

TRANSFORMATION REPORT: \$57.6 MILLION IN SAVINGS

(December 2020) A report by the Hutchinson administration to a legislative panel estimates \$57.6 million in savings from last year's reorganization of state government. The report, which surveys efficiency efforts since July 2019 also cites a Policy Foundation finding that the state has recovered more than \$40 million from "collection recovery efforts."

The state Department of Transformation and Shared Services presented the report in late November to the legislature's Joint Budget Committee. The report focuses on five areas: facilities, budget reduction, personnel, reinvested savings, and transformation efficiencies. The savings were reported as follows:

- Facilities: \$1.4 million in savings on rent;
- Budget Reduction: \$10 million reduction in performance fund;
- Performance-Related Savings: \$12.3 million;
- Personnel : \$6.6 million;
- Reinvested Savings: \$18.7 million;
- Transformation Efficiencies: \$8.5 million.

Other Reorganization Details

The report cites a "92,313 square feet reduction in space." The use of attrition reduced personnel costs. Fifty-four examples of "reinvested savings" were cited in the report. Forty-seven cases of "transformation efficiencies" were noted.

The 18-page report is posted on the Policy Foundation's homepage:
www.arkansaspolicyfoundation.org