

GOVERNOR ASA HUTCHINSON TRANSFORMING STATE GOVERNMENT

SINCE GOVERNOR ASA HUTCHINSON TOOK OFFICE IN 2015, HE HAS CONTINUED TO IDENTIFY A NUMBER OF EFFICIENCIES AND COST-SAVING MEASURES TO STREAMLINE STATE OPERATIONS AND PUT MONEY BACK INTO THE POCKET OF HARD-WORKING ARKANSANS.

2015

THERE ARE APPROXIMATELY 1,100 FEWER EMPLOYEES IN STATE GOVERNMENT AS A RESULT OF THE GOVERNOR'S HIRING FREEZE, SAVING THE STATE MILLIONS OF DOLLARS.

On Governor Hutchinson's first day in office, he institutes a **hiring freeze** for all Executive Branch agencies. This ongoing effort is foundational to government transformation in that it provides the Governor with a mechanism to review open positions to determine whether or not they're necessary. This has proven to be an effective and prudent approach to eliminate waste and efficiently staff government agencies.

With the stroke of a pen, Governor Hutchinson kept his signature promise by signing into law a **\$102 million income tax cut** for middle-class Arkansans.

THE MIDDLE CLASS INCOME TAX CUT OF 2015 IS THE LARGEST CUT TO THE INCOME TAX RATE IN ARKANSAS HISTORY.

AS A RESULT OF THESE MERGERS, THE STATE WILL SAVE MORE THAN \$10 MILLION OVER FIVE YEARS.

Governor Hutchinson, with support from the General Assembly, **consolidates the first of several agencies**, saving taxpayer dollars and creating a more efficient way to serve Arkansans. A list of consolidations can be found on Page Five. ▶

Governor Hutchinson launches an **organizational review** of the Arkansas Department of Human Services (DHS). He taps Lieutenant Governor Tim Griffin to lead the effort.

THE LIEUTENANT GOVERNOR'S REVIEW PROVIDES SUBSTANTIVE INSIGHT THAT HAS BEEN HELPFUL IN ORGANIZATIONAL REFORMS AT DHS.

2016

THESE CUTS SAVE THE STATE OVER \$7 MILLION.

Governor Hutchinson implements a one-percent, **across the board cut** to his agencies.

Governor Hutchinson implements additional **targeted cuts** to the Office of Health Information Technology (OHIT); Department of Health (ADH); Arkansas Science and Technology Authority (ASTA); Tobacco Prevention and Cessation; Parks and Tourism; and Department of Information Services (DIS).

THESE CUTS SAVE THE STATE OVER \$11 MILLION.

THE ESTABLISHMENT OF THE FIVE REGIONAL OFFICES WAS COMPLETED FOUR YEARS AHEAD OF SCHEDULE.

As part of Governor Hutchinson's statewide transformation efforts, the Department of Veterans' Affairs (ADVA) opens its fifth regional **Veterans Service Office** in three months to better serve Arkansas's nearly 250,000 veterans.

Governor Hutchinson enacts a five-year, \$50 million **funding plan** to meet the \$200 million Federal match for highway funding.

THE HIGHWAY IMPROVEMENT ACT OF 2016 USED EXISTING RESOURCES WITHOUT RAISING TAXES.

THE SALE GENERATES MORE THAN \$24 MILLION IN ONE-TIME NET PROCEEDS TO THE STATE AND ELIMINATES ONGOING COSTS FOR THE UNIT.

Governor Hutchinson directs the Department of Health to **sell off** its failing In-Home Services Unit to the private sector. This included more than 300 state and 1,800 contract employees statewide.

Governor Hutchinson appoints Amy Fecher as **Chief Transformation Officer** of the state.

THE CHIEF TRANSFORMATION OFFICER DRIVES THE IMPLEMENTATION OF STATE EFFICIENCIES AND STREAMLINES STATE OPERATIONS.

2017

Governor Hutchinson signs his second income tax cut into law—a **\$50.5 million cut** for low-income Arkansans. A list of consolidations can be found on Page Five. **2**

THIS NEW FORMULA CHANGES THE WAY INSTITUTIONS OF HIGHER EDUCATION ARE FUNDED BASED UPON STUDENT PROGRESS RATHER THAN STUDENT ENROLLMENT.

Governor Hutchinson signs into law the new **Higher Education Productivity Funding Formula** for Arkansas's colleges and universities.

THE LOW-INCOME TAX CUT OF 2017 IS THE SECOND LARGEST CUT TO THE INCOME-TAX RATE IN ARKANSAS HISTORY.

Governor Hutchinson establishes the **Transformation Advisory Board** (TAB), volunteers from both the public and private sectors who work to identify cost-savings within state government.

TAB IS CHAIRED BY MIKE CARROLL, A SMALL BUSINESS OWNER IN FORT SMITH, AND VICE-CHAIR BY LIEUTENANT GOVERNOR TIM GRIFFIN.

AS A RESULT OF THESE MERGERS, THE STATE WILL SAVE MORE THAN \$500,000 ANNUALLY.

Governor Hutchinson, with support from the General Assembly, **consolidates nine more state agencies**, streamlining services and saving taxpayer dollars. A list of consolidations is on Page Five. **3**

Governor Hutchinson creates Arkansas's first **Long Term Reserve Fund** by reallocating approximately \$100 million from the Healthy Century Trust Fund to establish a long-term dedicated savings mechanism for the state.

THE LONG-TERM RESERVE FUND HAS INCREASED BY MORE THAN \$20 MILLION IN INTEREST EARNINGS SINCE 2017 WITH A CURRENT BALANCE OF \$124 MILLION.

TO DATE, THE STATE HAS RECEIVED MORE THAN 850 IDEAS FROM ARKANSANS, AND AGENCIES ARE BUSY IMPLEMENTING MANY OF THEM.

Governor Hutchinson launches **MyIdea**, a direct line to state agencies that gives Arkansans a chance to contribute ideas for ways to improve services, increase efficiencies, save money, and streamline state government.

CHANGES INCLUDE A WORK REQUIREMENT FOR PROGRAM RECIPIENTS & LOWER THE INCOME THRESHOLD FROM 138% OF THE FEDERAL POVERTY LEVEL (FPL) TO 100%, REDUCING ROLLS BY APPROXIMATELY 60,000.

Governor Hutchinson, with support from the General Assembly, requests a waiver from the Trump Administration to incorporate conservative and substantive changes to the **Arkansas Works** program.

2018

WITH THIS REDUCTION IN ROLLS, THERE ARE NOW FEWER ARKANSANS ON MEDICAID THAN WHEN GOVERNOR HUTCHINSON TOOK OFFICE IN 2015.

Governor Hutchinson announces that Medicaid Rolls in Arkansas have been **reduced by 117,000** since 2017 due to transformation efforts within, program integrity, and a strong economy.

Governor Hutchinson announces his third income tax cut since 2015, a proposal for the 2019 general session that would reduce the top rate from 6.9 percent to 6 percent, a **\$180 million cut**.

IF PASSED, THIS WOULD BECOME THE LARGEST INCOME TAX CUT IN ARKANSAS HISTORY, FOLLOWED BY THE TAX CUTS OF 2015 AND 2017.

THERE ARE CURRENTLY 42 CABINET AGENCIES THAT REPORT TO THE GOVERNOR. THIS PROPOSAL WILL CUT THAT NUMBER TO FEWER THAN 20.

Governor Hutchinson announces his intent to **cut the agencies that report directly to him by more than half** in the 2019 general session.

The Trump Administration approves Governor Hutchinson's waiver to **implement work requirements** in the Arkansas Works program starting June 1, 2018.

ARKANSAS WILL BE THE FIRST STATE IN THE COUNTRY TO IMPLEMENT WORK REQUIREMENTS FOR ITS MEDICAID EXPANSION POPULATION. 4

THIS WOULD BE AN \$18 MILLION TAX CUT FOR ARKANSAS HOMEOWNERS.

Governor Hutchinson announces his intent to **increase the Homestead Tax Credit** for Arkansas homeowners from \$350 to \$375 in the 2019 general session.

FURTHER INFORMATION

1

2015 consolidations include: (1) Arkansas Department of Rural Services into the Arkansas Economic Development Commission (AEDC); (2) Science and Technology Authority (ASTA) into the AEDC; (3) Division of Land Survey into the Arkansas Geographic Information Office (AGIO); and (4) Arkansas Building Authority (ABA) into the Department of Finance and Administration (DFA).

2

In just two general sessions of the legislature, Governor Hutchinson has cut the income tax rate in Arkansas by more than \$150 million annually. These two tax cuts impact a total of 1.3 million (87 percent) of Arkansas taxpayers.

3

2017 consolidations include: (1) Office of Health Information Technology (OHIT) into the Arkansas Department of Health (AHD); War Memorial Stadium into Parks and Tourism; Energy Office at AEDC into the Arkansas Department of Environmental Quality (ADEQ); Student Loan Authority into the Arkansas Department of Finance Authority (ADFA); Board of Private Career Education into the Arkansas Department of Higher Education (ADHE); Child Abuse and Neglect Prevention Board into the DHS Division of Children and Family Services (DCFS); Embalmers Board, Funeral Directors Board into the Arkansas Insurance Department (AID); Cemetery Board into the AID; and the Burial Association Board into the AID.

4

Arkansas's work requirement is the most stringent in the nation. It will affect all able-bodied individuals between the ages of 18 and 49 who have no dependents. These individuals must work, volunteer, or be in worker training for at least 20 hours a week. Full-time students and pregnant women are exempt.

