

# 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  
ELMINIATES  
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.

AT THE TIME, THIS TAX CUT WAS THE SECOND-LARGEST CUT TO THE INCOME-TAX RATE IN ARKANSAS HISTORY.

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.

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. ▶

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.

2018/2019

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 signed into law his third income tax cut since 2015, lowering the top marginal rate from 6.9% to 5.9%, a **\$97 million cut.** ▶

THIS IS THE SECOND LARGEST INCOME TAX CUT IN ARKANSAS HISTORY.

THIS IS A \$12.5 MILLION TAX CUT FOR ARKANSAS HOMEOWNERS.

Governor Hutchinson signs legislation to **increase the Homestead Property Tax Credit** for Arkansas homeowners from \$350 to \$375.

Governor Hutchinson signs the Transformation and Efficiencies Act of 2019 into law, **cutting the number of cabinet-level agencies from 42 to 15.**

THERE ARE CURRENTLY 42 CABINET AGENCIES THAT REPORT TO THE GOVERNOR. THIS NEW LAW REDUCES THAT NUMBER BY MORE THAN HALF.

# 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

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.

3

Since 2015, Governor Hutchinson has cut the income tax rate in Arkansas by nearly \$250 million, annually. As a result, every Arkansas taxpayer has received tax relief.

