



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

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June 5, 2026

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

RE: Prior Approval of Year-End Adjustments

Dear Co-Chairs:

I am requesting prior approval of year-end adjustments that may be required in order to close out Fiscal Year 2026. This will ensure that unanticipated items can be addressed by the Department of Finance and Administration at year-end without delay. Any item processed with this prior approval will be reported to the next regularly scheduled PEER meeting.

Without prior approval, unanticipated issues could potentially cause state payroll to be delayed, vendor payments to not be processed, the loading of Fiscal Year 2027 into the statewide accounting system (AASIS) to be interrupted, and state agency operations to be negatively impacted.

Prior review is requested for the following items:

- Budget Classification Transfers - Prior approval is requested to transfer appropriation between the General Maintenance and Operating commitment items in an agency appropriation, limited to the amount of existing appropriation available in these commitment items. This would allow a transfer to be made should unanticipated expenses arise at the end of the year. These requests do not increase the amount of appropriation available for an agency, but simply allow an agency to move amounts from one commitment items to another.

- Miscellaneous Federal Grants - Prior approval is requested for up to \$1 million in total transfers. This will allow agencies the ability to utilize federal funding if unanticipated issues arise.
- Cash Fund Holding Account Transfers - Prior approval is requested for up to \$1 million in total transfers. This will ensure sufficient appropriation for Cash Funded agencies if unforeseen issues arise.
- Various Temporary Appropriation - Prior approval is requested for up to \$1 million in total transfers. This will ensure sufficient appropriation for agencies if unforeseen issues arise in appropriations that are not federally or cash funded.

Appropriation will only be provided in the amounts needed by a state agency. All items processed on an emergency basis with this prior approval will be reported to the next regularly scheduled ALC-PEER meeting.

Sincerely,



James L. Hudson
Cabinet Secretary