



ARKANSAS ECONOMIC DEVELOPMENT COMMISSION

# ARKANSAS COVID-19 RESPONSE



July 23, 2020



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## Before COVID-19 Labor Statistics (Feb 2020)

- Arkansas Unemployment Rate: 3.5%
- Arkansas Labor Force: 1,367,278
- Employment: 1,319,479
- Unemployment: 47,779

More Arkansans working than ever before  
107,000 more Arkansans working than in January of 2015

## Current Labor Statistics (June 2020)

- **Arkansas Unemployment Rate: 8% (April – 10.8%)**
- **Arkansas Labor Force: 1,312,290**
- **Employment: 1,206,952**
- **Unemployment: 105,338 (April – 140,898)**
  
- **United States Unemployment Rate: 11.1%**



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# AEDC Programs | Initial COVID-19 Response

- ✓ **\$10 Million CDBG Grants to 27 Rural Hospitals (Regular CDBG Allotment)**
  - Grants between \$250,000 - \$500,000
  - Public Service Activity – Operational Costs/Equipment/Supplies
  - Total employment: 7,899
  
- ✓ **\$9 Million Quick Action Bridge Loan Program**
  - \$3M from Attorney General’s Consumer Education and Enforcement Fund – Bridge Loan Program
  - \$6M from Governor’s Quick Action Closing Fund
  - Designed for small businesses across all industries in Arkansas with 2-50 employees to “bridge” to PPP loans
  - Number of companies benefitted: 483
  - Number of jobs benefitted: 6,610



# PUBLIC-PRIVATE COLLABORATION

"Arkansans will face this challenge, as we always have, with compassion, resiliency, and an unbeatable, entrepreneurial spirit."  
— GOVERNOR ASA HUTCHINSON & CHAIRMAN STEUART WALTON



- Governor's Economic Recovery Taskforce
- [www.ArkansasReady.com](http://www.ArkansasReady.com)

# AEDC Programs | Ready for Business Grant Program

## ✓ Key Objectives

- Assist companies with expenses related to reopening or resuming operations.
  - Social distancing and PPE requirements strain already thin margins
  - Businesses lacked working capital to restock and advertise
- Create a sense of confidence for employees and customers that it was safe to return to business
- Leverage \$1.25B in CFR allotment without duplicating PPP and other programs

## ✓ Challenges

- Lack of data to assess financial need
- Early ambiguity in CRF limitation – payroll vs. nonpayroll
- Legislative support

# AEDC Programs | Ready for Business Grant Program

## ✓ Program Parameters

- Grant = \$1000/FTE, up to \$100,000 per business owner
- Must expend funds between March 31-December 30, 2020
- Only used for specified expenses
- Grant disbursed up front, with receipts submitted later
- Fraud prevention was a major concern
  - Verify ID
  - Tax clearance
- Small business set aside (under 50 employees) = 75%
- MBE/WBE set aside = 15%

## ✓ Administration

- 100% web-based application and grant management using Salesforce
- Redeployed AEDC staff to work call center and review grant applications (while most worked from home)

# AEDC Programs | Ready for Business Grant Program

- ✓ **Round 1 (April 29) - \$15 million allotment**
  - Funds exhausted in 40 minutes
  - \$22 million over-subscription
- ✓ **Round 2 (May 5-6) - \$40 million allotment**
  - \$92.7 million over-subscription
  - Additional appropriation added bringing total to \$147.7 million
- ✓ **Business size and ownership of recipients:**
  - Less than 50 employees: 94.4%
  - Minority-owned: 25.2%
  - Women-owned: 33%
- ✓ **Grants awarded to companies from all 75 counties**
  - Number of companies benefitted: 11,409
  - Number of jobs benefitted: 225,000





# AEDC Programs | What's Next?

- ✓ Audit expenses for Ready for Business
- ✓ Roll-out \$7.8 million PPP equivalent loan program for large non-profits that provide services to the developmentally disabled



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For additional information:

[www.arkansasedc.com/COVID-19](http://www.arkansasedc.com/COVID-19)

Twitter: @ArkansasEDC

LinkedIn: [www.linkedin.com/company/arkansasinc/](http://www.linkedin.com/company/arkansasinc/)

Facebook: @ArkansasEDC



**Jim Hudson**

**EVP – Operations & General Counsel**

**Arkansas Economic Development Commission**

**[jhudson@arkansasedc.com](mailto:jhudson@arkansasedc.com)**

**501.682.7303**