td>
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<td>African Methodist Episcopal Church 12th District</td>
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<td>LANXESS Inc., Director, Government Affairs/North America</td>
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<tr>
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<td>Aaron Burkes</td>
<td>Northwest Arkansas Regional Airport, CEO</td>
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<tr>
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</tr>
<tr>
<td>Max Braswell</td>
<td>Arkansas Forestry Association, Executive Vice President</td>
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</table>
The working Committees of the Task Force are organized as follows:

### Tourism, Healthcare and Community Committee

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<tr>
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### Agriculture, Grocers, Education and Service Sectors Committee

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Appendix B - Arkansas Department of Health Directives

June 1: Directive Regarding Community and School Team Sports
May 26: Directive on Resuming Bar and Club Operations
May 25: Directive on Resuming Elective Procedures, Phase III
May 21: Directive Regarding Overnight Camps
May 18: Directive Regarding Summer Day Camps
May 18: Directive for Reopening of Casinos
May 18: Directive for Large Indoor Venues | Spanish
To submit an increased capacity proposal for agriculture related events (rodeos, fairs, livestock shows, etc), please click HERE, all other proposals click HERE.
May 14: Directive for Travelers from “Hot Spot” and International Locations
May 11: Directive on Resuming Elective Procedures, Phase II
May 11: Directive on Resuming Restaurant Dine-In Operations | Spanish
May 11: Directive on Resuming Elective Dental Services
May 8: Directive Regarding Prohibition of the Use of Non-FDA Approved Serologic Tests for the Diagnosis of SARS-CoV-2 Infections
May 8: Directive on Business Limitations
May 6: Directive for Barber Shops, Body Art Establishments, Cosmetology Establishments, Massage Therapy Clinics/Spas, and Medical Spas | Spanish
May 4: Directive for Large Outdoor Venues | To submit an increased capacity proposal for agriculture related events (rodeos, fairs, livestock shows, etc), please click HERE, all other proposals click HERE.
May 4: Directive for Gym, Fitness Center, Athletic Club and Weight Room Reopening
April 27: Directive for Resuming Elective Procedures
Appendix C - Economic Recovery Resources

Guidelines on Opening Up America Again
Guidelines from the White House and the CDC for reopening the economy. Includes criteria, preparedness and phase guidelines.

CDC’s May 2020 Interim Guidance for Businesses and Employers Responding to COVID-19
Updated guidance from the CDC. Outlines how to operate a healthy business environment and table to implement appropriate controls for a workplace.

U.S. Chamber of Commerce - Guidance for Employers
Guidance for employers to plan and respond to COVID-19.

AR State Chamber and Assoc. Industries of AR COVID-19 Prevention Best Practices
Best practices on COVID-19 prevention and for getting back to the office from the Arkansas State Chamber of Commerce and the Associated Industries of Arkansas.

Retail Industry Leaders Association - Open for Business - A Blueprint for Shopping Safe
Recommendations from the Retail Industry Leaders Association and the National Retail Federation to provide clear objectives to protect communities, allow for the safe reopening of retail establishments, and provide expectations for employees and customers.

OSHA Guidance for the Manufacturing Industry Workforce
Guidance specific to the manufacturing industry from OSHA to reduce the risk of exposure to the coronavirus.

CDC-Prepare your Small Business and Employees for the Effects of COVID-19
Information for small business on how to prepare for the disruption of the COVID-19 outbreak and protect employee health and safety in the workplace.

CDC Guidance for Cleaning and Disinfecting
Guidance for public spaces, workplaces, businesses, schools and home on cleaning and disinfecting spaces.

OSHA Guidance of Preparing Workplaces for COVID-19
Guidance from the Occupational, Safety and Health Administration for businesses and employers to plan and respond to coronavirus.

OSHA Guidelines for Meat & Poultry Processing Workers and Employers
Specific industry guidelines from the Occupational, Safety and Health Administration for meat and poultry processing facilities and their employees.

AR. Dept. of Health Guidelines for Resuming Restaurant Dine-in Operations
Guidelines from the Arkansas Department of Health specific to the reopening of dine-in operations in restaurants.
AR. Dept. of Health Guidelines for Gym, Fitness Center, Athletic Clubs and Weight Room
Reopening Guidelines
Guidelines from the Arkansas Department of Health specific to the reopening of gyms, fitness centers, athletic clubs and weight rooms.

AR. Dept. of Health Directive on Opening Barber Shops, Body Art Establishments, Cosmetology Establishments, Massage Therapy Clinics/Spas, and Medical Spas
Guidelines from the AR Department of Health for barber shops, body art establishments, cosmetology establishments, massage clinics and spas, and medical spas on reopening safely during Phase 1.

AR Dept. of Health Business Limitations Directive
Outlines protocols that all businesses manufacturers, construction companies must implement as directed by the Arkansas Department of Health.

AR. Dept. of Health Directive for Large Outdoor Venues
Guidelines for reopening of large outdoor venues by the Arkansas Department of Health.

AR. Dept. of Health Directive on Resuming Dine-in Operations
Guidelines for restaurants on resuming dine-in operations during Phase 1 of re-opening.

Manufacturing Leadership Council Best Practices from Manufacturers
COVID-19 best practices from members of the Manufacturing Leadership Council. Information regarding continuous communication, return to work guidelines, and travel and visitor policies.

University of Arkansas Division of Agriculture, COVID-19 Economic Impact in Arkansas
Economists with the University of Arkansas System Division of Agriculture analyze the effects of the pandemic on the state’s agricultural and rural economies.