

Stricken language would be deleted from and underlined language would be added to present law.
Act 160 of the Fiscal Session

1 State of Arkansas
2 95th General Assembly
3 Fiscal Session, 2026
4

As Engrossed: H4/21/26

A Bill

HOUSE BILL 1023

5 By: Joint Budget Committee
6
7

For An Act To Be Entitled

9 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES
10 AND OPERATING EXPENSES FOR THE DEPARTMENT OF HUMAN
11 SERVICES - SECRETARY'S OFFICE FOR THE FISCAL YEAR
12 ENDING JUNE 30, 2027; AND FOR OTHER PURPOSES.
13
14

Subtitle

15 AN ACT FOR THE DEPARTMENT OF HUMAN
16 SERVICES - SECRETARY'S OFFICE
17 APPROPRIATION FOR THE 2026-2027 FISCAL
18 YEAR.
19
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. REGULAR SALARIES - SECRETARY OF HUMAN SERVICES. There is
25 hereby established for the Department of Human Services - Secretary's Office
26 for the 2026-2027 fiscal year, the following maximum number of regular
27 employees.
28

Item	Class	No.	Title	Maximum	Maximum Annual
				of	Salary Rate
No.	Code	Employees		Fiscal Year	
33	(1)	ESE08A	SECRETARY OF HUMAN SERVICES	<u>1</u>	GRADE EXE04
34			MAX. NO. OF EMPLOYEES	1	

35
36 SECTION 2. APPROPRIATION - SECRETARY OF HUMAN SERVICES. There is



1 hereby appropriated, to the Department of Human Services, to be payable from
 2 the paying account as determined by the Chief Fiscal Officer of the State,
 3 for personal services of the Department of Human Services - Secretary's
 4 Office for the fiscal year ending June 30, 2027, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) REGULAR SALARIES	\$287,042
(02) PERSONAL SERVICES MATCHING	<u>68,678</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$355,720</u></u>

11
 12 SECTION 3. REGULAR SALARIES - OPERATIONS. There is hereby established
 13 for the Department of Human Services - Secretary's Office for the 2026-2027
 14 fiscal year, the following maximum number of regular employees.

Item	Class	Maximum	Maximum Annual
<u>No.</u>	<u>Code Title</u>	<u>No. of</u>	<u>Salary Rate</u>
		<u>Employees</u>	<u>Fiscal Year</u>
			<u>2026-2027</u>
20	(1) EEX11A CHIEF PROGRAMS DIRECTOR	2	GRADE EXE03
21	(2) EEX22A HUMAN SERVICES DIVISION DIRECTOR	1	GRADE EXE02
22	(3) EEX10A CHIEF OF STAFF II	1	GRADE EXE02
23	(4) EEX08A CHIEF LEGAL COUNSEL II	1	GRADE SPC11
24	(5) FAC09C CHIEF FISCAL OFFICER II	1	GRADE SPC10
25	(6) LAT06C ATTORNEY IV	3	GRADE SPC09
26	(7) LAT07C CHIEF ADMINISTRATIVE LAW JUDGE	1	GRADE SPC09
27	(8) SSP03C DHS DIVISION ADMINISTRATOR	1	GRADE SPC09
28	(9) LAT01C ADMINISTRATIVE LAW JUDGE	3	GRADE SPC08
29	(10) HDH03C HR ADMINISTRATOR II	1	GRADE SPC08
30	(11) FAC12C MEDICAID FISCAL OFFICER	1	GRADE SPC08
31	(12) SSP07C SOCIAL SERVICES ADMINISTRATOR	3	GRADE SPC08
32	(13) LAT05P ATTORNEY III	10	GRADE SPC08
33	(14) CPR02C CHIEF OF COMMUNICATIONS II	1	GRADE SPC07
34	(15) SSP04C DHS DIVISION MANAGER	2	GRADE SPC07
35	(16) FAC11C DIVISION FISCAL ADMINISTRATOR	10	GRADE SPC07
36	(17) FAU01C AUDIT MANAGER	1	GRADE SPC06

1	(18)	FAC10C CONTROLLER	1	GRADE SPC06
2	(19)	FAC06C ASSISTANT CONTROLLER	1	GRADE SPC05
3	(20)	LAT04P ATTORNEY II	64	GRADE SPC05
4	(21)	HDH06C HR MANAGER	1	GRADE SPC04
5	(22)	FAC05P ACCOUNTING SUPERVISOR/EXPERT	7	GRADE SPC04
6	(23)	FAU02P AUDIT SUPERVISOR/EXPERT	3	GRADE SPC04
7	(24)	FAC03P ACCOUNTING COORDINATOR	5	GRADE SPC03
8	(25)	LAT03P ATTORNEY I	4	GRADE SPC03
9	(26)	FAC02P ACCOUNTANT II	1	GRADE SPC02
10	(27)	FAU04P AUDITOR II	15	GRADE SPC02
11	(28)	FAC01P ACCOUNTANT I	7	GRADE SPC01
12	(29)	FAU03P AUDITOR I	1	GRADE SPC01
13	(30)	SSP01C ADULT PUBLIC GUARDIAN ADMIN	1	GRADE SGS12
14	(31)	PPR03C PROCUREMENT MANAGER	1	GRADE SGS10
15	(32)	FFS03C FISCAL SUPPORT MANAGER	2	GRADE SGS09
16	(33)	CPR06C PUBLIC INFORMATION MANAGER	1	GRADE SGS09
17	(34)	PQA02C QUALITY ASSURANCE MANAGER	1	GRADE SGS09
18	(35)	TCO04P CONSTRUCTION SUPERVISOR/EXPERT	1	GRADE SGS08
19	(36)	SEM04P EMERGENCY MANAGEMENT SUPVR/EXPERT	1	GRADE SGS08
20	(37)	HDH08P HR SUPERVISOR/EXPERT	11	GRADE SGS08
21	(38)	PPR05P PROCUREMENT SUPERVISOR/EXPERT	3	GRADE SGS08
22	(39)	CPR08P PUBLIC INFORMATION SUPVR/EXPERT	1	GRADE SGS08
23	(40)	FGM03C GRANTS MANAGER	1	GRADE SGS07
24	(41)	PAS08I EXECUTIVE ASSISTANT	4	GRADE SGS07
25	(42)	FBU01P BUDGET ANALYST	4	GRADE SGS07
26	(43)	TCO01P CONSTRUCTION COORDINATOR	2	GRADE SGS07
27	(44)	CME02P EDITOR	1	GRADE SGS07
28	(45)	FFS05P FISCAL SUPPORT SUPERVISOR/EXPERT	27	GRADE SGS07
29	(46)	CME03P GRAPHIC ARTIST	1	GRADE SGS07
30	(47)	PHS05P HEALTH PROGRAM COORDINATOR	1	GRADE SGS07
31	(48)	HDH05P HR COORDINATOR	2	GRADE SGS07
32	(49)	TIS01P INDUSTRIAL SAFETY COORDINATOR	1	GRADE SGS07
33	(50)	IIV05P INVESTIGATOR SUPERVISOR/EXPERT	4	GRADE SGS07
34	(51)	PPR02P PROCUREMENT COORDINATOR	10	GRADE SGS07
35	(52)	CPR05P PUBLIC INFORMATION COORDINATOR	4	GRADE SGS07
36	(53)	CTR02P TRAINER	2	GRADE SGS07

1	(54)	ILS02I HEARING OFFICER	12	GRADE SGS06
2	(55)	ILS03I LEGAL SUPPORT SPECIALIST	21	GRADE SGS06
3	(56)	HBE02P BENEFITS COORDINATOR	1	GRADE SGS06
4	(57)	FFS02P FISCAL SUPPORT COORDINATOR	33	GRADE SGS06
5	(58)	FGM04P GRANTS SUPERVISOR/EXPERT	4	GRADE SGS06
6	(59)	HDH04P HR ANALYST	31	GRADE SGS06
7	(60)	TIW02P INVENTORY MANAGER	1	GRADE SGS06
8	(61)	CMA04P MARKETING SUPERVISOR/EXPERT	1	GRADE SGS06
9	(62)	PPR01P PROCUREMENT ANALYST	12	GRADE SGS06
10	(63)	CPR07P PUBLIC INFORMATION SPECIALIST	4	GRADE SGS06
11	(64)	PQA03P QUALITY ASSURANCE SPECIALIST	1	GRADE SGS06
12	(65)	SSP16P SOCIAL SERVICES SPECIALIST	4	GRADE SGS06
13	(66)	PAS13C POLICY COORDINATOR	1	GRADE SGS05
14	(67)	PAS01P ADMINISTRATIVE ANALYST	12	GRADE SGS05
15	(68)	FGM02P GRANTS COORDINATOR	2	GRADE SGS05
16	(69)	IIV03P INVESTIGATOR II	4	GRADE SGS05
17	(70)	CMA01P MARKETING COORDINATOR	2	GRADE SGS05
18	(71)	CME04P MEDIA SPECIALIST	1	GRADE SGS05
19	(72)	TAT09P PRINTER SUPERVISOR/EXPERT	1	GRADE SGS05
20	(73)	PPR04P PROCUREMENT SPECIALIST	6	GRADE SGS05
21	(74)	PPE02P PROGRAM ELIGIBILITY SPECIALIST I	2	GRADE SGS05
22	(75)	PAS14P RECORDS COORDINATOR	2	GRADE SGS05
23	(76)	TIW06P SURPLUS PROPERTY AGENT	1	GRADE SGS05
24	(77)	PAS02P ADMINISTRATIVE COORDINATOR	39	GRADE SGS04
25	(78)	HBE01P BENEFITS ANALYST	1	GRADE SGS04
26	(79)	FFS04P FISCAL SUPPORT SPECIALIST	63	GRADE SGS04
27	(80)	FGM01P GRANTS ANALYST	2	GRADE SGS04
28	(81)	HDH07P HR SPECIALIST	19	GRADE SGS04
29	(82)	TIW01P INVENTORY COORDINATOR	1	GRADE SGS04
30	(83)	CMA03P MARKETING SPECIALIST	1	GRADE SGS04
31	(84)	TAT08P PRINTER	6	GRADE SGS04
32	(85)	TIW03P INVENTORY SPECIALIST	8	GRADE SGS03
33	(86)	PAS05I CALL CENTER SPECIALIST	2	GRADE SGS02
34	(87)	PAS03P ADMINISTRATIVE SPECIALIST	4	GRADE SGS02
35	(88)	PAS12P MAILROOM SUPERVISOR/EXPERT	1	GRADE SGS02
36	(89)	PAS11P MAILROOM SPECIALIST	3	GRADE SGS01

1	(90)	SIA21P INTERNAL AFFAIRS SUPERVISOR/EXPERT	1	GRADE LES04
2	(91)	SIA19P INTERNAL AFFAIRS INVESTIGATOR	1	GRADE LES03
3	(92)	IIA03C CHIEF INFORMATION OFFICER III	1	GRADE IST14
4	(93)	IDA01C DATA ARCHITECT	1	GRADE IST13
5	(94)	IIA04C IT ADMINISTRATOR	4	GRADE IST12
6	(95)	IIS05C IT INFRASTRUCTURE ARCHITECT	4	GRADE IST11
7	(96)	IIS08C IT INFRASTRUCTURE MANAGER	1	GRADE IST11
8	(97)	IIS10C IT INFRASTRUCTURE SUPVR/EXPERT	2	GRADE IST10
9	(98)	IIP03P IT SENIOR PROJECT MANAGER	2	GRADE IST10
10	(99)	IAS03P APPLICATIONS COORDINATOR	1	GRADE IST09
11	(100)	IIS06P IT INFRASTRUCTURE COORDINATOR	7	GRADE IST08
12	(101)	IAS01P APPLICATIONS ANALYST I	1	GRADE IST07
13	(102)	IDN01P DATA ANALYST	5	GRADE IST07
14	(103)	IDM02P DATABASE ANALYST	4	GRADE IST07
15	(104)	IIS04P IT INFRASTRUCTURE ANALYST	2	GRADE IST06
16	(105)	IIE02P IT SECURITY ANALYST I	2	GRADE IST06
17	(106)	IUS05P USER SUPPORT SUPERVISOR/EXPERT	1	GRADE IST06
18	(107)	IAS08I WEBSITE SPECIALIST	1	GRADE IST05
19	(108)	IDM03P DATABASE SPECIALIST	1	GRADE IST05
20	(109)	IUS02P USER SUPPORT COORDINATOR	20	GRADE IST05
21	(110)	IUS01P USER SUPPORT ANALYST	19	GRADE IST04
22	(111)	IUS04P USER SUPPORT SPECIALIST	<u>13</u>	GRADE IST02
23		MAX. NO. OF EMPLOYEES	643	

24

25 SECTION 4. EXTRA HELP - OPERATIONS. There is hereby authorized, for
 26 the Department of Human Services - Secretary's Office for the 2026-2027
 27 fiscal year, the following maximum number of part-time or temporary
 28 employees, to be known as "Extra Help", payable from funds appropriated
 29 herein for such purposes: twenty-eight (28) temporary or part-time employees,
 30 when needed, at rates of pay not to exceed those provided in the Uniform
 31 Classification and Compensation Act, or its successor, or this act for the
 32 appropriate classification.

33

34 SECTION 5. APPROPRIATION - OPERATIONS. There is hereby appropriated,
 35 to the Department of Human Services, to be payable from the paying account as
 36 determined by the Chief Fiscal Officer of the State, for personal services

1 and operating expenses of the Department of Human Services - Secretary's
2 Office for the fiscal year ending June 30, 2027, the following:

3	4 ITEM	FISCAL YEAR
5	<u>NO.</u>	<u>2026-2027</u>
6	(01) REGULAR SALARIES	\$38,545,777
7	(02) EXTRA HELP	298,556
8	(03) PERSONAL SERVICES MATCHING	14,131,429
9	(04) OVERTIME	8,383
10	(05) MAINT. & GEN. OPERATION	
11	(A) OPER. EXPENSE	5,571,873
12	(B) CONF. & TRAVEL	59,433
13	(C) PROF. FEES	8,861,800
14	(D) CAP. OUTLAY	400,000
15	(E) DATA PROC.	0
16	(06) DATA PROCESSING SERVICES	<u>2,016,710</u>
17	TOTAL AMOUNT APPROPRIATED	<u>\$69,893,961</u>

18

19 SECTION 6. APPROPRIATION - VARIOUS BUILDING CONSTRUCTION. There is
20 hereby appropriated, to the Department of Human Services, to be payable from
21 the Department of Human Services Renovation Fund, for construction,
22 renovation, maintenance, equipment, and repairs for various buildings
23 operated by the Department of Human Services - Secretary's Office for the
24 fiscal year ending June 30, 2027, the following:

25

26 ITEM	FISCAL YEAR
27 <u>NO.</u>	<u>2026-2027</u>
28 (01) CONSTRUCTION	<u>\$15,914,729</u>

29

30 SECTION 7. APPROPRIATION - CONSOLIDATED COST. There is hereby
31 appropriated, to the Department of Human Services, to be payable from the DHS
32 Consolidated Cost Revolving Fund, for operating expenses of the Department of
33 Human Services - Secretary's Office - Consolidated Cost for the fiscal year
34 ending June 30, 2027, the following:

35

36 ITEM	FISCAL YEAR
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1	<u>NO.</u>	<u>2026-2027</u>
2	(01) MAINT. & GEN. OPERATION	
3	(A) OPER. EXPENSE	\$800,000
4	(B) CONF. & TRAVEL	0
5	(C) PROF. FEES	0
6	(D) CAP. OUTLAY	21,500
7	(E) DATA PROC.	<u>0</u>
8	TOTAL AMOUNT APPROPRIATED	<u><u>\$821,500</u></u>

9

10 SECTION 8. APPROPRIATION - GRANTS PAYING. There is hereby

11 appropriated, to the Department of Human Services, to be payable from the

12 paying account as determined by the Chief Fiscal Officer of the State, for

13 purchase of services of the Department of Human Services - Secretary's Office

14 for the fiscal year ending June 30, 2027, the following:

16	ITEM	FISCAL YEAR
17	<u>NO.</u>	<u>2026-2027</u>
18	(01) PURCHASE OF SERVICES	<u><u>\$129,084</u></u>

19

20 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS

21 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

22 SECRETARY'S OFFICE/OFFICE OF CHIEF COUNSEL - PURCHASE OF EVIDENCE. Upon

23 approval by the Chief Fiscal Officer of the State, the Chief Counsel for the

24 Department of Human Services may transfer an amount up to but not to exceed

25 \$12,000 and deposit same in a bank account for the purpose of purchasing

26 evidence in the course of investigating the illegal use of food

27 stamps/Electronic Benefit Transfer (EBT) cards. The funds so transferred

28 shall be subject to accounting in a manner substantially similar to that

29 employed by the Arkansas State Police for such transactions; provided

30 however, that information tending to identify participants in such

31 transactions shall be exempt from the Arkansas Freedom of Information Act.

32 The provisions of this section shall be in effect only from July 1, ~~2025~~

33 2026 through June 30, ~~2026~~ 2027.

34

35 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS

36 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. HUMAN

1 SERVICES RENOVATION FUND. Department of Human Services Renovation Fund.

2 (a) There is established on the books of the Treasurer of State, Auditor
3 of State, and the Chief Fiscal Officer of the State a fund to be known as the
4 Department of Human Services Renovation Fund.

5 (b) This fund shall be used for constructing, acquiring, renovating,
6 maintaining, repairing, and equipping facilities of the Department of Human
7 Services and for paying disallowances by the federal government.

8 (c) The fund shall consist of:

9 (1) Federal reimbursement received by the Department of Human Services and
10 deposited in the various fund accounts of the department; and

11 (2) General revenues transferred from the Division of Youth Services, the
12 Division of Aging, Adult, and Behavioral Health Services, and the Division of
13 Developmental Disabilities Services for the purposes of repairing,
14 renovating, equipping, acquiring and constructing Department of Human
15 Services facilities with an annual maximum of five million dollars
16 (\$5,000,000). The projects for which these transfers are authorized must be
17 projects which were unanticipated during the preceding regular session of the
18 Arkansas General Assembly and must be projects which, if not carried out in
19 the interim period between regular sessions of the Arkansas General Assembly
20 would cause greater harm to the facilities, clients or programs of the
21 Department of Human Services than to wait until the next regular session.

22 (3) Other non-general revenue funds as may be available within the Department
23 of Human Services that can be used for the purposes of this fund.

24 (d)(1) At the request of the Secretary of the Department of Human
25 Services, and upon certification of the availability of such funds, the Chief
26 Fiscal Officer of the State shall initiate the necessary transfer documents
27 to reflect the transfer on the books of record of the Treasurer of State, the
28 Auditor of State, the Chief Fiscal Officer of the State, and the Department
29 of Human Services.

30 (2) The Secretary of the Department of Human Services shall submit any
31 transfer plan to and must receive approval of the plan from the Chief Fiscal
32 Officer of the State, the Governor and the Arkansas Legislative Council or
33 Joint Budget Committee prior to the effective date of the transfer.

34 (e) Provided, that any non-general revenue funding that may remain in the
35 fund at the end of any fiscal year shall be carried over into the next fiscal
36 year and all obligated general revenue funding that may remain in the fund at

1 the end of any fiscal year shall be carried over into the next fiscal year to
2 satisfy such legal and contractual obligations that have been entered into
3 prior to the end of the fiscal year.

4 (f) Determining the amount of funds appropriated to a state agency is the
5 prerogative of the General Assembly and is usually accomplished by
6 delineating specific line items and by identifying the appropriation and
7 funding attached to that line item. The General Assembly has determined that
8 the Department of Human Services could be operated more efficiently if some
9 flexibility is given to that agency. That flexibility is being accomplished
10 by providing transfer authority in subsection (d) of this section, and since
11 the General Assembly has granted the agency broad powers under the transfer
12 authority concept, it is both necessary and appropriate that the General
13 Assembly maintain oversight of the utilization of the transfer authority by
14 requiring prior approval of the Legislative Council or Joint Budget Committee
15 in the utilization of this transfer authority. Therefore, the requirement of
16 approval by the Legislative Council or Joint Budget Committee is not a
17 severable part of this section. If the requirement of approval by the
18 Legislative Council or Joint Budget Committee is ruled unconstitutional by a
19 court of competent jurisdiction, this entire section is void.

20 The provisions of this section shall be in effect only from July 1, ~~2025~~
21 2026 through June 30, ~~2026~~ 2027.

22
23 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
24 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

25 TRANSFER AUTHORITY. The Secretary of the Department of Human Services shall
26 have transfer authority provided by the following:

27 (a) DEPARTMENT OF HUMAN SERVICES RENOVATION FUND. The Secretary of the
28 Department of Human Services is authorized to request fund transfers
29 according to the provisions established by Arkansas Code Ann. 19-27-217,
30 Department of Human Services Renovation Fund, as amended herein; and

31 (b) MATCH TRANSFER. The Secretary of the Department of Human Services,
32 with the approval of the Chief Fiscal Officer of the State, is authorized to
33 effect inter-agency and inter-divisional fund transfers for the purpose of
34 providing the State's matching share for payments made to that Division or
35 Office or its service providers for services eligible for federal
36 reimbursement under programs administered by the Department of Human

1 Services. The Department of Human Services shall report to the Legislative
2 Council or Joint Budget Committee on a quarterly basis all fund transfers
3 made in accordance with the authority granted by this section; and

4 (c) REALLOCATION OF RESOURCES: (1) The Department of Human Services (DHS)
5 provides hundreds of different services to over 1 million Arkansans. The
6 specific mix of service needs and the funding and staffing required to
7 provide them can vary significantly based on many factors, including natural
8 disasters, changing federal mandates and funding sources, demographic shifts,
9 fluctuating court-ordered services, social trends, and job market variations
10 such as nursing shortages. The impact of these factors through the course of
11 any fiscal year make it very difficult for the Department to accurately
12 predict the exact needs for funding, appropriation and positions in each of
13 its over 100 different appropriations. To ensure that it can respond quickly
14 to changing client needs and make the most effective use of the resources
15 allocated to it, the Department of Human Services shall be authorized to
16 utilize the reallocation of resource authority to make the proper adjustments
17 to the budgets within the Department. Therefore, upon determination by the
18 Secretary of the Department of Human Services that a reallocation of
19 resources within the department is necessary for the efficient and effective
20 operation of the department, the Secretary, with approval of the Governor,
21 shall have the authority to request, from the Chief Fiscal Officer of the
22 State, a transfer of positions, appropriations, line item appropriations, and
23 funds within or between existing and newly created divisions, offices,
24 sections, or units of the department. Provided, however, that no transfer of
25 funds or appropriation that provides direct support or matching support for
26 the Arkansas Medicaid Program shall be made to any other fund account or
27 appropriation that does not directly support the Arkansas Medicaid Program.
28 Further, no positions, funds, or appropriation authorized during the budget
29 process for the Division of Children and Family Services' compliance with
30 initiatives established under the Angela R. consent decree shall be
31 transferred to any other division. Nothing in this provision is intended to
32 prevent the one-time transfers of savings in any other program to the
33 Arkansas Medicaid Program, with the exception of the provisions previously
34 cited for the Division of Children and Family Services – Angela R. consent
35 decree. The Division of Developmental Disabilities – Grants to Community
36 Providers line item of the Developmental Disabilities Services - Grants-in-

1 Aid appropriation may not be decreased. The appropriation, funding, and
2 positions provided for the five Human Development Centers shall remain at a
3 level sufficient to ensure quality care for the Centers' residents. The
4 exemptions provided in this subsection whereby certain DHS Programs and
5 Divisions are protected from appropriation, fund, or position transfers are
6 applicable only to the reallocation or transfer authority granted herein, and
7 not by any reductions which are applicable to all state programs.

8 The Secretary of the Department of Human Services shall submit any
9 requests for transfers to and must receive approval of the requests for
10 transfers from the Chief Fiscal Officer of the State, the Governor, and the
11 Arkansas Legislative Council or Joint Budget Committee prior to the effective
12 date of the transfers. Provided, however, that the Department of Human
13 Services shall be limited to submitting no more than four reallocation of
14 resources transfer requests during any fiscal year. In each Departmental
15 request no single division will request reallocation for more than one
16 purpose as listed in this section. Transfer authority for unforeseen purposes
17 shall further be limited to no more than 5% of the total appropriation,
18 funding, and positions authorized for the Department. Reallocation of
19 resources transfers may include multiple items but shall be limited to the
20 following purposes:

- 21 i) Medicaid Program;
- 22 ii) Facilities and institutions costs, including operational expenses and
23 construction/renovation/equipping expenses;
- 24 iii) Departmental grants and contracts;
- 25 iv) Court ordered settlements and payments;
- 26 v) Payment of administrative expenses, including but not limited to, overtime
27 and other costs of personnel for critical services or functions necessary to
28 carry out the mission of the agency;
- 29 vi) Restructuring efforts as deemed necessary to comply with new and/or
30 unanticipated federal or state mandates; and/or
- 31 vii) Redirecting internal resources, both direct and/or indirect, to meet
32 client needs and services.

33 Determining the maximum number of employees and the maximum amount of
34 appropriation and general revenue funding for a state agency each fiscal year
35 is the prerogative of the General Assembly. This is usually accomplished by
36 delineating such maximums in the appropriation act(s) for a state agency and

1 the general revenue allocations authorized for each fund and fund account by
2 amendment to the Revenue Stabilization law. Further, the General Assembly has
3 determined that the Department of Human Services may operate more efficiently
4 if some flexibility is provided to the Department of Human Services
5 authorizing broad powers under the Reallocation of Resources provisions
6 herein. Therefore, it is both necessary and appropriate that the General
7 Assembly maintain oversight by requiring prior approval of the Legislative
8 Council or Joint Budget Committee as provided by this section. The
9 requirement of approval by the Legislative Council or Joint Budget Committee
10 is not a severable part of this section. If the requirement of approval by
11 the Legislative Council or Joint Budget Committee is ruled unconstitutional
12 by a court of competent jurisdiction, this entire section is void.

13 (2) If it is determined that the requested reallocation of resources
14 transfers should be made, the Chief Fiscal Officer of the State shall then
15 initiate the necessary transfer documents to reflect the transfers upon the
16 fiscal records of the Treasurer of State, the Auditor of State, the Chief
17 Fiscal Officer of the State, and the Department of Human Services. In
18 addition, the Chief Fiscal Officer of the State, together with the Co-
19 Chairpersons of the Legislative Council or Joint Budget Committee, may
20 approve, on an emergency basis, requests for utilization of this Section
21 without prior approval of the Arkansas Legislative Council or Joint Budget
22 Committee, with any such actions reported at the next meeting of the Arkansas
23 Legislative Council or Joint Budget Committee.

24 The provisions of this section shall be in effect only from July 1, ~~2025~~
25 2026 through June 30, ~~2026~~ 2027.

26

27 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
28 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW. Arkansas
29 State Hospital – Insurance reimbursements and unspent set-aside funds for
30 repairs recoupment.

31 (a) An insurance reimbursement received by the Department of Human
32 Services to reimburse funds that were transferred from the EBD or Contingency
33 Set-Aside in the Restricted Reserve Fund for critical storm damage repair for
34 the Arkansas State Hospital shall be transferred, as the insurance
35 reimbursement is received, on the books of the Chief Fiscal Officer of the
36 State, the Treasurer of State, and the Auditor of State from the appropriate

1 fund or fund account into which the department deposited the insurance
2 reimbursement payment to:

3 (1) The EBD or Contingency Set-Aside in the Restricted Reserve
4 Fund if the EBD or Contingency Set-Aside in the Restricted Reserve Fund is
5 currently active with a balance greater than zero dollars (\$0.00); or

6 (2) The General Revenue Allotment Reserve Fund if the EBD or
7 Contingency Set-Aside in the Restricted Reserve Fund is no longer active.

8 (b) Any funds received by the department for critical storm damage
9 repair for the Arkansas State Hospital from the EBD or Contingency Set-Aside
10 in the Restricted Reserve Fund that remain upon completion of the storm
11 damage repair project shall be transferred as provided for insurance
12 reimbursements under subsection (a) of this section.

13 (c) The Secretary of the Department of Human Services shall notify the
14 Chief Fiscal Officer of the State and the Performance Evaluation and
15 Expenditure Review Subcommittee of the Legislative Council or, if the General
16 Assembly is in session, the PEER/Review Subcommittee of the Joint Budget
17 Committee, of the following to allow for the transfers provided for in
18 subsections (a) and (b) of this section:

19 (1) The receipt of an insurance reimbursement by the department
20 for critical storm damage repair for the Arkansas State Hospital; and

21 (2) Upon completion of the storm damage repair project, the
22 amount of any remaining funds described in subsection (b) of this section.

23 (d) The department shall report quarterly to the Legislative Council
24 or, if the General Assembly is in session, the Joint Budget Committee:

25 (1) The status of the storm damage repair project;

26 (2) The projected completion time lines for the storm damage
27 repair project;

28 (3) The total amount of the insurance reimbursements received by
29 the department to date for the storm damage repair project; and

30 (4) Any remaining balance of the original five million dollars
31 (\$5,000,000) transferred to the department from the EBD or Contingency Set-
32 Aside in the Restricted Reserve Fund.

33 (e) This section is effective on July 1, 2024, and until the final
34 transfer of funds has been made as provided in this section.

35

36 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS

1 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. DEPARTMENT
2 OF HUMAN SERVICES COMPREHENSIVE AGENCY REVIEW. The Arkansas Legislative
3 Council - Hospital, Medicaid, and Developmental Disabilities Study
4 Subcommittee shall perform a comprehensive review of the Department of Human
5 Services, which shall commence at the direction of the co-chairs of the
6 Arkansas Legislative Council, in consultation with the subcommittee co-
7 chairs. This review shall include, but is not limited to: administrative
8 policies and functions, personnel and staffing evaluations, and revenues and
9 expenditures of the department, divisions, and providers. The subcommittee
10 shall prioritize the review as follows: the Shared Services division, the
11 Division of Children and Family Services, and the Division of County
12 Operations, with further prioritization of divisions to be determined by the
13 subcommittee. The review shall include input and recommendations from the
14 Attorney General's Medicaid Fraud Unit and the Department of Inspector
15 General's office.

16 The preliminary recommendations and report shall be completed within
17 six months of the subcommittee's initial meeting. Upon completion of this
18 preliminary report, the subcommittee shall provide the department, the
19 Governor, and the Arkansas Legislative Council with a report to include
20 recommendations and desired metrics with expected timelines of completion to
21 meet the desired outcomes provided in the preliminary report. At the
22 direction of the chair of the Arkansas Legislative Council - Hospital,
23 Medicaid, and Developmental Disabilities Study Subcommittee, the subcommittee
24 may add recommendations and approve and review actions by the department in
25 accordance with the preliminary recommendations.

26 The final report and outcomes, including recommending legislation to
27 address findings, shall be presented at the final Arkansas Legislative
28 Council meeting of the 95th General Assembly.

29 The Department of Human Services shall report to the subcommittee
30 monthly the status of implementation of the recommendations with review and
31 approval of all steps taken to meet the metrics and desired outcomes of the
32 department in accordance with the recommendations by the subcommittee and by
33 the Arkansas Legislative Council.

34 The provisions of this section shall be in effect only from July 1,
35 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

36

1 SECTION 14. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
 2 authorized by this act shall be limited to the appropriation for such agency
 3 and funds made available by law for the support of such appropriations; and
 4 the restrictions of the State Procurement Law, the General Accounting and
 5 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
 6 Procedures and Restrictions Act, or their successors, and other fiscal
 7 control laws of this State, where applicable, and regulations promulgated by
 8 the Department of Finance and Administration, as authorized by law, shall be
 9 strictly complied with in disbursement of said funds.

10
 11 SECTION 15. LEGISLATIVE INTENT. It is the intent of the General
 12 Assembly that any funds disbursed under the authority of the appropriations
 13 contained in this act shall be in compliance with the stated reasons for
 14 which this act was adopted, as evidenced by the Agency Requests, Executive
 15 Recommendations and Legislative Recommendations contained in the budget
 16 manuals prepared by the Department of Finance and Administration, letters, or
 17 summarized oral testimony in the official minutes of the Arkansas Legislative
 18 Council or Joint Budget Committee which relate to its passage and adoption.

19
 20 SECTION 16. EMERGENCY CLAUSE. It is found and determined by the
 21 General Assembly, that the Constitution of the State of Arkansas prohibits
 22 the appropriation of funds for more than a one (1) year period; that the
 23 effectiveness of this Act on July 1, 2026 is essential to the operation of
 24 the agency for which the appropriations in this Act are provided, and that in
 25 the event of an extension of the legislative session, the delay in the
 26 effective date of this Act beyond July 1, 2026 could work irreparable harm
 27 upon the proper administration and provision of essential governmental
 28 programs. Therefore, an emergency is hereby declared to exist and this Act
 29 being necessary for the immediate preservation of the public peace, health
 30 and safety shall be in full force and effect from and after July 1, 2026.

31
 32 /s/ Joint Budget Committee

33
 34
 35 APPROVED: 5/1/26