



**STATE OF ARKANSAS**  
**ASA HUTCHINSON**  
**GOVERNOR**

**Governor's Proposal for Government Transformation**  
**Past, Perspective, Preparation, and Proposal**

**Past:**

- Transformation of Arkansas State Government is long overdue.
- This plan will be the first major reform since 1972 under then-Governor Dale Bumpers.
- 47 years ago, Governor Bumpers led an effort to reduce the number of state agencies from 60 to 13.
- In the nearly 50 years since, Arkansas state government has ballooned back up to more than 40 cabinet-level agencies reporting directly to the Governor.

**Perspective:**

- By contrast, especially when you consider the size of the federal government, the President has only 15 cabinet-level direct reports. Arkansas has 42.
- When this process of reshaping state government began after Governor Hutchinson took office, there was no one master organizational chart for all Executive Branch agencies.
- This proposal establishes the first master organizational chart for all Executive Branch agencies.

**Preparation:**

- The Governor's transformation efforts began soon after he took office in 2015, including several mergers as pilot projects in 2015 and 2017.
- Some examples include:
  - Department of Rural Services → Economic Development Commission (2015)
  - Scholarship Lottery into the Department of Finance and Administration (2015)

- Energy Office into Department of Environmental Quality (2017)
- Embalmers Board, Funeral Directors Board, Cemetery Board, and Burial Association Board into the Insurance Department (2017)

## **Proposal:**

- Governor Hutchinson has announced a substantive proposal to reform state government over four years.
- In the same way the U.S. Department of Homeland Security was created during Governor Hutchinson's time as Undersecretary of Homeland Security, all reorganization efforts will be implemented using existing resources and without adding any new positions.
- His proposal accomplishes six key objectives:

1. Reduce the number of cabinet-level agencies by nearly 65 percent, from 42 to 15 without sacrificing any services.

- This move will increase an agency head's flexibility to make quicker decisions that will improve the quality and delivery of services.
- The proposed mergers will strengthen the affected agencies by providing more resources while at the same time eliminating duplicative processes.

**Ex:** Both the Arkansas Agriculture Department (AAD) and the Arkansas Natural Resources Commission (ANRC) will be strengthened by bringing ANRC under AAD.

**Ex:** Both the Arkansas Department of Education (ADE) and the Arkansas Department of Higher Education (ADHE) will be strengthened by bringing the two departments into one larger cabinet group.

- **NOTE:** Higher Education Institutions will remain independent.

2. Assign more than 200 boards and commissions to a larger umbrella department

- **NOTE:** Regulatory and Licensing Boards will retain their authority and revenue sources.

3. Improve the delivery of services to Arkansas taxpayers by breaking down silos within state government

**Ex:** The Department of Health and 15 health-related boards and commissions will be brought together under one umbrella department.

**Ex:** The new *Department of Public Safety* will bring all law enforcement and protection agencies together for the first time.

4. Improve management control throughout state government through the creation of the *Department of Transformation and Shared Services*:
  - *Office of Personnel Management*
  - *Division of Procurement*
  - *Employee Benefits Division*
  - *Division of Building Authority*
  - *Department of Information Systems*
  - *Geographic Information Systems*
5. Agencies will maintain their independent services, where appropriate
  - **NOTE:** Any agency/board/commission will retain their special revenue streams required by law. Some agencies will remain independent for constitutional reasons or because of their specific function.
6. This proposal will **create savings for the state and taxpayers** beginning in the FY 2021 budget through lease and rent savings, shared services, and a more responsive management approach, to name a few.

*To the dozens of boards and commissions overseeing various professional occupations:*

In the current model, your organization is essentially isolated from the Executive Branch. There is, in theory, a direct report to the Governor, but in reality, the contact is limited. By grouping these professional regulators within a broader structure, one with regular contact, you can expect more regular communication and more efficient interaction with my office. No feasible organizational model includes dozens of direct reports in, with the expectation of viable communication occurring. The transformation model strengthens your relationship with my office and staff.

*To employees of state government:*

Over the past four years, by utilizing hiring freezes and encouraging agency directors to fully analyze whether vacated positions need to be filled, the number of employees in state government has been reduced. The plan announced today furthers that mission while at the same time recognizing the value of our state employees. Under the new structure, Department Secretaries can analyze employment needs over a broader scope and can perform attrition-based review in light of merger and shared service utilization.