



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

E

OFFICE OF BUDGET
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September 4, 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: FY27 Restricted Reserve Fund Transfer Recommendation

Dear Co-Chairs:

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

1. Department of Human Services – Medical Services – Medicaid Sustainability Set Aside \$200,000,000
2. Arkansas Department of Education – Division of Elementary and Secondary Education - Children's Educational Freedom Account Set-Aside \$70,000,000

Sincerely,

James L. Hudson
Cabinet Secretary

Attachment(s)



DHS Secretary Janet Mann
Office of the Secretary

P.O. Box 1437, Slot S201, Little Rock, AR 72203-1437
P: 501.682.8650 F: 501.682.6836 TDD: 501.682.8820

August 27, 2026

Jim Hudson, Secretary
Arkansas Department of Finance and Administration
1509 West 7th Street, Room 401
Little Rock, Arkansas 72201

Profit Center: 9080710000

FA: A710Z00.0710

Fund: TMP0900000
JK

Dear Secretary Hudson:

On behalf of the Department of Human Services (DHS), I respectfully request the release of the Medicaid Set Aside to pay for required state matching funds for the operation of the state's Medicaid program administered by DHS.

DHS is requesting the amount of \$200,000,000 to pay for required state matching funds to support the ongoing payment of claims and services for the Medicaid program. DHS estimates the total program costs to be \$9.8 billion with 69.23% federally funded through September 30, 2026, and will be adjusted to 70.52% in the next federal fiscal year beginning October 1, 2026. The total average enrollment is approximately 825,000 to 850,000 beneficiaries. DHS will deposit the proceeds into TMP0900. DHS-DMS has sufficient unfunded appropriation for this request.

Thank you for your assistance. If you need additional information, please contact Renee Ikard, DHS Chief Fiscal Officer II, at 501-682-8985 or Misty Eubanks, DHS Chief Programs Director, at 501-650-5783.

Sincerely,

Janet Mann, Secretary
Arkansas Department of Human Services

JM:mbe

cc: Andy Babbitt, Controller, DFA



Division of Elementary and Secondary Education

Transforming Arkansas to lead the nation in student-focused education

9040500000

ABF9000.0500

From: MRREFAS000

To: MEF0100000

8/19/26

CH

Jacob Oliva
Secretary

August 17, 2026

Stacy Smith
Deputy
Commissioner

Jim Hudson, Secretary
Department of Finance and Administration
1509 West 7th St
Little Rock, AR 72201

**State Board of
Education**

Adrienne Woods
Bentonville
Chair

Dear Secretary Hudson,

Lisa Hunter
White Hall
Vice Chair

The Arkansas Department of Education requests \$70,000,000 from the Children's Educational Freedom Account Set-Aside in the Restricted Reserve Fund.

Dr. Gary Arnold
Little Rock

Every Arkansas family deserves access to the best possible school options for their children. The Arkansas Children's Educational Freedom Account Program empowers parents to choose a school based on students' individual needs. This funding will allow the division to fund EFA accounts during the 2026-2027 school year.

Randy Henderson
Blytheville

Jeff Wood
Little Rock

Sincerely,

Ken Bragg
Sheridan


Greg Rogers
CFO, Arkansas Department of Education

Leigh Keener
Little Rock

Dr. Aaron Abbott
Springdale

GR:kh

David Peacock
Jonesboro