

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

# A Bill

HOUSE BILL 1062

5 By: Joint Budget Committee  
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## For An Act To Be Entitled

9 AN ACT TO MAKE AN APPROPRIATION FOR THE MEDICAID  
10 TOBACCO SETTLEMENT PROGRAM FOR THE DEPARTMENT OF  
11 HUMAN SERVICES FOR THE FISCAL YEAR ENDING JUNE 30,  
12 2027; AND FOR OTHER PURPOSES.  
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## Subtitle

15 AN ACT FOR THE DEPARTMENT OF HUMAN  
16 SERVICES - MEDICAID TOBACCO SETTLEMENT  
17 PROGRAM APPROPRIATION FOR THE 2026-2027  
18 FISCAL YEAR.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. REGULAR SALARIES - MEDICAL SERVICES - MEDICAID TOBACCO  
25 SETTLEMENT PROGRAM. There is hereby established for the Department of Human  
26 Services - Division of Medical Services - Medicaid Tobacco Settlement Program  
27 for the 2026-2027 fiscal year, the following maximum number of regular  
28 employees.  
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		Maximum Annual	
		Maximum	Salary Rate
Item	Class	No. of	Fiscal Year
No.	Code Title	Employees	2026-2027
(1)	PHS05P HEALTH PROGRAM COORDINATOR	<u>1</u>	GRADE SGS07
	MAX. NO. OF EMPLOYEES	1	



SECTION 2. REGULAR SALARIES - AGING, ADULT, AND BEHAVIORAL HEALTH SERVICES - MEDICAID TOBACCO SETTLEMENT PROGRAM. There is hereby established for the Department of Human Services - Division of Aging, Adult, and Behavioral Health Services - Medicaid Tobacco Settlement Program for the 2026-2027 fiscal year, the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2026-2027
(1)	PPE03P	PROGRAM ELIGIBILITY SPECIALIST II	1	GRADE SGS06
(2)	PPE02P	PROGRAM ELIGIBILITY SPECIALIST I	15	GRADE SGS05
(3)	MNU06P	REGISTERED NURSE	1	GRADE MED05
(4)	PHS08P	HEALTH PROGRAM SUPERVISOR/EXPERT	<u>1</u>	GRADE SGS08
		MAX. NO. OF EMPLOYEES	18	

SECTION 3. APPROPRIATION - MEDICAL SERVICES - MEDICAID TOBACCO SETTLEMENT PROGRAM. There is hereby appropriated, to the Department of Human Services, to be payable from the Medicaid Expansion Program Account, for personal services and operating expenses of the Department of Human Services - Division of Medical Services - Medicaid Tobacco Settlement Program for the fiscal year ending June 30, 2027, the following:

ITEM NO.	FISCAL YEAR 2026-2027
(01) REGULAR SALARIES	\$55,025
(02) PERSONAL SERVICES MATCHING	20,741
(03) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	9,484
(B) CONF. & TRAVEL	2,000
(C) PROF. FEES	0
(D) CAP. OUTLAY	0
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$87,250</u></u>

SECTION 4. APPROPRIATION - MEDICAL SERVICES - MEDICAID TOBACCO

1 SETTLEMENT PROGRAM GRANTS. There is hereby appropriated, to the Department  
 2 of Human Services, to be payable from the Medicaid Expansion Program Account,  
 3 for grant payments of the Department of Human Services - Division of Medical  
 4 Services - Medicaid Tobacco Settlement Program Grants for the fiscal year  
 5 ending June 30, 2027, the following:

7 ITEM	FISCAL YEAR
8 <u>NO.</u>	<u>2026-2027</u>
9 (01) HOSPITAL AND MEDICAL SERVICES	\$140,426,470
10 (02) PRESCRIPTION DRUGS	<u>5,142,643</u>
11 TOTAL AMOUNT APPROPRIATED	<u>\$145,569,113</u>

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 13 SECTION 5. APPROPRIATION - AGING, ADULT, AND BEHAVIORAL HEALTH SERVICES  
 14 - MEDICAID TOBACCO SETTLEMENT PROGRAM. There is hereby appropriated, to the  
 15 Department of Human Services, to be payable from the Medicaid Expansion  
 16 Program Account, for personal services and operating expenses of the  
 17 Department of Human Services - Division of Aging, Adult, and Behavioral  
 18 Health Services - Medicaid Tobacco Settlement Program for the fiscal year  
 19 ending June 30, 2027, the following:

21 ITEM	FISCAL YEAR
22 <u>NO.</u>	<u>2026-2027</u>
23 (01) REGULAR SALARIES	\$860,731
24 (02) PERSONAL SERVICES MATCHING	342,509
25 (03) MAINT. & GEN. OPERATION	
26 (A) OPER. EXPENSE	98,598
27 (B) CONF. & TRAVEL	0
28 (C) PROF. FEES	0
29 (D) CAP. OUTLAY	0
30 (E) DATA PROC.	<u>0</u>
31 TOTAL AMOUNT APPROPRIATED	<u>\$1,301,838</u>

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 33 SECTION 6. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 34 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ACCOUNTS.  
 35 Such appropriations and fund accounts as may be necessary to administer the  
 36 provisions of this act shall be established on the books of the Chief Fiscal

1 Officer of the State, State Treasurer, and the Auditor of the State.

2 The provisions of this section shall be in effect only from July 1, ~~2025~~  
3 2026 through June 30, ~~2026~~ 2027.

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5 SECTION 7. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
6 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.  
7 POSITIONS. (a) Nothing in this act shall be construed as a commitment of the  
8 State of Arkansas or any of its agencies or institutions to continue funding  
9 any position paid from the proceeds of the Tobacco Settlement in the event  
10 that Tobacco Settlement funds are not sufficient to finance the position.

11 (b) State funds will not be used to replace Tobacco Settlement funds when  
12 such funds expire, unless appropriated by the General Assembly and authorized  
13 by the Governor.

14 (c) A disclosure of the language contained in (a) and (b) of this Section  
15 shall be made available to all new hire and current positions paid from the  
16 proceeds of the Tobacco Settlement by the Tobacco Settlement Commission.

17 (d) Whenever applicable the information contained in (a) and (b) of this  
18 Section shall be included in the employee handbook and/or Professional  
19 Services Contract paid from the proceeds of the Tobacco Settlement.

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

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23 SECTION 8. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
24 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER  
25 RESTRICTIONS. The appropriations provided in this act shall not be  
26 transferred under the provisions of Arkansas Code 19-4-513, but only as  
27 provided by this act.

28 The provisions of this section shall be in effect only from July 1, ~~2025~~  
29 2026 through June 30, ~~2026~~ 2027.

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31 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
32 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFERS  
33 OF APPROPRIATIONS. In the event the amount of any of the budget  
34 classifications of maintenance and general operation in this act are found by  
35 the administrative head of the agency to be inadequate, then the agency head  
36 may request, upon forms provided for such purpose by the Chief Fiscal Officer

1 of the State, a modification of the amounts of the budget classification. In  
2 that event, he shall set out on the forms the particular classifications for  
3 which he is requesting an increase or decrease, the amounts thereof, and his  
4 reasons therefor. In no event shall the total amount of the budget exceed  
5 either the amount of the appropriation or the amount of the funds available,  
6 nor shall any transfer be made from the capital outlay or data processing  
7 subclassifications unless specific authority for such transfers is provided  
8 by law, except for transfers from capital outlay to data processing when  
9 determined by the Division of Information Systems that data processing  
10 services for a state agency can be performed on a more cost-efficient basis  
11 by the Division of Information Systems than through the purchase of data  
12 processing equipment by that state agency. In considering the proposed  
13 modification as prepared and submitted by each state agency, the Chief Fiscal  
14 Officer of the State shall make such studies as he deems necessary. The Chief  
15 Fiscal Officer of the State shall, after obtaining the approval of the  
16 Legislative Council or Joint Budget Committee, approve the requested transfer  
17 if in his opinion it is in the best interest of the state.

18 Upon determination by the Secretary of the Department of Human Services  
19 that a Reallocation of Resources is necessary for the effective operation of  
20 the Medicaid Tobacco Settlement Program Grants, the Secretary, with the  
21 approval of the Governor, shall have the authority to request from the Chief  
22 Fiscal Officer of the State a transfer of Appropriation. This transfer  
23 authority applies only to the Medicaid Tobacco Settlement Program Grants  
24 appropriation section of this Act between the Hospital and Medical Services  
25 line item and the Prescription Drugs line item. The limitation restrictions  
26 applicable to the Department Reallocation of Resources authority applies to  
27 this section.

28 The General Assembly has determined that the agency in this act could be  
29 operated more efficiently if some flexibility is given to that agency and  
30 that flexibility is being accomplished by providing authority to transfer  
31 between certain items of appropriation made by this act. Since the General  
32 Assembly has granted the agency broad powers under the transfer of  
33 appropriations, it is both necessary and appropriate that the General  
34 Assembly maintain oversight of the utilization of the transfers by requiring  
35 prior approval of the Legislative Council or Joint Budget Committee in the  
36 utilization of the transfer authority. Therefore, the requirement of approval

1 by the Legislative Council or Joint Budget Committee is not a severable part  
2 of this section. If the requirement of approval by the Legislative Council or  
3 Joint Budget Committee is ruled unconstitutional by a court of competent  
4 jurisdiction, this entire section is void.

5 The provisions of this section shall be in effect only from July 1, ~~2025~~  
6 2026 through June 30, ~~2026~~ 2027.

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8 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
9 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

10 COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act  
11 shall be limited to the appropriation for such agency and funds made  
12 available by law for the support of such appropriations; and the restrictions  
13 of the State Purchasing Law, the General Accounting and Budgetary Procedures  
14 Law, the Regular Salary Procedures and Restrictions Act, or their successors,  
15 and other fiscal control laws of this State, where applicable, and  
16 regulations promulgated by the Department of Finance and Administration, as  
17 authorized by law, shall be strictly complied with in disbursement of said  
18 funds.

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

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

24 LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds  
25 disbursed under the authority of the appropriations contained in this act  
26 shall be in compliance with the stated reasons for which this act was  
27 adopted, as evidenced by Initiated Act 1 of 2000, the Agency Requests,  
28 Executive Recommendations and Legislative Recommendations contained in the  
29 budget manuals prepared by the Department of Finance and Administration,  
30 letters, or summarized oral testimony in the official minutes of the Arkansas  
31 Legislative Council or Joint Budget Committee which relate to its passage and  
32 adoption.

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

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36 SECTION 12. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly, that the Constitution of the State of Arkansas prohibits  
2 the appropriation of funds for more than a one (1) year period; that the  
3 effectiveness of this Act on July 1, 2026 is essential to the operation of  
4 the agency for which the appropriations in this Act are provided, and that in  
5 the event of an extension of the legislative session, the delay in the  
6 effective date of this Act beyond July 1, 2026 could work irreparable harm  
7 upon the proper administration and provision of essential governmental  
8 programs. Therefore, an emergency is hereby declared to exist and this Act  
9 being necessary for the immediate preservation of the public peace, health  
10 and safety shall be in full force and effect from and after July 1, 2026.

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