

NEWSMAKER INTERVIEW: LT. GOV. TIM GRIFFIN ON EFFICIENCY, TRANSFORMATION & TAX CUTS

(April 2020) A 5th generation Arkansan, Tim Griffin was raised in Magnolia and has served as Arkansas lieutenant governor since 2015.¹ A fiscal conservative, Lt. Gov. Griffin spoke at the Policy Foundation's 20th anniversary event in 2015 with Gov. Asa Hutchinson. Lt. Gov. Griffin served on the Transformation Advisory Board, a 15-member citizens panel (2017-18) that emerged from the Policy Foundation's Efficiency Project (2015-16). The Board's work led to the reorganization of Arkansas state government in 2019.

The Policy Foundation recently interviewed Lt. Gov. Griffin, a graduate of Hendrix College and Tulane Law School, about his work to transform Arkansas state government and make Arkansas' economy more competitive with other states.

Policy Foundation: How did your background inform your public service on the Transformation Advisory Board?

Lt. Gov. Griffin: I was able to draw up on my varied education and work experience, especially my work in the private sector as a small businessman, as an officer in the U.S. Army Reserve, and my experiences in the executive and legislative branches of government. Specifically, this broad experience allows me to understand government culture and how it differs from the private sector in terms of managing processes, programs, and people. That knowledge helped me identify where state government could be more efficient, provide better services to Arkansas taxpayers, and save taxpayers money.

Policy Foundation: More than half of the Board members were citizen-volunteers from the private sector. What does that say about citizens' ability to make a difference in Arkansas?

¹ Lt. Gov. Griffin was U.S. Representative from Arkansas' 2nd Congressional District from 2011 to 2015.

Lt. Gov. Griffin: That's the way it should be. The best ideas rarely come from within government. They typically come from the private sector. If government had all the solutions to fix its own problems, the problems wouldn't exist in the first place. Government needs the fresh perspective and innovative thinking that leaders in the private sector can provide.

Policy Foundation: What are your ideas for transforming state government and making it more accountable to taxpayers?

Lt. Gov. Griffin: Transforming state government is about doing more with less. That's what I've done in the Office of the Lieutenant Governor. I've reduced my budget by over 15 percent and reduced the number of employees in my office by half, yet we continue to provide excellent service to constituents. We have to transform the culture of government from one of that maintains the status quo to one that is focused on serving customers and being wise stewards of taxpayer money. We also have to modernize and innovate in areas like real estate, vehicle fleet management, technology, and shared services. We live in the era of Uber and iPhones. We can't saddle ourselves with a state government bureaucracy that was largely designed during the Cold War.

Policy Foundation: How important is fiscal conservatism to this process?

Lt. Gov. Griffin: It's impossible to transform government without fiscal discipline. We have a moral obligation to spend taxpayer dollars wisely. Citizens don't have a choice whether or not they pay taxes: the least we can do is be as efficient as possible with their hard-earned tax dollars. No elected official can look you in the eye and tell you every tax dollar is being spent in the most efficient way possible, but that should be our ultimate goal. By exercising fiscal discipline, we can cut waste, eliminate duplication, and invest tax dollars where they are most needed, as well as return the dividends to Arkansans in the form of tax relief.

Policy Foundation: What are your ideas for making Arkansas' economy more competitive with other states?

Lt. Gov. Griffin: I like to compare economic competitiveness to gumbo: there's lots of essential ingredients. Lowering our tax burden and simplifying our tax code are obviously important. We also need regulatory relief, more choice in education, and robust workforce training. If we send companies the message that Arkansas is overtaxed, overregulated, and lacks an educated workforce equipped for the 21st century economy, we'll never be as competitive as we need to be. Instead, we have to send a signal that we're ready to work and open for business.

Policy Foundation: How important is tax policy to this process?

Lt. Gov. Griffin: Tax policy is critical. Governor Hutchinson has started us on the path toward making our personal and corporate income taxes more competitive. This is critical because many of our regional competitors (Texas, Tennessee, Florida) are zero income tax states. By continuing to lower our income taxes, we're incentivizing the things we want more of, such as work, income, capital, etc. But we have to stay hungry: every year states are reforming their tax code to become more competitive. If we don't stay hungry and keep improving, we will be left behind.

Policy Foundation: How would you limit the size and scope of state government through spending policy?

There's no question that Arkansas's state government spends too much money. According to data from *Governing* magazine, Arkansas has the 21st most state and local government employees per 10,000 citizens. Neighboring Texas, which does not have an individual income tax, ranks 41st in the same rankings. Their state government is leaner and more efficient, and their citizens pay less in overall taxes as a result. This doesn't mean we need to lay off state employees; it isn't their fault that politicians have made poor decisions over the years. We simply need to reform state government as appropriate when employees retire or leave the workforce and use attrition to our benefit.

Governor Hutchinson has helped address this problem by instituting his hiring freeze, which has reduced the number of state employees by over 1,400 positions and saved taxpayers tens of millions of dollars. We must also be careful when we save money through our personnel costs that we do not automatically convert that savings into increased spending in government programs.

Lastly, we need to take a strong look at adopting a statutory check on the growth in state spending. We need an Arkansas Taxpayer Bill of Rights. More than half of states currently have some sort of taxpayer expenditure limit or taxpayer bill of rights that limit the growth of budgets using a formula tied to some combination of residents' personal income, rate of inflation, or population growth. There is ample research that shows that a well-crafted taxpayer expenditure limit can help put the brakes on runaway spending and responsibly control the size of government.

Thank you, Lt. Gov. Griffin.