



DEPARTMENT OF COMMERCE

State of the Agency

Secretary Hugh McDonald

August 25, 2023

Why We Exist

- Grow the Arkansas economy.
- Accelerate demand -driven workforce development.
- Facilitate a balanced regulatory climate that protects the Arkansas consumer.
- Efficiently and effectively implement federal and state workforce services programs.

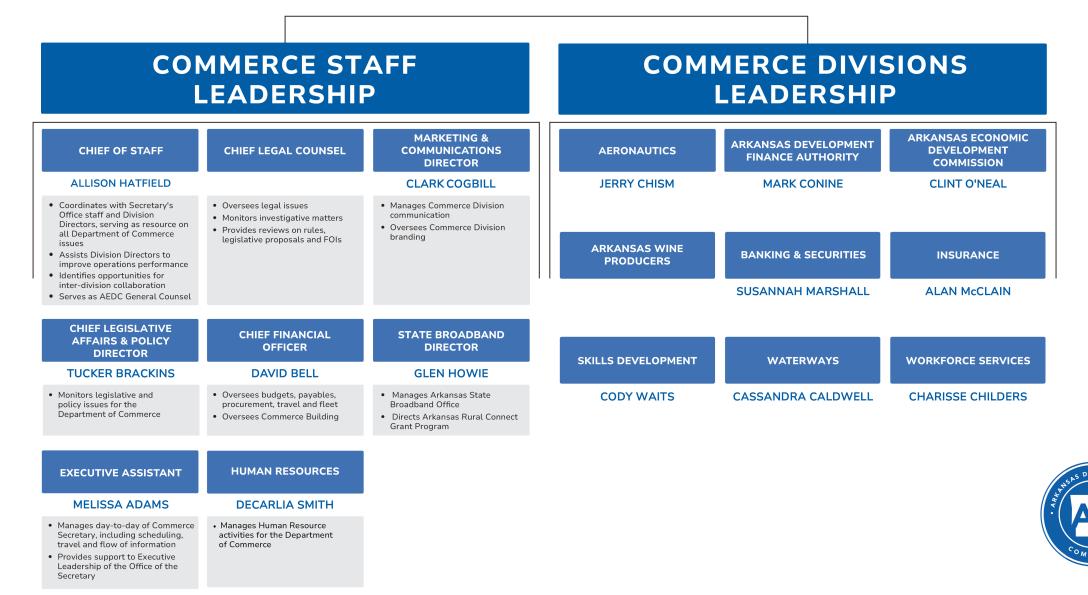


Who We Are



SECRETARY OF COMMERCE

HUGH MCDONALD



Who We Are

DEPARTMENT EMPLOYEE BREAKDOWN

1128 full -time employees

- Division of Workforce Services 65%
- State Banking Department/Securities Division and Insurance Department – 23%
- ADFA, AEDC, Aeronautics, OSD, and Waterways 12%



Department of Commerce Strategic Plan

STATE OF ARKANSAS PRIORITIES

- Improve education and workforce development outcomes
- Safe neighborhoods
- Grow economy through economic development and tax cuts

DEPARTMENT OF COMMERCE PRIORITIES

- Continuous improvement culture
- Facilitate an increase in capital investment, number of jobs created and the per capita income of Arkansans by positioning our state to achieve success in the growth of existing companies, recruiting new companies and by assisting entrepreneurs.
- Deliver demand -driven workforce development outcomes.
- Protect the consumer through balanced Insurance, Banking & Securities regulation.



Mid - Year Progress Report

ORGANIZATION STRUCTURE/CONTINUOUS IMPROVEMENT

- Consolidated Banking and Securities to one division.
- Transfer of TANF to DHS.
- Moving toward effective shared service organization (consistent with regulatory requirements)
 - Communications HR
 - IT Procurement
 - Fiscal Legal

- More rigorous and consistent review of contract and purchase order approval.
- DIS involvement on all IT applications and systems.
- All loan and bond guarantee work moved to ADFA.
- 2023-2024 goals established for each Commerce divisions and executive staff.



Mid - Year Progress Report

ORGANIZATION STRUCTURE/CONTINUOUS IMPROVEMENT

- DWS internal and external operations moved under one leader.
- Greater DWS focus in improving hold time for call center.
- Instituted Commerce executive steering committee to increase pace of modernization.
- Instituted Commerce steering committee with monthly reporting on broadband planning and implementation.



Mid - Year Progress Report

ECONOMIC DEVELOPMENT

- New Entrepreneurship and Small Business Group
- State Small Business Credit Initiative (SSBCI)
- \$10M site infrastructure fund
- 1,102 new jobs with average hourly wage of \$28.32, \$1.2B new capital investment

WORKFORCE DEVELOPMENT

- Steelmaking Academy involving five NE Arkansas two -year colleges
- State and local workforce boards began collaboration on future workforce development system, reform and alignment of existing system with region/employer needs



Now & Future

ORGANIZATION STRUCTURE/CONTINUOUS IMPROVEMENT

- Complete strategic plan and cascade goals & objectives down the organization.
- Quarterly Commerce wide KPI performance monitoring process.
- Fleet utilization improvement.
- Establish objective procurement spend savings target.
- Boston Consulting Group strategic review of Commerce.
- Employee development, engagement and safety.
- 360 Degree survey for all Commerce leadership.
- Continued organizational efficiency and effectiveness initiatives.
- Various compensation/pay grade adjustments to provide organization stability, slow turnover, workflow effectiveness.



Now & Future

ECONOMIC DEVELOPMENT

- Economic development strategic review
 - o Competitive analysis of economic development incentives
 - o Statewide talent attraction strategy
 - Supersite evaluation for the state
 - Update target industries
- Implement Entrepreneurship and Small Business Plan of Work
- CHIPS Act Statewide Consortium



Now & Future

WORKFORCE DEVELOPMENT

- Expansion of apprenticeships aligned with industry demand.
- Workforce Board alignment, reform and refocus on employer needs.
- Complete UI modernization.

