



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

**D**

**OFFICE OF BUDGET**  
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January 2, 2026

Senator Jonathan Dismang, Co-Chair  
Representative Jeffrey Wardlaw, Co-Chair  
Performance Evaluation & Expenditure Review Committee  
Arkansas Legislative Council  
State Capitol Building  
Little Rock, AR 72201

RE: FY 26 Restricted Reserve Fund Transfer Recommendation

Dear Co-Chairs:

Pursuant to Act 1017 of 2025 (3), as amended, as Chief Fiscal Officer of the State, I am recommending the transfer of the following Restricted Reserve Funds:

1. Department of Education – Division of Elementary and Secondary Education – Arkansas Children's Educational Freedom Account Program – Various General Discretionary Majority Vote Set-Aside \$32,000,000
2. Department of Energy and Environment – Environmental Quality Division – Used Tire Program – Various General Discretionary Majority Vote Set-Aside \$2,500,000

Sincerely,

James L. Hudson  
Cabinet Secretary

Attachment(s)



# Division of Elementary and Secondary Education

*Transforming Arkansas to lead the nation in student-focused education*

Jacob Oliva December 1, 2025

Secretary

0500  
EDUC  
MRRVGDM>MEF0100  
12/9/25  
CH

Stacy Smith Jim Hudson, Secretary  
Deputy Department of Finance and Administration  
Commissioner 1509 West 7<sup>th</sup> St  
1509 West 7<sup>th</sup> St  
Little Rock, AR 72201

**State Board of  
Education**

Adrienne Woods Dear Secretary Hudson,

Bentonville  
Chair The Arkansas Department of Education requests \$32,000,000 from the Various General Discretionary Majority Vote Set-Aside of the Restricted Reserve Fund.

Lisa Hunter Every Arkansas family deserves access to the best possible school options for their  
White Hall children. The Arkansas Children's Educational Freedom Account Program empowers  
Vice Chair parents to choose a school based on students' individual needs. This funding will allow the  
division to fund EFA accounts for all students in the 2025-2026 school year.

Dr. Gary Arnold

Little Rock

Randy Henderson

Blytheville

Sincerely,

Greg Rogers  
CFO, Arkansas Department of Education

Ken Bragg

Sheridan

Leigh Keener

Little Rock

GR:kh

Dr. Aaron Abbott

Springdale



December 30, 2025

Jim Hudson, Secretary  
Arkansas Department of Finance and Administration  
Office of the Secretary  
1509 West 7th Street, Suite 401  
Little Rock, AR 72201

Dear Secretary Hudson,

The Department of Energy and Environment, Division of Environmental Quality (DEQ), requests a transfer of Restricted Reserve Funds totaling \$2,500,000 from the Various General Discretionary Majority Vote Set-Aside authorized in Section 3(a)(18) of Act 561 of 2023.

This funding will be used to supplement future used tire program reimbursements as needed and other costs associated with the used tire program. This funding will not be used to reimburse or remediate any tires at the Jefferson County processing facility.

Business Area: 0930  
Functional Area: COMM  
Funds Center: BC1  
Fund: NEQ0600

Pending your approval of this request, I ask that you schedule this item for consideration at the next ALC-PEER meeting. If you need any additional information, please let me know.

Sincerely,  
A handwritten signature in black ink, appearing to read 'S. E. Khoury'.

Shane E. Khoury  
Secretary