

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

SENATE BILL 671

5 By: Senator K. Hammer
6 By: Representative Beck
7

For An Act To Be Entitled

9 AN ACT CONCERNING THE IDENTIFICATION OF COST SAVINGS
10 BY CABINET-LEVEL DEPARTMENTS; TO DECLARE AN
11 EMERGENCY; AND FOR OTHER PURPOSES.
12
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Subtitle

15 CONCERNING THE IDENTIFICATION OF COST
16 SAVINGS BY CABINET-LEVEL DEPARTMENTS; AND
17 TO DECLARE AN EMERGENCY.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

23 The General Assembly finds that:

24 (1) Determining the maximum number of employees and the maximum
25 amount of appropriation and funding for a state agency each fiscal year is
26 the prerogative of the General Assembly;

27 (2) The intent of the Transformation and Efficiencies Act of
28 2019, Acts 2019, No. 910, was to reorganize state government in a manner that
29 produced efficiencies and reduced overall state government expenditures by
30 reducing the duplication of services and overall administrative costs; and

31 (3) To ensure that the legislative intent of the Transformation
32 and Efficiencies Act of 2019, Acts 2019, No. 910, has been achieved, each
33 cabinet-level department of state government should identify and eliminate
34 excess administrative expenses, unnecessary expenditures, and duplication of
35 services and present those efforts to operate efficiently and the related
36 cost savings to the General Assembly and other interested parties.



SECTION 2. Arkansas Code, Title 25, Chapter 43, Subchapter 1, is amended to add an additional section to read as follows:

25-43-112. Identification of cost savings – Written report.

(a) As used in this section:

(1) "Appropriation classifications" means the appropriation classifications and subclassifications under §§ 19-4-520 – 19-4-525;

(2) "Cash expenditure" means an expenditure made from the governmental income of a cabinet-level department held by the Treasurer of State or a financial institution, regardless of the classification of the governmental income under § 19-6-108; and

(3) "Cost savings" means any reduction in cash expenditures in a fiscal year as compared to cash expenditures in the immediately preceding fiscal year.

(b)(1) No later than August 1 of each year, a cabinet-level department shall submit a written report to the following:

(A) The Governor;

(B) The Secretary of the Department of Transformation and Shared Services; and

(C) Arkansas Legislative Audit.

(2) The written report under subdivision (b)(1) of this section shall be prepared in a format approved by the Legislative Joint Auditing Committee and include the following items:

(A) Cash expenditures for the fiscal year just ended, categorized by appropriation classifications;

(B) Cash expenditures for the fiscal year immediately prior to the fiscal year just ended, categorized by appropriation classifications;

(C) The calculated difference between cash expenditures for the fiscal year just ended and the fiscal year immediately prior to the fiscal year just ended, categorized by appropriation classifications;

(D) A specific itemization of cost savings; and

(E) For each cost savings itemized in the report, an identification and explanation of the cause of the cost savings, specifying whether the cost savings result from the implementation of this chapter or another cause.

1 (3) A cabinet-level department shall retain documentation for
2 the cost savings itemized in its written report that is sufficient to permit
3 an audit or review by Arkansas Legislative Audit.

4 (c) Arkansas Legislative Audit shall:

5 (1) Review each written report under subsection (b) of this
6 section;

7 (2) Conduct any procedures deemed necessary to verify the
8 contents of each written report; and

9 (3) Submit a written report of its review to:

10 (A) The Legislative Joint Auditing Committee;

11 (B) The cochairs of the Legislative Council or, if the
12 General Assembly is in regular, fiscal, or extraordinary session, the
13 cochairs of the Joint Budget Committee;

14 (C) The Governor; and

15 (D) The secretary.

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17 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
18 General Assembly of the State of Arkansas that continuing oversight of the
19 implementation of the Transformation and Efficiencies Act of 2019, Acts 2019,
20 No. 910, is necessary given the scope of the government reorganization, its
21 fiscal impact, and its impact on the proper administration and provision of
22 essential government programs; that Arkansas Legislative Audit's Special
23 Report - Arkansas State Government Transformation, presented on March 10,
24 2021, unexpectedly questioned claimed cost savings and other aspects of the
25 implementation of the Transformation and Efficiencies Act of 2019, Acts 2019,
26 No. 910, necessitating further oversight; and that this act should become
27 effective at the earliest opportunity as a delay in its operation would have
28 a detrimental impact on the public peace, health, and safety by interrupting
29 essential oversight of state government expenditures that should be
30 continuous and timely for the proper administration and provision of
31 essential governmental services. Therefore, an emergency is declared to
32 exist, and this act being immediately necessary for the preservation of the
33 public peace, health, and safety shall become effective on:

34 (1) The date of its approval by the Governor;

35 (2) If the bill is neither approved nor vetoed by the Governor,
36 the expiration of the period of time during which the Governor may veto the

1 bill; or

2 (3) If the bill is vetoed by the Governor and the veto is
3 overridden, the date the last house overrides the veto.

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