



Arkansas Government Transformation

Savings Update
July 1, 2019 – Present

Three Pillars of Transformation

Governor Hutchinson outlined **three pillars to guide transformation**.

Secretaries operate within these pillars to improve their Departments.

Departments are operating on existing budgets for year two of the biennium **without additional funding**.

1

Efficiencies- processes and funding

2

Improved managerial support

3

Improved delivery of services to citizens

[illegible]

UPDATE
Performance Audit
Joint Auditing Committee
June 8, 2007

Analysis of Regulatory Boards and Social Welfare Commissions

[illegible]

Performance Audit UPDATE
Legislative Joint Auditing Committee
June 8, 2007

**Analysis of Regulatory Boards and
Heare Commissions**

[illegible]

• **Review.** The 1999 edition of the *Compendium* interacting with 300 authors from 100 countries, is a significant achievement. The *Compendium* is a valuable tool for the study of the world's political, economic, social, and environmental conditions. It is a comprehensive and up-to-date source of information on the world's most pressing issues. The *Compendium* is a valuable tool for the study of the world's political, economic, social, and environmental conditions. It is a comprehensive and up-to-date source of information on the world's most pressing issues.

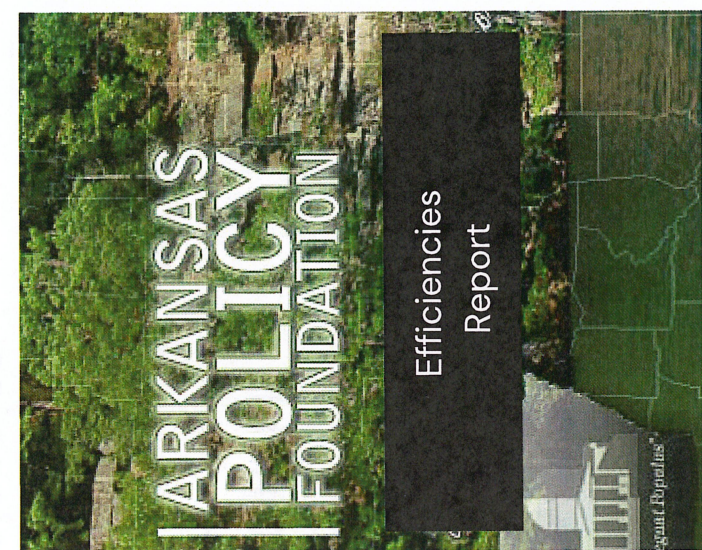
BACKGROU Regulatory boards and social welfare pol. charged w. u-
for the minority commissions represent
the Arkansas Code and oversight
the Arkansas Code and oversight
regulatory boards for the State.
regulatory boards for the State.
of specific and compliance measures.
information and compliance measures.

ARKANSAS DIVISION OF
172 State Capitol, Little Rock, AR 72203
Phone: 501-683-8600 Fax: 501-683-8605
www.legaudit.state.ar.us Report Date: March
Report ID: PSPE00607

2001

2007

Recommendation: Consolidation of Boards



Efficiencies Report

Savings Update

Five Areas of Focus:
Money saved for Arkansas

- 1 Facilities
- 2 Budget Reduction
- 3 Personnel
- 4 Reinvested Savings
- 5 Transformation Efficiencies

1. Facilities

\$1,411,055 in savings on rent
92,313 square feet reduction in space.

	July 1, 2019	Current	Savings
Rent	\$42,554,791	\$41,143,737	\$1,411,055
Square Footage	3,762,791	3,670,478	92,313

Additional temporary COVID related space: 39,177 square feet for \$482,973/annually.

- Co-location, when possible
- New work environment, the "Four Cs"
 - Cost-effective space management, collaboration of staff members, improved communications of team members, culture driven by cooperation

TOTAL: \$1,411,055

2. Budget Reduction

- \$10 million reduction in performance fund.

Performance Related Savings

- \$12,297,794 million in Departments absorbed in existing budgets as a result of transformation savings.

TOTAL: \$22,297,794

2. Performance Related Savings Breakout by Department

Department	Savings
Commerce	\$ 2,114,680
Corrections	1,214,333
Finance and Administration	2,854,862
Human Services	2,330,648
Education	665,895
Energy and Environment	7,367
Health	2,300,977
Inspector General	19,284
Military	358,195
Parks, Heritage, Tourism	359,280
Transformation and Shared Services	29,312
Veterans Affairs	42,961
TOTAL SAVINGS:	\$ 12,297,794

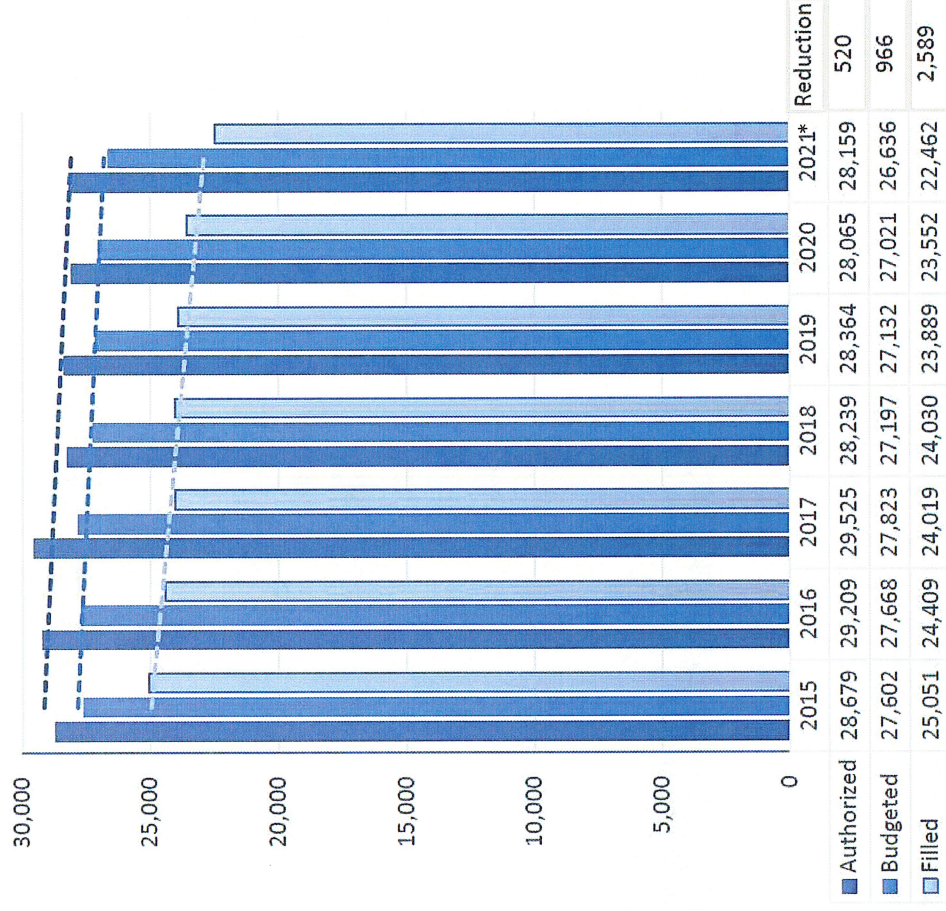
3. Personnel

- Positions always fluctuating
- Shared services model
- Innovative ways to improve delivery of services
- Managerial support for Departments
- **No jobs were lost as a result of transformation**

Filled July 1, 2019: 23,862

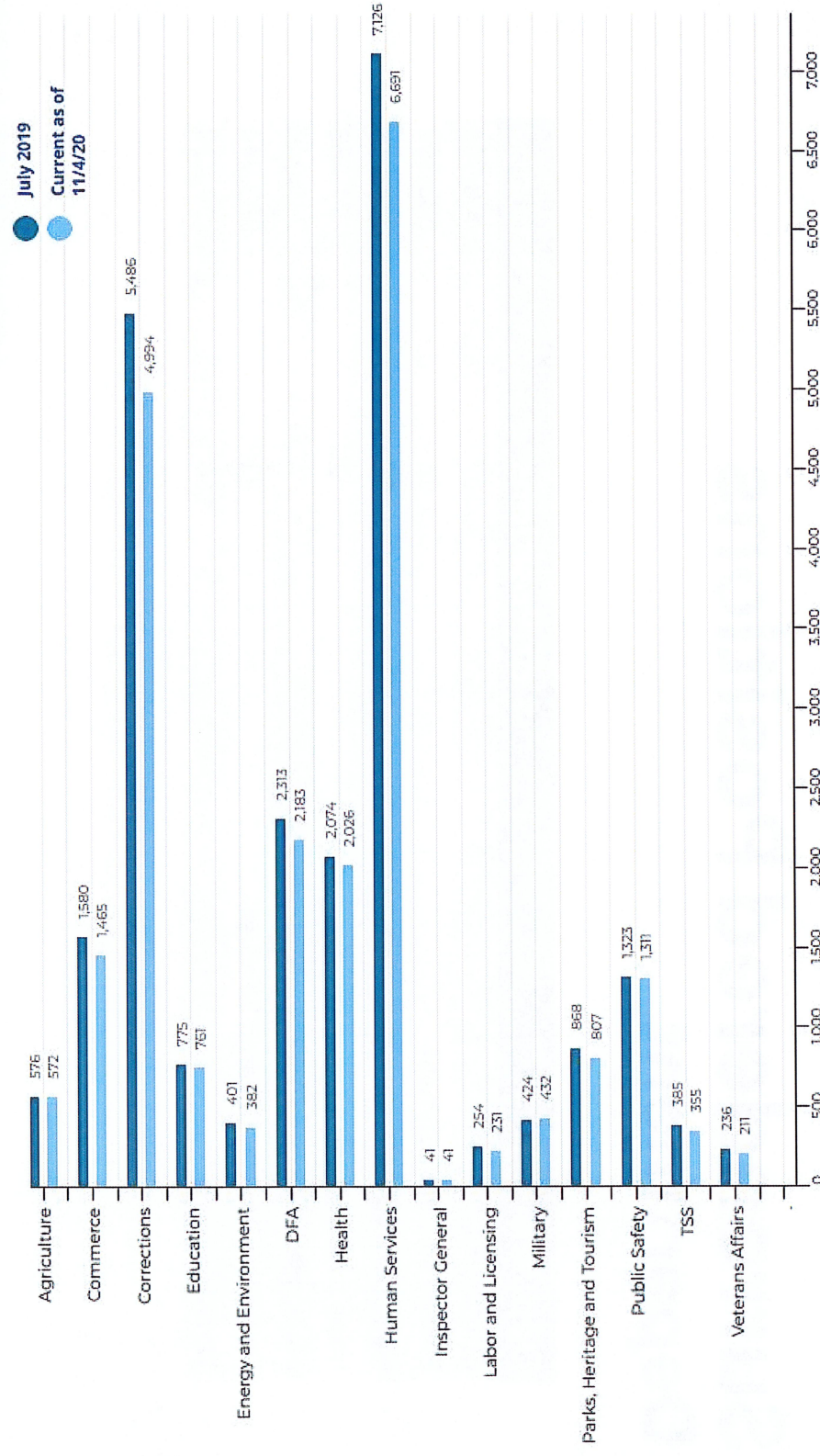
Filled Present: 22,462

Decreased Filled Positions: **1,400**



*Numbers pulled on Nov 4, 2020

3. Filled Positions by Department



3. Surrendered Positions by Department

Department	# of Positions	Savings
Commerce	107	\$4,400,000
Energy and Environment	16	633,302
Human Services	12	334,572
Inspector General	2	71,453
Parks, Heritage and Tourism	6	285,949
Transformation and Shared Services	23	883,944
TOTALS:	166	\$6,609,220

TOTAL: \$6,609,220

4. Reinvested Savings

Departments reinvested funding within budgets to accomplish more without requesting additional revenue.

- **Public Safety:** Centralized website using grant funds from DOJ, creating a one stop shop for citizens. The cost of the website was \$31,825 leaving \$68,175 for maintenance. The new website eliminates six maintenance contracts down to one. The new website will have only one annual maintenance contract which produces a **\$2,800 annual savings** plus a significant service delivery improvement.
- **Inspector General:** The Department consolidated their postage machines from two leased Pitney Bowes machine. By dropping one contract, the Department realized a **savings of \$720/annually**.
- **Corrections:** Before transformation, Corrections used a combination of Microgenics drug testing machines/reagent supplies and Redwood drug test cups. In January 2020, the Microgenics contract was phased out and Redwood was procured, resulting in a 34.3% decrease in drug testing costs for a **savings of \$152,762/annually**.

54 examples available

TOTAL: \$18,778,194

4. Reinvested Savings Breakout by Department

Department	Savings
Agriculture	249,000
Commerce	150,000
Corrections	4,752,616
Finance and Administration	300,000
Human Services	6,349,979
Education	676,000
Energy and Environment	793,940
Health	3,570,167
Inspector General	74,326
Labor and Licensing	20,835
Parks, Heritage, Tourism	987,735
Public Safety	244,326
Transformation and Shared Services	565,000
Veterans Affairs	44,270
TOTAL SAVINGS:	\$18,778,194

5. Transformation Efficiencies

New initiatives that Departments have absorbed with no additional funding.

- **Health:** Expanded shared services model to include the additional 23 Boards and Commissions without additional revenue.
- **Education:** Deployment of intranet apps and digital processes that reduced process time- a reinvestment of employee hourly time into productivity time.
- **Agriculture:** Act 910 moved the Unpaved Roads Program to Agriculture. Act 695 of 2019 requires the DEQ to disburse \$300,000 of collected fees to fund Unpaved Roads Program Fund. This program was absorbed into Agriculture with no administrative fees.
- **Energy and Environment, Agriculture and Transformation and Shared Services** have all absorbed services previously supported by the service bureau without receiving additional funding.

47 examples available

TOTAL: \$8,529,835

5. Transformation Efficiencies Breakout by Department

Department	Savings
Agriculture	162,100
Commerce	4,714,365
Human Services	2,601,000
Education	185,857
Inspector General	135,000
Labor and Licensing	331,513
Transformation and Shared Services	565,000
TOTAL SAVINGS:	\$8,529,835

TOTAL SAVINGS

from examples in this report:

\$57,626,098



Other Initiatives

Recovered Taxes

- 2017: Policy Foundation's Efficiency Report
- Collection recovery efforts and outstanding receivables
 - Addition of second shift starting at 4:30pm

Estimated Savings through 2020 : \$40,000,000+

Not All Dollars and Cents

- **Health:** By consolidating boards and commissions, the Department has reduced fees for nine boards.
 - Dental Examiners
 - Hearing Instrument Dispenses
 - Cosmetology Technical Advisory Committee
 - Examiners in Counseling
 - Board of Pharmacy
 - Advisory Board for Interpreters for the Deaf
 - Psychology Board
 - Medical Board
 - Examiners in Speech-Language Pathology and Audiology
- **Public Safety:** Shared services allowed ADEM to implement online fire service portal for 900 fire departments to apply for grants and submit data in one easily accessible location.
- **Finance and Administration:** Eliminated the duplication of services, saved money, and provided clarity to citizens by combining Driver Services with Motor Vehicle and combining Tobacco Control with ABC.

Statewide Successes

- Ease of communication across 15 Departments– essential during pandemic
- Uniform policies
- Reduction in paper forms
 - Health: 74%
 - Energy and Environment: 36%
- Digital processes: ARCareers, eProcurement, websites

TOTAL SAVINGS

from examples in this report:

\$57,626,098

