



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

**B**

**OFFICE OF BUDGET**  
1509 West Seventh Street, Suite 402  
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April 14, 2026

Senator Kim Hammer, Co-Chair  
Representative Aaron Pilkington, Co-Chair  
PEER-Review Subcommittee  
Joint Budget Committee  
State Capitol Building  
Little Rock, AR 72201

RE: FY26 Various Temporary Appropriation Request(s)

Dear Co-Chairs:

Pursuant to Act 1006 of 2025, Section 32, I am forwarding for appropriate action as required by law, the attached Various Temporary Appropriation for State Agencies and Institutions Request(s) for Fiscal Year 2026 that have received my approval as Chief Fiscal Officer of the State.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Hudson', is written over a horizontal line.

James L. Hudson  
Secretary

Attachment(s)



State of Arkansas  
**COURT OF APPEALS**  
Justice Building  
625 Marshall  
Little Rock, Arkansas 72201

(501) 682-7989  
email: mark.klappenbach@arcourts.gov

**Mark Klappenbach**  
Chief Judge

BA: 0018  
FA: CNST  
FC: 111L  
Fund: HSC1800  
CI: 590:00:40  
JK

April 1, 2026

Honorable Kim Hammer, Chair  
Honorable Aaron Pilkington, Chair  
Joint Budget Committee—PEER Review  
Arkansas State Capitol  
500 Woodlane Street  
Little Rock, Arkansas 72201

Dear Senator Hammer and Representative Pilkington:

The Arkansas Court of Appeals respectfully requests Various Temporary Appropriation authorized under Act 1006 of 2025, Section 32 in the amount of \$30,000 to be funded from State Central Services. The court requests this amount to supplement its current \$360,000 legal-counsel appropriation, which is at risk of being depleted before the fiscal year's end.

This appropriation is used to award modest attorney's fees to attorneys appointed to represent indigent appellants in direct criminal appeals—a constitutional right afforded to all convicted criminals in felony cases. In monitoring our attorney's fee awards this fiscal year, the court noted a substantial increase in the number of attorney's fees awarded compared to recent years. Thus far in fiscal year 2026, the court of appeals has awarded attorney's fees 132 times totaling \$289,109.75. By comparison, the court had awarded fees 96 times totaling \$225,054.71 on April 1, 2025.

Looking forward, we observe that the court's criminal caseload remains steady and heavy. Without additional funding to our legal-counsel appropriation, our court may not be able to award fees at our customary rate through the end of fiscal year 2026, and we request this additional \$30,000 in appropriation to ensure that attorneys continue to accept these appeal appointments and that we are able to adequately compensate them for this important work.

We appreciate the Committee's consideration. If there are any questions regarding our request of if any additional information is required, please contact Anne Solomon, the Court's Chief Staff Attorney, or me at (501) 682-7460.

Sincerely,

A handwritten signature in black ink that reads "Mark Klappenbach".

Mark Klappenbach, Chief Judge  
Arkansas Court of Appeals



Sarah Huckabee Sanders  
GOVERNOR

Hugh McDonald  
SECRETARY OF COMMERCE

**B.2**

BA: 0402  
FC: 665  
Fund: SDA0100  
FA: COMM  
Fund Balance as of 4/6/26:  
\$29,726,239.93  
KR

April 3, 2026

Jim Hudson  
Secretary  
Arkansas Department of Finance and Administration  
1509 W. 7<sup>th</sup> Street, Suite 401  
Little Rock, AR 72201

Re: Temporary Appropriation for State Agencies and Institution Request, SFY2026

Dear Secretary Hudson:

Pursuant to Act 1006 of 2025, Section 32, the Arkansas Division of Aeronautics requests in FY2026, various temporary appropriation totaling \$5,000,000. Funding is provided by the Division of Aeronautics Fund which consists of special revenues as specified in §19-42-201(17). This appropriation will be used by the Division of Aeronautics to distribute grants in accordance with §19-43-201(c)(1-2).

Business Area: 0402  
Func. Area: COMM  
Fund: SDA0100  
Funds Center: 665  
Commitment Item: 590:00:46

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hugh McDonald", written over a white background.

Hugh McDonald  
Secretary



Hugh McDonald  
SECRETARY OF COMMERCE

Jimmy Harris  
COMMISSIONER,  
ARKANSAS INSURANCE  
DEPARTMENT

BA: 0425  
Fund: TUW0100  
FC: 2TB  
FA: COMM  
KR

April 3<sup>rd</sup>, 2026

Mr. Jim Hudson, Secretary  
Arkansas Department of Finance and Administration  
1509 West Seventh Street, Suite 401  
Little Rock, Arkansas 72201

RE: Temporary Appropriation for State Agencies and Institutions Request, SFY 2026

Dear Secretary Hudson:

The Arkansas Insurance Department (AID) respectfully requests a transfer of \$1,000,000 in appropriation from the Various Temporary Appropriation for State Agencies and Institutions, Act 1006 of 2025, Section 32. This appropriation would allow the Arkansas Insurance Department Public Employee Claims Division to pay workers' compensation benefits to injured state government employees.

During this fiscal year, a catastrophic workers' compensation claim resulted in multiple weeks of hospitalization and has placed the Public Employee Claims Division at risk of insufficient funding to pay benefits through the end of the fiscal year. Therefore, we respectfully request additional appropriation to mitigate the risk of being unable to pay workers' compensation benefits on potential claims occurring in the final quarter of SFY2026.

Business Area: 0425  
Func. Area: COMM  
Fund: TUW0100  
Fund Center: 2TB  
Commitment Item: 511:00:15

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "H. McDonald", is written over a horizontal line.

Hugh McDonald, Secretary  
Arkansas Department of Commerce

cc: Jimmy Harris, Commissioner, Arkansas Insurance Department  
Tammy Williams, CFO, Arkansas Department of Commerce



Hugh McDonald  
SECRETARY OF COMMERCE

Jimmy Harris  
COMMISSIONER,  
ARKANSAS INSURANCE  
DEPARTMENT

BA: 0425  
FC: 2TF  
Fund: MTA0404  
FA: COMM  
KR

April 3<sup>rd</sup>, 2026

Mr. Jim Hudson, Secretary  
Arkansas Department of Finance and Administration  
1509 West Seventh Street, Suite 401  
Little Rock, Arkansas 72201

RE: Temporary Appropriation for State Agencies and Institutions Request, SFY 2026

Dear Secretary Hudson:

The Arkansas Insurance Department (AID) respectfully requests a transfer of \$2,500,000 in appropriation from the Various Temporary Appropriation for State Agencies and Institutions, Act 1006 of 2025, Section 32. This appropriation would allow the Department to remit refunds for overpayment of estimated quarterly premium taxes. The overpayments are due to an increase of premium tax credits claimed by insurers when filing final annual premium tax reports on March 1, 2026.

The significant increase in the credits taken for 2025 is a result of the Major Historical Rehabilitation Tax Credits (MHRTC). This was the first year any MHRTC credits were taken against annual premium taxes owed. As a result, a higher than anticipated volume of refunds must be issued to insurers. The current appropriation is insufficient to meet these obligations in full, and additional funding is necessary to ensure timely and accurate processing of all required refunds.

Business Area: 0425  
Func. Area: COMM  
Fund: MTA0404  
Fund Center: 2TF  
Commitment Item: 511:00:14

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hugh McDonald", is written over a white background. The signature is fluid and cursive, with a long horizontal stroke at the end.

Hugh McDonald, Secretary  
Arkansas Department of Commerce

cc: Jimmy Harris, Commissioner, Arkansas Insurance Department  
Tammy Williams, CFO, Arkansas Department of Commerce