



**SECURITY FOR
GENERATIONS.**

Moving Toward Economic Security

Recommendations from the

Arkansas Taskforce on Reducing Poverty and Promoting Economic Opportunity

February 2013

Dear Legislator,

Act 722 of 2009 created the Arkansas Legislative Taskforce on Reducing Poverty and Promoting Economic Opportunity. At the time, Arkansas ranked second in the nation in poverty. Recognizing the moral and economic imperative to reduce child and family poverty, the Legislative Taskforce was created to assess the impact of poverty on the state and to develop innovative strategies to increase opportunity for families living in poverty.

Over the course of a year, members of the Legislative Taskforce engaged state agency leaders, visited local communities, and held focus groups to learn about best practices for reducing poverty. This process culminated with the release of a comprehensive report in November 2010 that set benchmarks for poverty reduction and laid out policy recommendations. During the 2011 session of the Arkansas General Assembly, advocates and lawmakers successfully passed legislation that addressed nearly half of the recommendations in the Legislative Taskforce report.

Though progress was made, poverty remains a pervasive challenge. Today, Arkansas still has the third highest rate of poverty in the country. The time is now to address poverty and economic opportunity in Arkansas. In 2012, many of the original members of the Legislative Taskforce brought together additional stakeholders. For several months, leaders met to discuss poverty and opportunity in the state. The following recommendations emerged from that discussion.

If you are interested in learning more about the Arkansas Taskforce on Reducing Poverty and Promoting Economic Opportunity or how to get involved, contact Tamika Edwards, Director of Public Policy for Southern Bancorp Community Partners at tamika.edwards@southernpartners.org or 501-850-8973.

Sincerely,

2012 Arkansas Taskforce on Reducing Poverty and Promoting Economic Opportunity

2012 Arkansas Taskforce on Reducing Poverty and Promoting Economic Opportunity

Sen. Joyce Elliott

Rep. Fred Love

Ms. Rose Adams, Arkansas Association of Community Action Agencies

Mr. Cory Anderson, Winthrop Rockefeller Foundation

Ms. Leta Anthony, Lewis-Burnett Employment Finders Inc.

Ms. Patricia Ashanti, Delta Circles

Ms. Patty Barker, Arkansas Hunger Relief Alliance

Ms. Furonda Brasfield, Arkansas Works/Southeast Arkansas College

Ms. SiKia Brown, Arkansas Foodbank

Ms. Lupita Chavarria, AMA, Association of Women of Arkansas
Citizens First Congress

Mr. Steve Copley, Arkansas Interfaith Alliance

Ms. Bernadette Devone, Arkansas Public Policy Panel

Ms. Tamika Edwards, Southern Bancorp Community Partners

Mr. Renaldo Hemphill, PhD

Mr. Rich Huddleston, Arkansas Advocates for Children and Families

Mr. Brett Kincaid, Arkansas Advocates for Children and Families

Mr. Freeman McKindra, Sr.

Ms. Regan Gruber Moffitt, Winthrop Rockefeller Foundation

Mr. Don Munro, Munro Foundation

Ms. Martie North, Bank of the Ozarks

Ms. Susana O'Daniel, Arkansas Advocates for Children and Families

Mr. David Rainey, Dumas Public Schools

Ms. Beatrice Shelby, Boys, Girls Adults Community Development Center, Inc.

Ms. Marcia Shobe, University of Arkansas School of Social Work

Ms. Anna Strong, Arkansas Advocates for Children and Families

Ms. Kathy Webb, Arkansas Hunger Relief Alliance

Mr. Rennell Woods, City Youth Ministries

2012 Policy Recommendations

Arkansas Taskforce on Reducing Poverty and Promoting Economic Opportunity

Community and Economic Development

1. SHORT TERM: Alter tax incentive programs to better meet the needs of low-income communities. The state's tax incentive programs disproportionately benefit the highest-income counties. The lowest-income counties, which need the jobs the most, benefit the least.

2. SHORT TERM: Invest more in programs for developing small businesses. Arkansas should expand efforts to provide assistance to rural and minority-owned businesses that would provide both working capital loans of up to \$50,000 and technical assistance to rural and minority small business entrepreneurs.

3. LONG TERM: Facilitate markets for locally produced goods and services. The rise in consumer interest in local foods has been accompanied by increased participation of state departments of agriculture in promoting locally grown foods.

Education and Workforce Development

1. SHORT TERM: Expand access to quality early childhood education for children age birth to 5 years, especially for at-risk children.

2. SHORT TERM: Continue funding for the Career Coaches (Arkansas Works!) program and plan to expand the program to every county in the state, and increase funding for the Aspiring Scholars Matching Grant Program.

3. SHORT TERM: Expand access to quality before- and after-school programs, summer programs, and programs for targeted populations by better using National School Lunch Act (NSLA) funding and other sources.

4. SHORT TERM: Build and expand resources and policies at the secondary level to improve student success and support increased retention and graduation rates at higher education institutions in the state.

5. SHORT TERM: Improve access for ALL students to Arkansas higher education institutions by passing the DREAM Act.

6. SHORT TERM: Increase parent, student, community, and school partnerships by developing policies that foster interest and interaction among interest groups such as civic groups, PTAs, economic development committees, etc. (The "social capital" represented by school boards, administrators, PTAs, athletic/band/art groups, and other civic groups could become a powerful constituency for change.)

7. LONG TERM: Improve teacher and administrator preparation and development by ensuring high standards in educator preparation and professional development and recruiting a larger number and more diverse group of students to enter the teaching profession.

8. LONG TERM: Improve the following programs that influence school and student performance: school board training, student mentoring and tutoring, and student health and nutrition.

Health

1. SHORT TERM: Ensure all Arkansans have quality, affordable health coverage:
 - a. Extend Medicaid to those who qualify under the Affordable Care Act (138% FPL).
 - b. Ensure smooth, automated enrollment/re-enrollment processes in Medicaid and the Exchange, with forms and websites written at appropriate readability levels.
 - c. Continue to push for Act 771 provisions to be implemented in the new Department of Human Services IT system to cut the red tape in enrollment and re-enrollment while maintaining program integrity.
2. SHORT TERM: Ensure all Arkansans have access to appropriate, high-quality health service delivery:
 - a. Build infrastructure, including reimbursement and practicing at the top of license, for alternative models such as the Patient-Centered Medical Home and tele-health care.
 - b. Maintain and expand Coordinated School Health efforts, including the School-Based Health Centers model.
 - c. Incentivize the integration of behavioral health care (mental health and substance abuse) into primary care settings.
3. SHORT TERM: Ensure parents have the necessary skills to birth and raise healthy children by developing infrastructure for evidence-based home visiting programs in Arkansas.
4. SHORT TERM: Develop programs that help connect Arkansans to coverage and care:
 - a. Ensure federal grant funding is appropriated for the Navigator and In-Person Assister programs that will help enroll more than 500,000 uninsured Arkansans.
 - b. Create a comprehensive outreach and education program for new coverage options that reaches most Arkansans through television, radio, print, or in-person assistance.
 - c. Develop long-term community health worker programs to connect Arkansans to services and care.

Individual Employment Supports

1. SHORT TERM: Improve case management services for young mothers seeking assistance through Temporary Assistance for Needy Families to better place them in career paths and to help them link with resources.
2. SHORT TERM: Improve access to subsidized child care by using all available TANF funding for child care (the state's federal welfare reform grant).
3. SHORT TERM: Expand outreach and access to federal food assistance benefits under the Supplemental Nutrition Assistance Program.
4. LONG TERM: Fund the Housing Trust Fund that was established in the 2009 legislative session.
5. SHORT TERM: Improve access to critical economic and work supports to help low-income working families meet basic needs and stay employed.
6. SHORT TERM: Create a Consumer Advisory Council that includes clients receiving benefits from the Department of Human Services, the Department of Health, and the Department of Workforce Services. This council will be called upon to identify areas for improvement as well as to vet changes to policies and programs.

Tax Relief

1. **LONG TERM:** Create a refundable State Earned Income Tax Credit (EITC) to economically support low and lower-middle income working families. State EITCs, which have been adopted in 24 of 42 states with state income taxes, are set at some percentage of the federal EITC received by a family, typically at a rate of 5% to 40%.

2. **SHORT TERM:** Close corporate income tax loopholes by adopting a combined reporting law for state corporate income taxes. Under loopholes in current Arkansas law, some corporations are allowed to reduce the income they report as earning in Arkansas (and thus avoid Arkansas taxes) by shifting this income to another state where they pay little or no taxes.

3. **LONG TERM:** Reduce or eliminate the 30 percent exemption currently allowed for capital gains under Arkansas income taxes. This exemption heavily and disproportionately favors upper income taxpayers.

System Needs

1. **SHORT TERM:** Develop a common client database. A common client database is a system improvement to the efficient and effective provision of both governmental and non-governmental organizational services. It eliminates repeated efforts by clients to establish eligibility and reduces duplications of services by the agencies.

2. **SHORT TERM:** Form a permanent advisory council for poverty reduction and economic opportunity. The recommendations made by this Taskforce need to be part of an on-going effort to monitor accomplishments, adjust plans when needed, assess new situations that need response, and evaluate research suggesting new solutions to existing problems.