

AGENDA

July 16, 2019

ARKANSAS WORKFORCE DEVELOPMENT BOARD TECHNICAL ASSISTANCE TRAINING SESSION LUNCHEON

12:00 Noon

Estimated Time: 30 Minutes

Call to Order (1 min) Tom Anderson, Chair

Governor’s Transformation and Efficiencies Act of 2019
(29 minutes) Kris Jones, Assistant Director
Arkansas Department of Workforce Services

- What is the Transformation and Efficiencies Act of 2019?
- How does the Transformation and Efficiencies Act of 2019 impact the State Workforce Development Board?
- How does the Transformation and Efficiencies Act of 2019 impact the WIOA Core and Non-core Partners?
- Governor’s Transformation and Efficiencies Act website at:
<https://governor.arkansas.gov/transform.ar.gov/>

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GOVERNOR ASA HUTCHINSON TRANSFORMING STATE GOVERNMENT

“This long-overdue and comprehensive reorganization effort will realign agencies to reflect a more modern and efficient way to operate state government without cutting any services. This will result in improved delivery of services and will ultimately save the state money and the taxpayer time. Additionally, as was the case in the creation of the U.S. Department of Homeland Security during my time as Undersecretary, all reorganization efforts will be implemented using existing resources and without adding any additional staff.”

A handwritten signature in black ink that reads 'Asa Hutchinson'.

MY PROPOSED PLAN

Governor Hutchinson’s proposal accomplishes six key objectives:

- The plan reduces the number of cabinet-level agencies by nearly 65 percent, from 42 to 15, without sacrificing any services.
- This reorganization assigns more than 200 boards and commissions to larger umbrella departments.
- It improves the delivery of services to Arkansas taxpayers by breaking down silos within state government.
- The plan improves management control throughout state government through the creation of the *Department of Transformation and Shared Services*.
- Agencies will maintain their independent services, where appropriate.
- 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.



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DEPARTMENT OF AGRICULTURE

The Department of Agriculture will remain largely the same and will include the Natural Resources Commission, the Grade A Milk Program Advisory Committee, and the Veterinary Medical Examining Board.

DEPARTMENT OF COMMERCE

The Department of Commerce will include Aeronautics, Workforce Services (DWS), Skills Development (OSD), Adult Education, Rehabilitation Services, Economic Development Commission (AEDC), Securities, Insurance, State Bank, Waterways Commission, Development Finance Authority (ADFA), and the Wine Producers Council.



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DEPARTMENT OF CORRECTIONS

The Department of Corrections will include the Department of Correction (ADC), Department of Community Correction (ACC), Arkansas Parole Board, Sentencing Commission, Arkansas Correctional School System, State Council for Interstate Commission for Adult Offender Supervision, and DFA: Criminal Detention Review Committee.

DEPARTMENT OF PARKS, HERITAGE, AND TOURISM

The Department of Parks, Heritage, and Tourism will combine the Department of Parks and Tourism with the Department of Arkansas Heritage. The Department of Parks, Heritage, and Tourism will also include the Capitol Zoning Commission and the State Library Board.



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DEPARTMENT OF EDUCATION

The Department of Education will include the Department of Education (ADE), the Department of Higher Education (ADHE), School for the Blind, School for the Deaf, MLK Commission, Career Education, DHSL AmeriCorps, and Pre-K: Arkansas Better Chance Program.

DEPARTMENT OF ENERGY AND ENVIRONMENT

The Department of Energy and Environment will include the Department of Environmental Quality (ADEQ), Geological Survey, Public Service Commission (PSC), Oil and Gas Commission, and the Pollution, Control, and Ecology Commission.



DEPARTMENT OF FINANCE AND ADMINISTRATION

The Department of Finance and Administration will include Assessment Coordination; Department of Finance and Administration (DFA) – Revenue Division, Finance and Budget Division, Tax Divisions; Management Services – Alcohol Beverage Control (ABC), Tobacco Control, Lottery, Racing, Motor Vehicle, Child Support Enforcement, and the Governor’s Council on Developmental Disabilities.

DEPARTMENT OF HEALTH

The Department of Health will include the Department of Health (ADH), the Minority Health Commission, Health Services Permit Agency, the Surgeon General, the Kidney Commission, and all health-related boards and commissions.





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DEPARTMENT OF
HUMAN SERVICES

The Department of Human Services will remain largely the same and will include Medicaid Services, Drug Director, and Civilian Student Training Program (CSTP) from the Department of Military. The Pre-K: Arkansas Better Chance Program will be moved to the Department of Education.

DEPARTMENT OF
INSPECTOR GENERAL

The Department of Inspector General will include the Office of Medicaid Inspector General, the Fair Housing Commission, and DFA: Internal Audit.



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DEPARTMENT OF LABOR
AND LICENSING

The Department of Labor and Licensing will include the Department of Labor, the Workers Compensation Commission (AWCC), and the Occupational and Professional Licensing Boards and Commissions.

DEPARTMENT OF MILITARY

The Department of Military will remain the same. The Civilian Student Training Program will be moved to the Division of Youth Services at the Department of Human Services.



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DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety will include the Arkansas State Police (ASP), Emergency Management (ADEM), Crime Information Center (ACIC), the Crime Lab, the Arkansas Law Enforcement Training Academy (ALETA), the Career Education Law Enforcement Support Office, Victims of Crime Assistance and Crime Victims Reparations Board, Prosecuting Coordinators Office, and various law enforcement safety boards.

DEPARTMENT OF TRANSFORMATION AND SHARED SERVICES

The Department of Transformation and Shared Services will include the Department of Information Systems (DIS), Geographic Information Systems (GIS), the Office of Transformation, and these divisions of the Department of Finance and Administration: Employee Benefits, Building Authority (DBA), Office of State Procurement (OSP), and Personnel Management (OPM).



DEPARTMENT OF VETERANS AFFAIRS

The Department of Veterans Affairs will remain largely the same and will include the Arkansas Veterans Child Welfare Service.

These departments are constitutionally separate, independent, and are not cabinet level: Arkansas Educational Television Network (AETN); Disability Determinations for Social Security Administration (SSD); Claims Commission; State Pension Plans including Arkansas Public Employees Retirement System (APERS), and Arkansas Teachers Retirement System (ATRS); Game and Fish Commission; Highway Commission; State Board of Election Commissioners; and Public Defenders Commission.



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.