



ANNUAL REPORT

2021-2022

ARKANSAS CENTER FOR RESEARCH IN ECONOMICS | UNIVERSITY OF CENTRAL ARKANSAS

ARKANSAS CENTER FOR
RESEARCH IN ECONOMICS

Annual Report

2021 2022



University of Central Arkansas / College of Business

From the Director

ACRE was so small when it first began. As a new Director I had written one Op-Ed and testified before a legislative committee only once. A lot has happened since then! The past seven years have been full of growth, thanks to the time, money and energy of our supporters.

Without question, the accomplishment of which I am most proud during my tenure with ACRE is the outstanding team that has grown from such a small beginning. Mavuto Kalulu built a transparency team that has made real changes in government spending transparency. Jacob Bundrick came home to UCA to be at ACRE and eventually left us to work just for UCA. Before he became a full-time lecturer, Bundrick changed policy on economic development funds, which had devolved into a slush fund. Jeremy and Christy Horpedahl left Iowa to come to UCA and ACRE. Jeremy wrote an amazing book with the Tax Foundation on Arkansas tax policy. Policy makers used that book as part of their blueprint for tax change over the next six years. Christy was the unseen force running our operations. Thanks to her, our output and more importantly, our engagement and impact increased. Suzanne Massey came on part time to help with accounting, HR, and university relations. She has been so successful that other university-based centers have copied our model. In those early days who would have thought that we would produce so much content that we would need a full-time communications person?

From the start, we hosted great public speakers while teaching students the importance of free markets and liberty. From that solid foundation we built the ACRE fellows program, giving students the opportunity to produce valuable Arkansas-focused economic research. Our Fellows have published peer reviewed journal articles. They published op-eds in Arkansas newspapers. They've presented their work at national conferences (often flying in an airplane for the first time!). In doing so they built portfolios of work for employment and graduate school. Their contributions extend to all Arkansans as their research has been used to help us influence policy and the policy narrative in Arkansas. One ACRE Fellow, Maleka Momand, was featured in the 2022 Forbes 30 under 30 list.



The growth of ACRE's occupational licensing regulation focus is another point of pride. Occupational licensing rules and regulations often benefit special interest groups more than consumers. They often come with unintended and regressive consequences that make it harder for Arkansans to make a living at their chosen trade. Research, policy recommendations, and education are essential to addressing these challenges and the ACRE team has committed to pushing forward in this area.

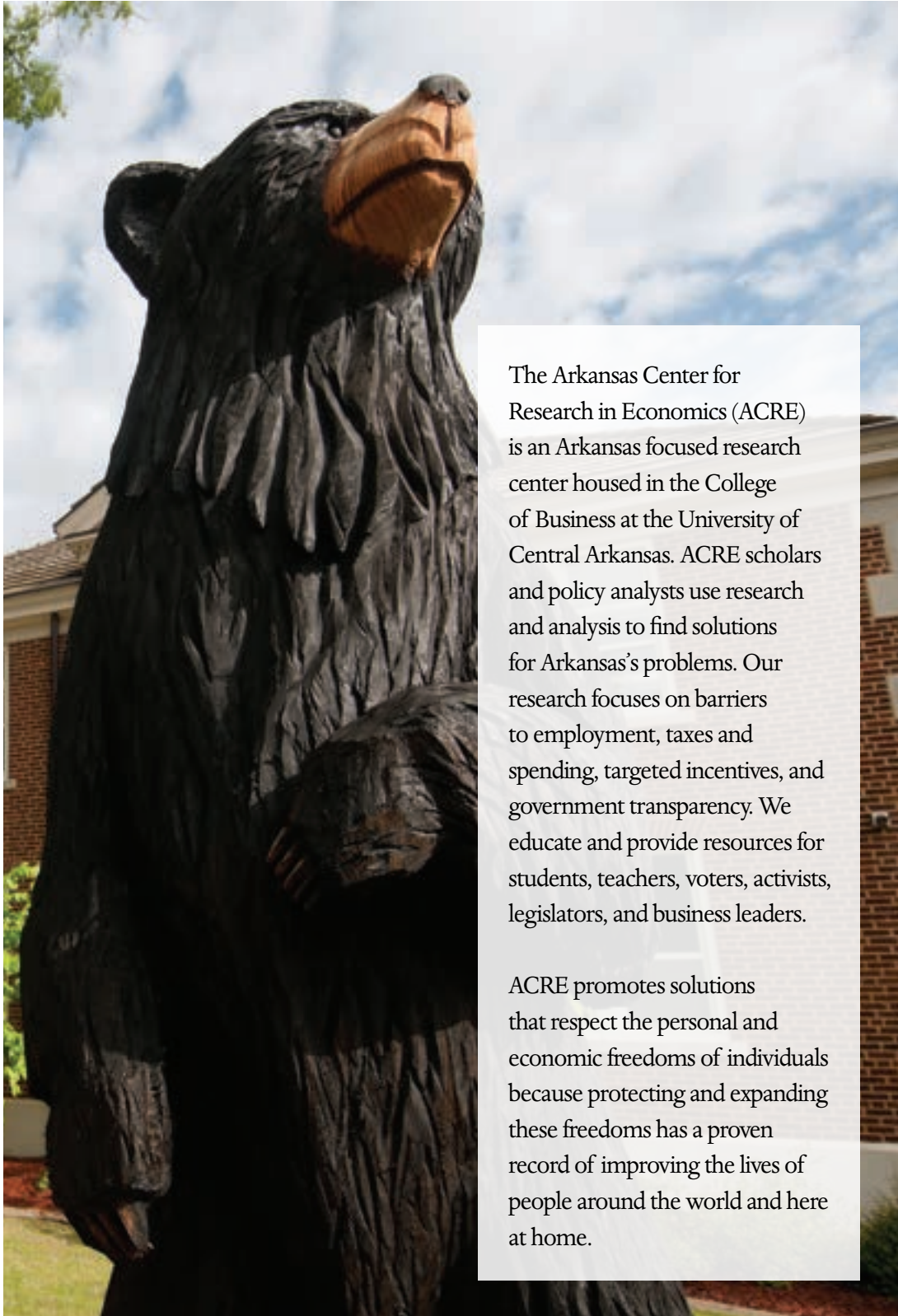
Increasingly, I became interested in healthcare regulation. I realized that scope of practice rules keep nurse practitioners from providing the amount of primary health care that they could. Those regulations impact public health, especially in rural areas. Expanding scope of practice is truly a case of free markets saving lives. I published in peer-reviewed journals, wrote op-eds, and testified before the legislature. Through ACRE I got to be a very small part of a legislative change expanding scope of practice for nurse practitioners in Arkansas. I can hardly wait to see the impact these NPs will have on Arkansans' lives.

My time at ACRE has been exciting and rewarding beyond measure. Leaving is bittersweet; I look forward to the next chapter of my career and am so proud of how far ACRE has come and where it is headed. ACRE's new Director, Dr. Jeremy Horpedahl, Associate Professor of Economics, is an outstanding scholar, mentor, and leader. Jeremy is a seasoned spokesperson for economic freedom in Arkansas. He has appeared on TV, spoken on the radio, and contributed to stories both locally and in national outlets. His publications are amazing. Students love him. ACRE wouldn't be where it is without him, and he will lead ACRE to new and exciting challenges. He already runs our Southern States Spending Initiative and the Citizen's Guide, to name just two of his many projects. You can rest assured that ACRE is in good hands.

None of this would have been possible without our donors. None of this would have been possible without the support of the economics department, the college of business, and the university as a whole. I am grateful that people entrusted me to be the director of ACRE. It has been an honor in every way.



David "Mitch" Mitchell
Outgoing Director, ACRE



The Arkansas Center for Research in Economics (ACRE) is an Arkansas focused research center housed in the College of Business at the University of Central Arkansas. ACRE scholars and policy analysts use research and analysis to find solutions for Arkansas's problems. Our research focuses on barriers to employment, taxes and spending, targeted incentives, and government transparency. We educate and provide resources for students, teachers, voters, activists, legislators, and business leaders.

ACRE promotes solutions that respect the personal and economic freedoms of individuals because protecting and expanding these freedoms has a proven record of improving the lives of people around the world and here at home.

Contents

Director’s Letter	4
Taxes, Spending, & Targeted Economic Incentives.	12
Transparency.	21
Labor Market Regulation.	26
College and University Programs	31
K-12 Programs	36
Looking Ahead	40
ACRE: Our People	42



ACRE Celebrates Dr. David Mitchell's Leadership, Says Farewell

When Dr. David “Mitch” Mitchell joined ACRE nearly a decade ago as the organization’s Director, ACRE was a small research center with a mission to improve the lives of Arkansans through economic freedom. This year Mitch bid farewell to ACRE to embark on the next chapter in his career at Ball State University.

Mitch not only led ACRE from a small start-up to a reputable source for economic research; he was also a faculty member in the College of Business where he shared his knowledge and enthusiasm with hundreds of students since his arrival at UCA in 2011. Mitchell received the University of Central Arkansas College of Business Researcher of the Year award in 2021. He testified numerous times before the state legislature, published dozens of Op-Eds in local and statewide publications, and spoke on numerous radio programs.

Mitch’s gift for building relationships and teams is what will be most remembered about his leadership. Mitch created and inspired a team that put fiscal and political transparency in local governments to the forefront of discussion. “Mitch had total confidence in all of us,” recalls ACRE Affiliated Scholar and former Analyst Dr. Mavuto Kalulu. “One of his famous lines was ‘I don’t know but we have an expert on this matter.’ Mitch empowered us by encouraging us to

design our own research agenda but was also adamant that the final outcome should be ‘to make Arkansans lives better through sound policy based on quality research’.”

Mitch looked to the future by cultivating the ACRE Fellowship Program. He listened to ACRE’s donors, to legislators, to students and to his colleagues. He would humbly admit how much he learned from each of these groups.

ACRE Research Analyst Zachary Burt shares, “Something I admire about Mitch is that he always strives to understand how the issues we work on affect regular people. He really cares about using economics to improve people’s lives. That’s why his main focus was nurse practitioner scope of practice for so long, because it was an effective way of increasing healthcare access for people.”

Kalulu shares, “On a personal level I will miss the random lunches. I am sure every one of us received a random text from Mitch saying ‘have you had lunch yet?’ The funny thing is sometimes you get that text as late as 2:00 pm when you are probably full.”

Mitch’s enthusiasm, curiosity and passion will be missed, but his leadership established the solid foundation upon which ACRE’s influence and accomplishments will build and flourish. We wish him the best in his new role at Ball State University.

Horpedahl Recognized by Public Choice Society

Congratulations to Dr. Jeremy Horpedahl, associate professor of economics at the University of Central Arkansas and new ACRE Director, for receiving the Public Choice’s Duncan Black Prize for the best article contributed by a “senior” scholar or scholars to the journal *Public Choice*. His award-winning article, “Bootleggers, Baptists and ballots: coalitions in Arkansas’ alcohol-legalization elections,” can be found in *Public Choice* Volume 188, pages 203–219. Dr. Horpedahl wrote a summary of his article for the UCA College of Business website, which can be found through this URL: <https://uca.edu/business/2022/03/15/jhorpedahl-prize/>





ACRE Student Fellow Presented with Research Award at SOBIE Conference

On Apr 14, 2022, ACRE student fellow Caleb Vines presented his paper “Do Barriers to Work for Justice-Impacted People Incentivize Criminal Behavior?”, co-authored by ACRE policy analyst Zachary Burt and ACRE affiliated scholar Dr. Thomas Snyder, at the Society for Business, Industry, and Economics (SOBIE) conference in Sandestin, Florida. Caleb received the SOBIE Research Award for the paper which examines the unintended consequences of criminal laws that make it difficult for Arkansas to acquire employment following criminal convictions. Read more in the ACRE Review.



Farewell to Christy Horpedahl

Christy Horpedahl, former ACRE Assistant Director began a new position as an Editor for Liberty Fund, a private educational foundation established to enrich the understanding and appreciation of the complex nature of a society of free and responsible individuals.

Christy Horpedahl came to ACRE as a Program Manager in 2015. Her ability to run programs, guide strategy, and conduct operations ultimately led to her becoming Assistant Director. A large part of her job at ACRE was to figure out concrete ways to make our dreams for Arkansas happen. When team members came up with new ideas, Christy had a knack for figuring out how to make them reality. She championed the minimum viable product as a way to validate the idea. If the idea held up in the early stages, she would envision and initiate the many small steps it takes to turn complex ideas into real products.

Christy had a strong hand in almost all ACRE’s publications, particularly in writing, editing, and graphic design. She also helped to expand our research areas and increase the quality of work through her insight into quality research and her operational assistance. That’s not surprising given her educational background. Christy holds degrees from St. John’s College and from the University of Chicago.



Christy was an incredible mentor and influence during my time at the University of Central Arkansas. Her love of reading is infectious, and I remember fondly our regular coffee chats at the ACRE house. I think what is most remarkable about those conversations is that her advice was never pedantic, and she always emphasized my freedom to choose my own path. She is a champion of curiosity and wit and helped me get started down the path I'm on today. For that, I'm incredibly grateful.

MALEKA MOMAND

Christy is also a champion of property rights. It was Christy who led the charge on civil asset forfeiture projects, heir property, and eminent domain issues. She assisted ACRE researchers and other partners in getting critical information in Arkansas by using Freedom of Information Act requests, and navigated the complex stakeholder relationships surrounding the issue as the Arkansas legislature debated forfeiture reform bills.

She has always understood that ACRE could be even more effective with the right partnerships. To that end she created and strengthened partnerships with other organizations including the Arkansas Policy Foundation, the Institute for Justice, among others.

She developed and executed a variety of new educational programs for Arkansas learners. For example, she introduced and spearheaded the ACRE Cubs program for Biz@Bear students, an interdisciplinary, business-focused extracurricular program for freshman students of the Biz@Bear residential college. She also acted as a mentor to a handful of UCA women, including ACRE student worker and research assistant Alex Tatem and past ACRE fellows Maleka Momand and Terra Aquia. Read more about Christy in the ACRE Review. Momand is now the CEO of Esper, a software company that helps government agencies create and manage public policy. She was recently named a Forbes 30 Under 30 Recipient. Aquia is now ACRE's K12 Programs Coordinator.

TAXES, SPENDING, AND TARGETED ECONOMIC INCENTIVES

THE ARKANSAS GENERAL ASSEMBLY passed a historic tax reform package last year that included cuts to the individual and corporate income taxes, bracket adjustments, and reforms to the state's budget stabilization fund. Following favorable revenue collections reports, the Governor requested that the legislature accelerate the tax cuts adopted last year, which was approved during a special session in August 2022. ACRE researchers will continue to inform the debate and assist policymakers on further changes to the Arkansas tax system in the upcoming legislative session in early 2023.

When it comes to targeted economic development incentives, not much has changed recently in terms of major policies, but the continuing use of corporate subsidies, including a new law passed to benefit one company -- US Steel -- demonstrate the importance of this ACRE research area.

This past year, ACRE launched the Southern State Spending Initiative, which seeks to improve state spending policy by comparing Arkansas to other similar southern states to learn about efficient spending practices from those states, as well as to share Arkansas's successes with others. Through our initial work with partners in North Carolina and Tennessee, ACRE researchers are putting together policy recommendations for the upcoming legislative session on areas where Arkansas could reduce state and local spending.

This past year, ACRE Director Jeremy Horpedahl and Joseph Johns engaged with media partners and community members to explain how Arkansas can improve its tax code, reduce state spending on unnecessary and inefficient government programs, and curtail corporate location subsidies.

Horpedahl and Johns Op-Ed Looks at Implications of Income-tax Reduction

Lower the burden

OCTOBER 2021

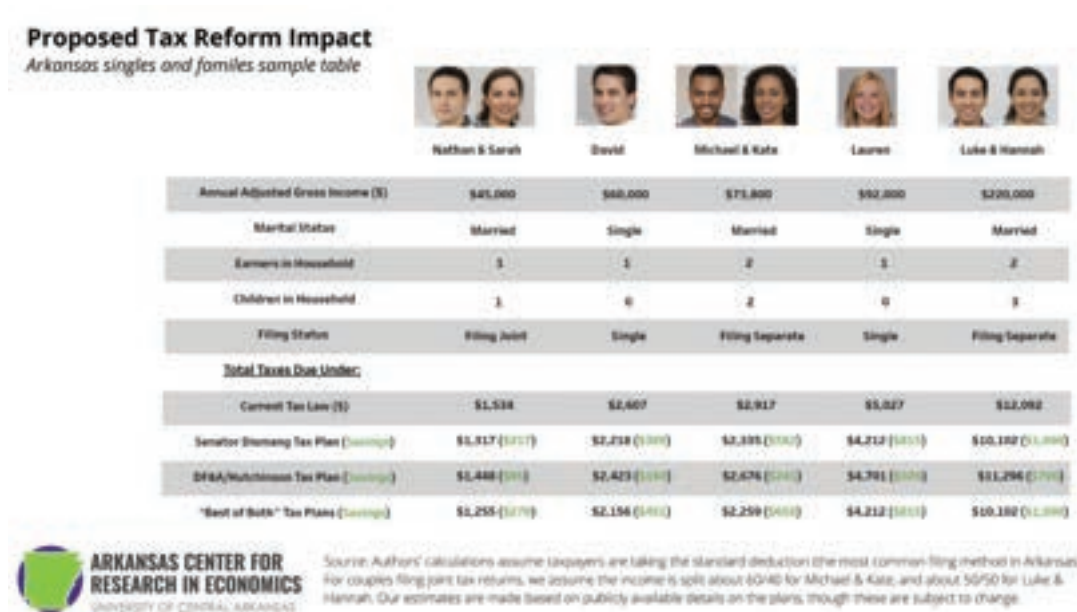
As the fall Special Legislative Session approached, ACRE staff offered Arkansans insight into potential legislation to reduce income taxes. In their October op-ed in the *Arkansas Democrat-Gazette*, they point out that of its six neighboring states, Arkansas has the second-highest top individual income-tax rate as of this year, with only Louisiana slightly higher at six percent. Digging into the plans on the table and providing examples for readers, they conclude that “lowering the burden of taxes on Arkansans will help us move forward out of these challenging times.”

Horpedahl and Johns Provide Analysis of Proposed Income Tax Changes

Arkansans Could See Big Savings from Special Session

OCTOBER 2021

As the Arkansas legislature readied a special session that would consider changes to the income tax, Dr. Jeremy Horpedahl and ACRE Research Analyst Joseph Johns boiled down for individuals, families, and small businesses what such changes would mean for them in the ACRE Review.



Mitchell and Johns Discuss Taxes and State Reserve Fund on Dave Elswick Show

OCTOBER 2021

ACRE Director David “Mitch” Mitchell and Joseph Johns spoke on the Dave Elswick Show about the upcoming Arkansas special legislative session. They discussed two main tax cut bills currently under consideration by the legislature. A summary of the discussion also appeared in the ACRE Review and highlighted key points:

- Cutting the income tax rate allows Arkansans to receive more gains from their own work and helps keep Arkansas competitive when looking to attract jobs and talent to the state.
- Cutting income taxes can be done in such a way as to preserve government spending on commonly agreed upon public priorities such as infrastructure and K-12 education.
- Making these changes now can also sustain lower income taxes for many years to come due to the higher standard imposed by Amendment 19 to raise income tax rates.

Arkansas Business Includes Input from ACRE

Dr. Horpedahl was quoted in a November 2021 issue of *Arkansas Business*. An important part of the debate over state tax reform is learning from other states. While policymakers are often worried about repeating some mistakes made in the state of Kansas recently, Horpedahl has used his expertise to provide better context for what went wrong in Kansas, so Arkansas can avoid repeating similar mistakes. Horpedahl wrote further on this theme in a 2018 ACRE publication co-authored with Nicole Kaeding (then at the Tax Foundation), exploring recent tax reforms in five other states (including Kansas) in “Learning from Other States’ Successes and Failures in Tax Reform” (it was later republished in ACRE’s first *Citizen’s Guide to Understanding Arkansas Economic Data* and the tax trade publication *StateTax Notes*).

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They had no plan of how the revenue would be made up. There were no other additional taxes; there were no planned cuts to state spending.

DR. JEREMY HORPEDAHL

Horpedahl and Johns Discuss the Upcoming Special Tax Session on Believe in Arkansas

NOVEMBER 2021

Dr. Jeremy Horpedahl and Joseph Johns spoke with Ryan Norris, State Director of the Arkansas Chapter of Americans for Prosperity, on his Believe in Arkansas podcast. Their conversation focused on the proposed state tax changes and more broadly about both tax and spending issues in Arkansas over the past few years.

Mitchell and Johns Join The Dave Elswick Show once again

DECEMBER 13, 2021

Dr. Mitchell and Johns discussed on the show how different states in the south and across the country have cut their individual and corporate income taxes in recent years and the need for Arkansas to continue to improve its tax code. They also presented estimates of the potential benefits to families and firms of lowering the individual income tax rate in Arkansas and how Arkansas can keep matching other states' reforms and increase taxpayer's financial well-being.

Horpedahl Explains Tax Proposals on Capitol View

DECEMBER 2021

Dr. Horpedahl appeared on the television program Capitol View with host Jay Bir. They discussed Arkansas's tax system and how recently proposed changes by Gov. Hutchinson might impact Arkansas taxpayers and the state budget. You can watch the full interview online from KARK.



The openness with which the legislature seems fine with passing laws that everyone acknowledges will benefit just one firm seems like a huge change to me. ... In my opinion, this is something which we should be very worried about going forward, as more firms may now feel that they can come to the legislature, tell them that other states are offering them deals, and the legislature will amend state laws with no debate. Usually, there's at least the appearance that these incentives are available to many firms.

DR. JEREMY HORPEDAHL, *Daily Record*

Horpedahl Questions the Repercussions of HB 100

Should Attracting Business to Arkansas Rely on Legislation That Plays Favorites?

Dr. Horpedahl contributed to a Jan. 31, 2022 story in the *Daily Record*, about economic development incentives.

In a subsequent story March 3 in the *ACRE Review*, Horpedahl questions how legislation designed to favor individual companies, such as Pittsburgh-based U.S. Steel Corp's new sustainable and technologically advanced mill in Osceola, Arkansas, will influence a free and fair marketplace. While attracting companies to the state brings jobs and revenue, Horpedahl notes, doing business in this manner influences future industry partnerships in Arkansas, and erodes fiscal integrity.

Horpedahl Publishes Conway Special Election Op-Ed

JANUARY, 2022

In "What's the Rush?" published in the Jan. 29 *Log Cabin Democrat*, Dr. Horpedahl addresses the February 8 special election in Conway to discuss research connecting special elections with low voter turnout. He shared the results of research he and UCA students conducted over several years. The data collected revealed that voter turnout is much lower at special elections; on average, less than half of general elections. Special elections have an average turnout of 19 percent of adults, compared with 44 percent in general elections. They also found that sales tax increases are much

more likely to pass in special elections, when turnout is low: 76 percent of tax increases pass during special elections, compared with just 44 percent during general elections.

Horpedahl Featured in *The Sentinel-Record* Special Election Coverage

Dr. Horpedahl weighed in on Garland County's special election to vote on a continuation of a county-wide sales tax. In this Jan. 16 article he notes, tax increases are approved at a higher percentage during special elections than during primary or general elections.

Mitchell's Commentary Examines How Arkansas Compares to Neighbors for Economic Freedom

JANUARY 2022

Dr. Mitchell provided insightful commentary about economic freedom and tax policy in *Arkansas Business*.



We've come a long way, but we have a lot further to go. More than just rankings, economic freedom is about being the captain of your own destiny and improving the well-being of all Arkansans. Tax policy sounds boring until you realize how important it is. We need the freedom to run our lives; economic freedom helps Arkansas attract and retain businesses, increasing economic opportunity for all.

DR. DAVID MITCHELL

Mitchell Discusses Transparency and Following the Money on The Dave Elswick Show

MARCH 2022

Following the passage of Arkansas' budget package, Dr. Mitchell was a guest on the Dave Elswick Show where he discussed implementing a Colorado-style Tax Expenditure Limit and placing Constitutional limits and refund requirements on the state emergency reserve fund.

Johns and Horpedahl Urge Further Measures to Keep Arkansas Competitive

Moving forward

MAY 2022

Joseph Johns and Dr. Horpedahl take a look at how Arkansas can further reduce the tax burden following the legislature's income tax reductions in the special session. Comparing the state to many of its neighbors, Johns and Horpedahl suggest that to remain competitive Arkansas must continue to match changes being made in those neighboring states.

Outreach and Engagement

In addition to the many media appearances and publications this year, ACRE staff attended various community meetings and responded to questions from the public about taxes, spending, and other areas of ACRE research. These opportunities allow ACRE to not only help Arkansans better understand economic freedom, but also allows us to engage in conversations, understand taxpayers' concerns, and hear their thoughts on our research and analysis.

Horpedahl and Johns Respond to Questions about Arkansas Tax Policy on Facebook Live

OCTOBER 2021

Dr. Jeremy Horpedahl and ACRE policy analyst Joseph Johns appeared as guests on Believe in Arkansas, a recurring podcast and Facebook Live show hosted by Ryan Norris of Americans for Prosperity-Arkansas. The discussion, which was viewed 1,700 times, focused on taxes and spending, and Arkansas tax policy and its impacts on taxpayers and the economy.

Horpedahl Weighs in on Recession

MAY 2022

As gas prices, interest rates and the overall cost of living increased for consumers, Dr. Horpedahl became a trusted expert on putting these concerns into context. In May, Horpedahl joined the evening KTHV (CBS) broadcast to discuss current economic conditions and the possibility of recession. Horpedahl noted that consumer spending in the state remains high and unemployment figures are low but noted that inflation is a greater concern.



Horpedahl Featured Speaker at Lunchtime Faulkner County Meeting

JUNE 2022

Dr. Horpedahl spoke to the Informed Citizens of Faulkner County at their weekly lunch meeting in Conway. He provided an overview of ACRE's programs and research and fielded a wide range of questions from members of the group.

TRANSPARENCY

EVERY YEAR, STATE AND LOCAL GOVERNMENTS invest taxpayer dollars to support the efficiency of our public systems. A lack of transparency will promote secrecy, foster corruption, and mitigate those efforts. This is why ACRE works to provide Arkansas state and local government officials with information on how they can foster transparency at their levels of governance.

Beyond research on the role of transparency in effective government and the implications of a lack of transparency, we strive to educate the public and state and local leaders, as well as provide tools to help localities increase and improve their transparency.

From 2018 through 2020 ACRE has produced an annual report “Access Arkansas: County Web Transparency” aimed at assessing public information counties publish online for easy access by residents. The information includes financial information such as budgets and audited financial information. Since the 2020 report, the third edition of the report ACRE made a strategic decision to produce the report every other year for two reasons: to allow ample time for counties to make the necessary improvements; and to allow ACRE to focus on other transparency projects. For the past year ACRE’s main focus was the transparency of COVID-19 funds. According to the Arkansas Department of Finance, the state has received in excess of \$8 billion through various programs. ACRE’s focus, however, has been on the funds that were directly provided through the state and local governments.

During times of emergency it is easy to be lax on the disbursement of emergency funds and it is therefore prudent to be transparent on how those funds are disbursed and used to enhance trust and mitigate the opportunities to misuse the funds. In that regard Dr. Mavuto Kalulu focuses on the transparency of the COVID Relief Funds (CFR) while Joyce Ajayi focuses on the American Rescue Plan Act (ARPA), especially the Local Fiscal Recovery Funds (LFRF) component. During the past year the transparency team has engaged stakeholders through media and face-to-face or Zoom discussions to share ideas on the transparency of the COVID-19 funds.

In addition, ACRE has been gathering data for the next county web transparency report. A new exciting development in the report is that ACRE intends to extend the assessment of web transparency to include first class cities.

Transparency continued to be a topic of discussion in various opinion pieces and articles.



The cost of corruption goes beyond the loss of public funds. It can shut down or cripple an entire system.

JOYCE O. AJAYI, ARKANSAS DEMOCRAT-GAZETTE

Ajayi Looks at the Fallout of Lack of Transparency in Op-Ed

JULY 2021

Curb temptation

In her *Arkansas Democrat-Gazette* opinion piece, Joyce Ajayi discusses and provides examples of how the lack of transparency and weak fiscal controls may tempt “good” and honest employees. She suggests that to prevent corruption, governments should create more systems that provide for checks and balances. When public officers are aware that their actions are being watched closely, it will undoubtedly improve their behavior.

Taylor Continues Conversation on Curbing Corruption

JULY 2021

How to Curb Corruption

As a follow-up to Ajayi’s July 16 Op-Ed, Caleb Taylor poses the question in the *ACRE Review*, “How can local governments discourage corruption among public officials?” He reinforces the necessity of creating more systems that provide for checks and balances.

Kalulu Op-Ed Stresses Need for CARES and ARP Funds Transparency

SEPTEMBER 2021

Be Transparent: Shine Light on Covid-19 Funds

In his opinion piece published in the *Arkansas Democrat-Gazette*, Kalulu discusses the need for more detailed reporting of the COVID-19 relief funds at state level to promote trust.



Arkansans deserve to know how COVID-19 funds are being used. State and other local governments need to take a proactive role in ensuring residents have easy access to this expenditure data. There is no excuse not to do it. Technology to allow residents to follow the dollars to the vendor exists, and it is prudent to utilize it and promote accountability and trust.

**MAVUTO
KALULU,**

*Arkansas
Democrat-Gazette*

COVID-19 Relief Funds Subject of Blog Post

OCTOBER 2021

Shine More Light

In this blog, published on October 1, 2021, Policy Analyst Mavuto Kalulu poses a question “ Do you know how Arkansas state and local governments are spending COVID-19 relief funds received from the federal government?” He then discusses what Arkansas has done with regards to the transparency of COVID-19 funds allocation.

Ajayi Op-Ed Pushes for Transparency of State’s American Rescue Plan Act (ARPA) Uses.

Open the books!

NOVEMBER 2021

In her *Arkansas Democrat-Gazette* Op-Ed, Ajayi discussed how the Arkansas state government can encourage fiscal transparency of the influx of ARPA funds by providing technical assistance to each of Arkansas’ 75 counties on how the funds can be spent, tracked, and reported. She encouraged local governments to report all uses of the ARPA funds using open government initiatives such as data portals and websites for public monitoring of government spending. Ajayi published a subsequent story in the ACRE Review summarizing her op-ed.

Kalulu Reinforces COVID-19 Relief Fund Transparency Message

DECEMBER 2021

Make it Easy: Relief-Fund Musn’t be Hard

Published in the *Arkansas Democrat-Gazette*, Kalulu’s Op-Ed discusses the need for all levels of government to be transparent in the use of COVID-19 relief funds.

Johns Examines Benefits of Transparency in Arkansas *Democrat-Gazette Op-Ed*

Open it up

FEBRUARY 2022

When states are transparent about their spending, research shows the results include more efficient government administration, more competitive bidding for public projects, and less staff time spent on information requests. How does Arkansas measure up? Joseph Johns digs into the answers in this opinion piece.

Northwest Arkansas Democrat-Gazette Features Ajayi and Johns

APRIL 2022

For Public Trust

In their Op-Ed, “For Public Trust,” Ajayi and Johns focus on localities’ use of websites to provide information to the public. They stress that this plays a crucial role in promoting government transparency, participation, and collaboration with residents. It also promotes equal and sustained public access to government information, discouraging corruption and enhancing public trust.

The following items were published during Summer 2022:

Policy Brief Looks at COVID-19 Relief Fund Spending in Arkansas and Other States

Coronavirus Relief Fund Reporting: How States are Promoting Transparency by Dr. Mavuto Kalulu

Dr. Kalulu’s policy brief examines how various states are ensuring the transparency of COVID-19 Relief Fund expenditures and draws lessons for Arkansas from the more transparent states. Arkansas received \$1.25 billion and it is good governance for the state to report residents on how these funds are allocated and expended. The more transparent states provide more detailed information, and provide downloadable data on searchable platforms.



Local Governments Can Benefit from New Analysis and Toolkit

COVID Relief Done Right: A Local Government Transparency Guide for Following the One-Time Influx of Funds
By Joyce O. Ajayi and Ashley Philips.

Since the outbreak of the COVID-19 pandemic, local governments have received an influx of funds from the United States Treasury Department to help pay for unexpected eligible expenses and replace lost revenue. Our latest publication, *COVID Relief Done Right*, authored by ACRE analyst Joyce O. Ajayi and UCA Associate Professor of Accounting Ashley Philips, provides background on the one-time influx of COVID-19 relief funds in Arkansas and a toolkit for local transparency and accountability in the use of these funds, including a web transparency checklist.

ACRE Policy Brief Examines Barriers to Public Participation in Court's Meetings

Political Transparency for Improved Resident Participation by Mavuto Kalulu & Joyce Ajayi

Arkansas's outdated open public meetings law does not fully promote public attendance and representation at quorum court meetings. We propose a solution to increase the chances that more residents will attend. It is good governance for elected officials to ensure that residents are not only aware of the quorum courts' decisions but are represented in the decision-making process.





Left: ACRE Policy Analysts Joseph Johns, Joyce Ajayi, and Zachary Burt at 2021 State Policy Network Meeting



Right: Dr. Mavuto Kalulu speaking to Arkansas Transparency in Government Group

Transparency Outreach

Getting ACRE research into the hands of local government leaders and policy makers is vital to improving transparency in Arkansas. This past year, the transparency team took that step, meeting with partners and decision makers such as:

- Association of Arkansas Counties Annual Conference, August 2022
- Representative Vivian Flowers (D)- Arkansas House of Representatives. March 2022
- Arkansas Self-Insured Fidelity Bond Program, Governmental Bonding board, Mark Guinee and Ruth Fernandez. January 2022
- Arkansas Transparency in Government Group (ArkTIGG) Symposium (ArkTIGG) September 30, 2021
- County Level Transparency discussion with Benton County Communications Director, Channing Baker
- Association of Arkansas Counties Annual Conference, August 2021
- 2021 State Policy Network Annual Meeting August 2021

LABOR MARKET REGULATION

ACRE RESEARCHERS CONTINUE TO SEEK ways to improve Arkansas's regional competitiveness in the labor market. Our state needs more skilled professionals, and by figuring out how Arkansas can be a more attractive option we can incentivize more workers to move here. An Arkansan attempting to work in a licensed profession faces more "red tape" on average than a resident in 44 other states according to the Institute for Justice. These high barriers for people seeking work are worthy of analysis considering Arkansas has the 4th lowest Labor Force Participation rate in the U.S., a higher crime rate than 45 other states, and the 3rd lowest percentage of adults with bachelor's degrees, according to U.S. Census data. Improving the quality of occupational licensing in the state is a potential way to get licensed professionals to make Arkansas their top choice when relocating and improve these statistics for the state overall.

ACRE Policy Analyst Zachary Burt continues to work with the Occupational Licensing Review Subcommittee to improve the sunset review process, fill in information gaps about licensing, and provide policy recommendations based on research about other states' strategies to reduce or improve licensing. The Subcommittee even adopted an ACRE-authored questionnaire for licensing boards to answer when testifying before the committee, making a significant step towards improving the quality of discussion during review meetings. ACRE affiliated researcher Dr. Thomas Snyder worked with ACRE fellow Caleb Vines to produce original research on how licensing rules disproportionately impact people who have been involved in the justice system by automatically locking them out from many occupational licenses. The research provides evidence that states with restrictive employment barriers and post-conviction punishments are the same states that have lower labor force participation rates and higher crime rates. During the upcoming legislative session, we hope to work closely with legislators to produce policy that benefits the Arkansas labor market and makes Arkansas a regional leader in licensing reform.

ACRE Policy Analyst Works with Legislators on Athletic Trainer Licensing

NOVEMBER 2021

ACRE Analyst Zachary Burt informed the legislators of the Occupational Licensing Review Subcommittee about the regional context of athletic trainer licensing through a targeted email and short YouTube video. While Arkansas is broadly similar to other states in terms of athletic trainer licensing, we require twice the number of continuing education hours than any other state in the South. Lowering these hours to match surrounding states' requirements is a natural step towards better licensing policy. A subsequent story on this topic, *Sunset Review Committee Meets to Discuss Athletic Trainer Licensing*, appeared in the ACRE Review.

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Occupational licenses cover a wide range of professions, and it is impossible for legislators to be aware of the particularities of every licensed occupation. Now with ACRE's questionnaire, legislators will have a list of baseline questions to ask in addition to any other questions they may have. Board representatives will also be solidly prepared with information that explains the value of their respective licenses.

ZACHARY BURT, *Arkansas Democrat-Gazette*

Zachary Burt Op-Ed Proposes Making Licensing Law Review Easier

MARCH 2022

Burt authored an Op-Ed in the *Arkansas Democrat Gazette* discussing ACRE's contributions towards improving Arkansas's sunset review process for occupational licenses. ACRE worked closely with legislators on the Occupational Licensing Review Subcommittee to produce a questionnaire that licensing boards must answer when testifying before the committee. The questionnaire improves the overall quality of information presented at the meetings, since previous meetings were often light on information due to the lack of formal process.

ACRE Fellow’s Op-Ed Asserts Arkansas Stacks on Too Many Collateral Consequences of Conviction

MAY 2022

ACRE Fellow Caleb Vines authored an Op-Ed in the *Arkansas Times*. The piece summarized his award-winning paper, “Do Barriers to Work for Justice-Impacted People Incentivize Criminal Behavior?”, co-authored by ACRE policy analyst Zachary Burt and ACRE affiliated scholar Dr. Thomas Snyder. The op-ed describes for readers the phenomenon of “hidden sentences”, also known as collateral consequences of conviction. These are de facto additional punishments justice-impacted individuals experience even after they have completed the terms of their official sentence.

Outreach and Engagement

Occupational Licensing Review Committee Kicks Off Second Session

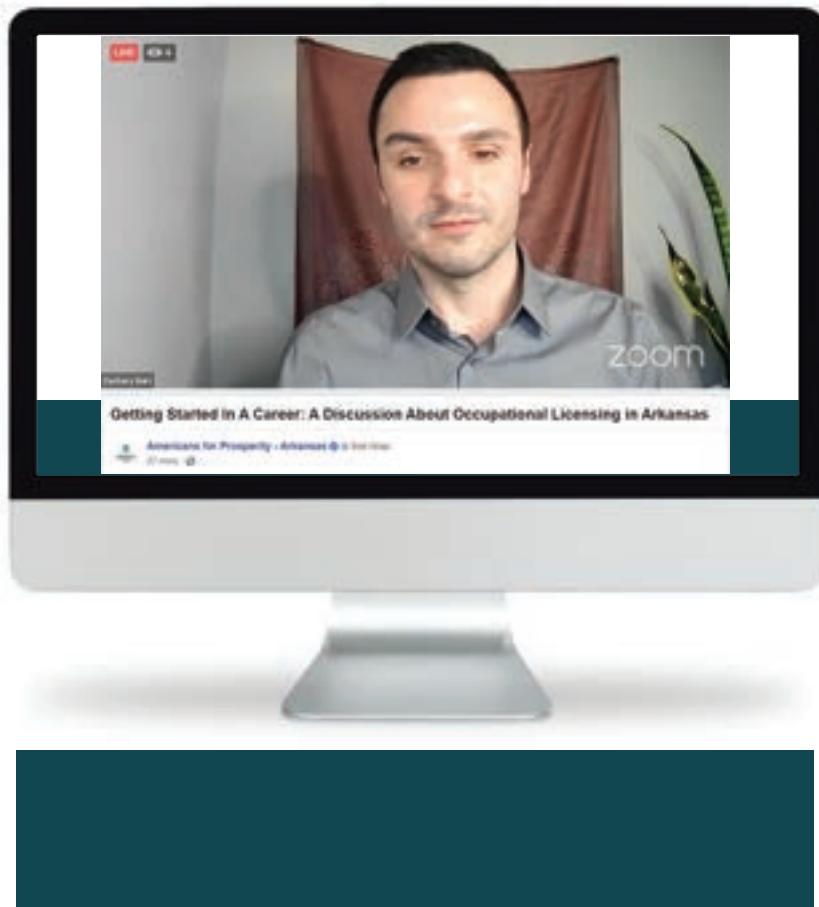
SEPTEMBER 2021

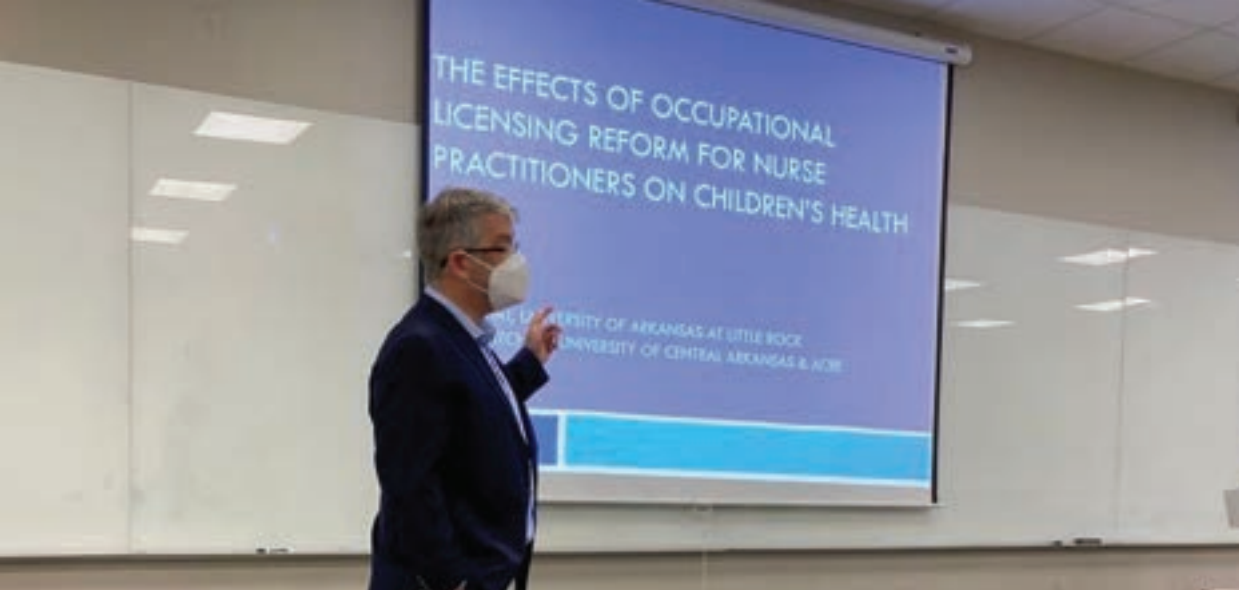
ACRE policy analyst Zachary Burt testified before the Occupational Licensing Review Subcommittee concerning the licensing of seed dealers in Arkansas. Many states, including Texas, do not license seed dealers, and the license is ripe for reform into a registration or certification. This committee meeting was the first meeting of the second round of licensing reviews after the creation of the Sunset Review process in Arkansas during the 2019 legislative session.

Podcast Features ACRE Policy Analyst Zachary Burt

NOVEMBER 2021

ACRE policy analyst Zachary Burt appeared as a guest on Believe in Arkansas, a recurring podcast and Facebook Live show hosted by Ryan Norris of Americans for Prosperity-Arkansas. Their discussion focused on the impact of occupational licensing on the workforce and economy of Arkansas, as well as how licensing regulations are structured in the state. Burt provided a summary of the conversation in the ACRE Review: What is occupational licensing, and how does it affect Arkansans?





Mitchell Shares Research on Children’s Health and Nurse Practitioner Licensing

Dr. David Mitchell presented his working paper, coauthored by Associate Professor of Economics at the University of Arkansas at Little Rock Moiz Bhai, at the Economics Research Group’s workshop February 18, 2022. The paper was also the topic of an Op-Ed, “Dying for Care”, in the *Arkansas Democrat-Gazette* in June, 2022. The Op-Ed shows how access to care for children, especially in underserved and rural parts of the state is influenced by nurse practitioner licensing requirements. Current limitations, more restrictive than other Southern states, prevent nurse practitioners from providing primary medical care in areas without a physician.

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Expanding the scope of responsibilities for NPs is not a radical idea. Where NPs have full authority, they provide some of the unmet needs of the poor, rural, and other underserved communities. Act 569 lets NPs get paid by state Medicaid to provide services. This is important because areas with many Medicaid patients have fewer providers, and NPs can only fill the need if they can be paid.

DR. DAVID MITCHELL, *Arkansas Democrat-Gazette*

COLLEGE AND UNIVERSITY PROGRAMS

WELL INFORMED RESEARCHERS and academic leaders play an essential role in ensuring policy makers and consumers are equipped with the knowledge and resources to improve lives and economic freedom. ACRE's college and university programs continue to help prepare students to step into leadership roles through fellowships, reading groups, summits and guest speakers.

Fellows

ACRE sponsored three undergraduate research fellows during the 2021-2022 academic year:



Yimin Wang

*(Faculty Mentor:
Jeremy Horpedahl)*

Yimin's paper topic was "Government Regulation in the COVID Era: What is the impact on entrepreneurship?" He has entered graduate school and is pursuing a Master's in Economics



Grace Davis

*(Faculty Mentor:
Collin Hodges)*

Elizabeth's paper provided a review of the socioeconomic characteristics of opioid overdose deaths. Grace is now working towards her Master's in Accountancy



Caleb Vines

*(Faculty Mentor:
Thomas Snyder)*

Caleb's paper, "Do Work Barriers for Justice-impacted Individuals Incentivize Criminal Behavior?" was recognized by the Society of Business, Industry and Economics with the Undergraduate Student Research Award. A summary of his research also appeared in the Opinion section of the Arkansas Times. Caleb will enter graduate school to complete a PhD in Economics

All three fellows presented at the 2022 meeting of the Society of Business, Industry, and Economics (SOBIE) in Destin, Florida.



Fall 2021 Reading Group

Fall 2021 Reading Group

Freedom and Human Flourishing: Poverty, Prosperity and Happiness around the World

The Fall 2021 ACRE Reading Group's theme was "Freedom and Human Flourishing: Poverty, Prosperity and Happiness around the World." Participants read and discussed works by scholars such as Deidre McCloskey, Daren Acemoglu, and James Otteson, among others, and examined the role of institutions, culture, geography and even luck in promoting human flourishing. James Otteson was the keynote speaker at a summit in Dallas that UCA students attended.

Spring 2022 Economics Reading Group

Capitalism, Socialism, and Human Flourishing

UCA students participated in an ACRE reading group about Capitalism and Socialism. They traveled to Southern Methodist University in Dallas for a summit in October to meet with other students reading the same books, and to hear keynote speaker Robert Lawson. The summit featured group discussions and formal remarks from professor James Otteson (Distinguished Professor of Business Ethics at the University of Notre Dame). Dr. Hodges and Dr. Horpedahl supervised the group.

Spring 2022 Economics Reading Group



Spring 2022 Philosophy Reading Group

The Heresy of Heresies is Common Sense: George Orwell's 1984, Authoritarianism, and Liberty

Students in the Spring 2022 Philosophy Reading Group, led by Dr. Jacob Held, engaged George Orwell's classic 1984 alongside the writings of thinkers such as Erich Fromm, Jonathan Rauch, F.A. Hayek, J.S. Mill, Michel Foucault, Robert Talisse, and Ronald Dworkin. Student's explored questions such as:

- Who determines what the truth is, and why does it matter?
- What is the value of liberty and why are people so willing to sacrifice it?
- How does power work to control populations?
- What is the value of free speech?
- Why is dissent and a diversity of viewpoints fundamental to a healthy, democratic society?



Biz@Bear Reading Group

While general ACRE reading groups take students into a deep examination of a single topic, the ACRE Cubs group focuses on helping incoming students find their passion and create the connections to pursue it. Biz@Bear reading groups are offered in Fall and Spring. Students read a variety of articles and participate in discussions led by various faculty members. A typical eight-week program features topics ranging from the impact of self-driving cars on the supply chain, to personality tests in employment law, to cybersecurity and risk management in the tech driven modern workplace. Speakers also represent a wide range of studies, including EFIRM, Economics, Business Law, Accounting, Marketing, Supply Chain Management, Insurance and Risk Management, CISA, and more. This wide variety of topics creates an environment that fosters self-development and confident career path management for first year students, and results in higher retention and involvement from students who complete the program.

Special ACRE Collaboration

Garret Watson from Tax Foundation spoke to UCA students on March 1st 2022. Mr. Watson was a guest lecturer in Dr. Horpedahl's Public Sector Economics class, and gave a public lecture to UCA students in the College of Business auditorium. Both of his lectures explained to students how the tax system works in the United States, and how Arkansas can improve its tax system.



David Mitchell Helps Facilitate the Summer Healthcare Analytics Research Program (SHARP)

Dr. Mitchell was a guest SHARP facilitator July 19-21, 2021, at Georgia Tech University. The program addresses knowledge gaps within early-career health economics and health policy researchers pertaining to the availability and use of large-scale medical claims datasets used by healthcare providers, insurers, and researchers in the United States. The summer program was hosted by Georgia Tech School of Economics and ACRE.

ACRE Co-Hosts Colloquium in Bentonville

This past February, ACRE partnered with the Center for Faith and Flourishing at John Brown University to present “The Road to Freedom and Prosperity” in Bentonville, Arkansas. The event featured Wilfred Reilly, the author of *Taboo: 10 Facts You Can't Talk About*, and focused on economic, political and philosophical topics freedom and prosperity, especially among Black Americans. You can listen to Dr. Reilly's lecture on YouTube.



K-12 PROGRAMS

THE FUTURE OF ECONOMIC EDUCATION in Arkansas relies heavily on well trained and engaged teachers as well as enthusiastic and motivated students supported by their educators. Through our professional development training, workshops, and the Economics Challenge!, ACRE specifically engages both educators and students to build a stronger economic future for Arkansans.

Professional Development Trainings

During the 2021-22 school year, ACRE continued to offer a variety of learning opportunities to Arkansas educators. In total, ACRE hosted nineteen Professional Development workshops and awarded Arkansas educators over 1000 hours of professional development credit.

August 14, 2021 - Personal Finance Day at UCA

Arkansas Act 480, the Personal Finance and Job Readiness Act, calls for the implementation of mandated personal and family finance standards into a variety of courses in Arkansas K-12 schools. Once a year ACRE hosts a Personal Finance Day at UCA event, to bring together financial literacy professionals & educators to communicate new ideas and content, network with peers, develop new activities and implementation strategies, and learn best practices for teaching personal finance to Arkansas students.

- September 13, 2021 - Let's Talk Trade
- September 22, 2021 - FinEdge with the University of Chicago
- October 14, 2021 - Econ Challenge Training
- October 19, 2021 - Retirement Planning with the University of Arkansas Faulkner Co Ext. Office
- October 22, 2021 - The Trade Game (classroom visit with CBC education students)
- October 26, 2021 - Right in Our Own Backyard Training
- October 28, 2021 - Banking with Regions (1 hour webinar)



November 4, 2021 - Econ Nobel Webinar

When setting up experiments, economists have to ask specific questions and avoid selection and observational biases. This challenge is often present when attempting to measure the effectiveness of something like a government program or policy change. How can economists confidently claim that certain effects are linked to a specific cause? This year's Nobel Laureates' work with natural experiments provide examples of best-practice research methods that work to answer important questions. On November 4, 2021, Dr. Kevin Grier of Texas Tech University discussed the winners of the 2021 Sveriges Riksbank Prize in Economic Sciences and explored their backgrounds and contributions to the practice of economics. During this virtual session, educators and students learned about the winner's work using natural experiments and novel analysis.

- February 3, 2022 - Arkansas Economics Challenge Information Session
- March 11, 2022 - Economic Freedom of the World Webinar
- March 30, 2022 - Sweatshops and Opportunity Cost Webinar
- April 9, 2022 - Little Rock School District Financial Literacy Summit
- April 18, 2022 - Mastering Interest Rates Webinar
- May 3, 2022 - Time Well Spent Webinar
- June 2, 2022 - Right in Our Own Backyard Webinar
- June 6, 2022 - Pulaski County Special School District Training
- June 15, 2022 - Exploring the ACRE Social Studies Library
- June 20, 2022 - Walnut Ridge School District Training

Building Educational Networks

Teachers in Arkansas need a variety of resources and materials to meet their classroom needs. K-12 Programs Coordinator Terra Aquia serves on a variety of education-focused committees that are working toward improving student success in Arkansas and beyond including:

- The Arkansas Social Studies Standards Committee
- Economic Literacy Project Committee through the American Democracy Project
- JumpStart Arkansas

Economics Challenge!

On April 7, 2022 students from around the state logged in for the 2nd annual Arkansas Economics Challenge, co-hosted for high school economics students by the Arkansas Center for Research in Economics and Economics Arkansas. The 2022 competition was virtual, and participants completed a testing event, wrote and submitted essays, and presented team presentations for the chance at a top prize.

Overall Winners:

- Adam Smith Division: Bentonville West High School
- David Ricardo Division: Arkansas School for Mathematics, Science, and the Arts
- Student of the Year: Joshua Ofodile, Haas Hall Academy
- Educator of the Year: Rebecca Luebker, Haas Hall Academy
- More information is available on the Economics Challenge! blog.



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Through exploring the essay, *I, Pencil*, by Leonard E. Read, we see the true extent to which the world goes to create something as archaic as a No. 2 pencil. We learn of the collaboration of millions upon millions of people, that even if that whole process seems like too much for just a pencil, that is the only way that it can be produced, for no one person or enterprise contains the knowledge or means to make it by themselves.

JOSHUA OFODILE

Arkansas Economics Challenge Student of the Year



Looking Ahead

All of us at ACRE are sad to see Mitch Mitchell, our founding Director and leader for many years, depart ACRE and UCA for his new opportunities. We wish him all the best. But we are also all excited about the future of ACRE and are looking forward to a productive year.

I moved with my family to Arkansas in 2015 to be a part of ACRE and UCA. Mitch had been talking with me even before that as he was setting up ACRE in 2014, so in many ways I feel like I've been a part of the team since ACRE came into being.

In ACRE's short history, we have seen a lot of big improvements in Arkansas in all the areas that we research. County governments are now required to post all of their financial information online. Occupational licenses in Arkansas now all undergo regular reviews, and there have been small deregulations for some licenses. And through multiple legislative sessions, there have been cuts in personal and corporate income tax rates, which have lowered the burden of government for Arkansans at all levels of the income distribution.

These changes have all been great. And ACRE researchers have been there all along to help legislators and policymakers implement policy based on the best academic research. So far though, most of these changes have been marginal, just small steps towards a better policy world. I feel like we are on the precipice of big changes in Arkansas in the near future, and ACRE is now well-established as a credible, academic voice in the state to help in that process of reform.

I'm also very excited about our work with students at UCA. Over the years ACRE has touched the lives of many students, some in small ways such as sitting in a class taught by ACRE-affiliated faculty. Other students had more in-depth

experiences, such as our semester-long reading groups. But the culmination of our student interaction is the year-long research fellowships, where students complete a serious academic research project along with an ACRE faculty member or researcher.

This stage of the student experience is where the ACRE research and education areas merge into one, as the students are not just consuming ideas from us but learning to produce their own important contributions to research focusing on Arkansas policy. We have a great crop of student researchers lined up for the next academic year, and they will both contribute to ACRE's research all while learning more about the world.

I'd like to thank all of our donors for their support over the years, and for the continued support as we proceed through this transition of leadership at ACRE. Thank you for your interest in ACRE and all that we've done over the past year. I look forward to telling you all the great things we'll accomplish over the next year.



Jeremy Horpedahl

Director, Arkansas Center for Research in Economics

Associate Professor of Economics, University of Central Arkansas

ACRE: Our People



Jeremy Horpedahl, PhD
Director



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Michelle Stoll
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Policy Analyst



Zachary Burt, MPA
Policy Analyst



Joseph Johns, MA
Policy Analyst



Suzanne Massey, BBA
Administrator

ACRE-AFFILIATED UCA ECONOMICS FACULTY



Rania Al-Bawwab, MS, MA, MBA
ACRE Visiting Assistant Professor



Jacob Bundrick, MS
ACRE Affiliated Scholar



Collin Hodges, PhD
ACRE Undergraduate Research Fellows Coordinator



Mavuto Kalulu, PhD
ACRE Affiliated Scholar



Thomas Snyder, PhD
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