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

OFFICE OF THE SECRETARY
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April 3, 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: Transfer for the Department of Commerce

Dear Co-Chairs:

Enclosed for your review is a request from the Department of Commerce for appropriation and position transfers for various divisions of the Department under the authority of Section 26 of Act 608 of 2025. This is the first request for Reallocation of Resources for Fiscal Year 2026 from a limit of two requests annually.

This transfer will provide adjustments to the Department of Commerce's authorizations for Fiscal Year 2026 needed for the operational requirements of various divisions within the Department.

This request has my approval as Chief Fiscal Officer of the State and is submitted for your review.

Sincerely,

A handwritten signature in black ink, appearing to be 'JL Hudson', written over a horizontal line.

James L. Hudson
Secretary

Attachments



STATE OF ARKANSAS
SARAH HUCKABEE SANDERS
GOVERNOR

March 31, 2026

Mr. Hugh McDonald
Arkansas Department of Commerce
1 Commerce Way
Little Rock, AR 72202

Dear Mr. McDonald:

In accordance with Section 26 of Act 608 of 2025, I am notifying Jim Hudson, Chief Fiscal Officer of the State, of my approval for you to request the Fiscal Year 2026 transfer items in your letter dated February 23, 2026 providing for the operational needs of various divisions within the Department of Commerce.

Upon the approval of the Chief Fiscal Officer of the State, your requests will be submitted to the PEER Review Subcommittee of the Joint Budget Committee for review.

Sincerely,

A handwritten signature in blue ink that reads "Sarah Sanders".

Sarah Huckabee Sanders
Governor of Arkansas

Attachment



Hugh McDonald
SECRETARY OF COMMERCE

February 23rd, 2026

The Honorable Sarah Huckabee Sanders
Governor of Arkansas
State Capitol, Room 250
Little Rock, AR 72201

Dear Governor Sanders:

Pursuant to applicable fiscal and administrative requirements provided by Section 26 of Act 608 of 2025, the Department of Commerce respectfully requests your approval of its Fiscal Year 2026 Reallocation of Resources.

At the beginning of FY2026, the Department implemented an organizational realignment to strengthen operational efficiency and internal controls by centralizing Human Resources, Fiscal, Procurement, Information Technology, and Communications functions under a shared services model. This Reallocation of Resources request serves as the administrative and fiscal reconciliation of that realignment. Specifically, it posts corrective transfers of authorized positions and appropriations so that budget authority aligns with current organizational structure. These adjustments are technical in nature and are necessary to prevent salary and personal services matching shortfalls during FY2026.

This request does not increase total authorized positions or total appropriations; is supported entirely by existing funds sources; does not eliminate or expand programs or services; and ensures continued compliance with state fiscal controls and federal funding requirements. Detailed justification, position transfer schedules, and appropriation summaries are provided in the attached materials for your review.

On behalf of the Department of Commerce, I respectfully request your approval of this Reallocation of Resources to complete the implementation of the Department's FY2026 realignment.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hugh McDonald", is written over a faint blue circular stamp.

Hugh McDonald
Secretary

**Arkansas Department of Commerce
FY2026 Reallocation of Resources**

Position Transfer Request Summary

Salary Section/Division/Program Area	Transfers Out	Transfers In	Total
Shared Services	-2	+11	+9
Division of Workforce Services	-23	+8	-15
Reemployment	-	+35	+35
Arkansas Workforce Connections	-8	+2	-6
Arkansas Rehabilitation Services	-5	+1	-4
Division of State Services for the Blind	-2	+1	-1
Adult Education	-	+4	+4
Office of Skills Development	-1	+1	-
Arkansas Manufacturing Extension Network/Existing Business Resources Division	-1	-	-1
Workforce Policy & Innovation	-18	-	-18
Arkansas Economic Development Commission	-3	+1	-2
State Insurance Department	-1	-	-1
Total	-64	+64	-

Appropriation Transfer Request Summary

Appropriation	(2SD) Division of Workforce Services - Operations - Trust Fund	(DI4) Construction Industry Craft Training Program	(DJ7) Reemployment	(Z04) Governor's Commission on Adult Literacy	(DH4) Increase Capabilities Access Network - Federal	Total
Regular Salaries	\$ (2,151,555)	\$ 10,000	\$ 2,000,000	\$ 21,555	\$ 120,000	\$ -
Personal Services Matching	\$ (40,700)	\$ 2,500		\$ 8,200	\$ 30,000	\$ -
Operating Expenses					\$ -	\$ -
Total	\$ (2,192,255)	\$ 12,500	\$ 2,000,000	\$ 29,755	\$ 150,000	\$ -

**Arkansas Department of Commerce
Reallocation of Resources Request Detail**

Appropriation				To				Amount
BA	FC	Commitment Item	Fund	BA	Funds Center	Commitment Item	Fund	
0810	2SD	501:00:00	TES0100	0810	DI4	501:00:00	TC11000	\$ 10,000.00
0810	2SD	501:00:03	TES0100	0810	DI4	501:00:03	TC11000	\$ 2,500.00
0810	2SD	501:00:00	TES0100	0810	DJ7	501:00:00	FRE0000	\$2,000,000.00
0810	2SD	501:00:00	TES0100	0810	Z04	501:00:00	JWE0301	\$ 21,555.00
0810	2SD	501:00:03	TES0100	0810	Z04	501:00:03	JWE0301	\$ 8,200.00
0810	2SD	501:00:00	TES0100	0810	DH4	501:00:00	PER5000	\$ 120,000.00
0810	2SD	501:00:03	TES0100	0810	DH4	501:00:03	PER5000	\$ 30,000.00

Positions										
From		To							BA	
BA	FC	Fund	Salary Section	Position #	Class Code	Title	Salary Section	Fund	FC	BA
9902	Z38	PAY9902	Shared Services - Act 608, Section 1.	22094168	PED03P	ECONOMIC DEVELOPMENT SPECIALIST	Arkansas Economic Development Commission - Act 608, Section 5.	HOA0100	2SK	0790
9902	Z38	PAY9902	Shared Services - Act 608, Section 1.	22181976	IIS11P	IT SUPERVISOR/EXPERT	Division of Workforce Services - Act 609, Section 1.	PWC0200	DK1	0810
0810	DI2	MSK0000	Office of Skills Development - Act 609, Section 31.	22169506	PWD01P	WORKFORCE DEVELOPMENT COORDINATOR	Arkansas Workforce Connections - Act 609, Section 16.	PWC0000	DJ8	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22093911	FFS02P	FISCAL SUPPORT COORDINATOR	Adult Education - Act 609, Section 35.	MWS0100	Z01	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22093841	FFS02P	FISCAL SUPPORT COORDINATOR	Adult Education - Act 609, Section 35.	MWS0100	Z01	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22148158	FAC01P	ACCOUNTANT I	Adult Education - Act 609, Section 35.	MWS0100	Z01	0810
0810	DK1	PWC0400	Division of Workforce Services - Act 609, Section 1.	22081412	MRE02P	REHABILITATION COORDINATOR	Arkansas Rehabilitation Services - Act 609, Section 41.	PER2000	DH3	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22178634	LAT04P	ATTORNEY II	Office of Skills Development - Act 609, Section 31.	MSK0000	DI2	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22093889	IAS04P	APPLICATIONS DEVELOPER I	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22141214	IAS05P	APPLICATIONS DEVELOPER II	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22176445	IAS05P	APPLICATIONS DEVELOPER II	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22180786	IAS05P	APPLICATIONS DEVELOPER II	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22181974	IDM01P	DATABASE ADMINISTRATOR	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22179046	IAS03P	APPLICATIONS COORDINATOR	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22181973	IIA04C	IT ADMINISTRATOR	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22141145	PPE02P	PROGRAM ELIGIBILITY SPECIALIST I	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22178712	PPE02P	PROGRAM ELIGIBILITY SPECIALIST I	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22178751	PPE02P	PROGRAM ELIGIBILITY SPECIALIST I	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22178752	PPE02P	PROGRAM ELIGIBILITY SPECIALIST I	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22093317	HDH07P	HR SPECIALIST	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22093318	HDH07P	HR SPECIALIST	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22093876	HDH05P	HR COORDINATOR	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22120308	HDH05P	HR COORDINATOR	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22151601	HDH05P	HR COORDINATOR	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22169391	FAC11C	DIVISION FISCAL ADMINISTRATOR	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0810	DK1	PWC0200	Division of Workforce Services - Act 609, Section 1.	22078274	IEE04C	IT SECURITY EXPERT	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0810	DH9	PER6501	Division of State Services for the Blind - Act 609, Section 49.	22097597	PAS02P	ADMINISTRATIVE COORDINATOR	Division of Workforce Services - Act 609, Section 1.	PWC0200	DK1	0810
0810	DH9	PER6501	Division of State Services for the Blind - Act 609, Section 49.	22100383	PAS02P	ADMINISTRATIVE COORDINATOR	Division of Workforce Services - Act 609, Section 1.	PWC0200	DK1	0810
0810	DJ8	PWC0000	Arkansas Workforce Connections - Act 609, Section 16.	22095603	PCO01P	COMMERCE PROGRAM COORDINATOR	Adult Education - Act 609, Section 35.	MWS0100	Z01	0810
0810	DJ8	PWC0000	Arkansas Workforce Connections - Act 609, Section 16.	22148061	PPE02P	PROGRAM ELIGIBILITY SPECIALIST I	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ8	PWC0000	Arkansas Workforce Connections - Act 609, Section 16.	22093811	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ8	PWC0000	Arkansas Workforce Connections - Act 609, Section 16.	22093437	PPE02P	PROGRAM ELIGIBILITY SPECIALIST I	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ8	PWC0000	Arkansas Workforce Connections - Act 609, Section 16.	22093693	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ8	PWC0000	Arkansas Workforce Connections - Act 609, Section 16.	22093845	PPE01P	FIELD OFFICE SUPERVISOR/EXPERT	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ8	PWC0000	Arkansas Workforce Connections - Act 609, Section 16.	22093863	PPE01P	FIELD OFFICE SUPERVISOR/EXPERT	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ8	PWC0000	Arkansas Workforce Connections - Act 609, Section 16.	22141211	PPE01P	FIELD OFFICE SUPERVISOR/EXPERT	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DH3	PER2000	Arkansas Rehabilitation Services - Act 609, Section 41.	22081802	CME04P	MEDIA SPECIALIST	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0810	DH3	PER2000	Arkansas Rehabilitation Services - Act 609, Section 41.	22081712	IUS04P	USER SUPPORT SPECIALIST	Division of Workforce Services - Act 609, Section 1.	PWC0200	DK1	0810
0810	DH3	PER2000	Arkansas Rehabilitation Services - Act 609, Section 41.	22081962	IUS04P	USER SUPPORT SPECIALIST	Division of Workforce Services - Act 609, Section 1.	PWC0200	DK1	0810
0810	DH3	PER2000	Arkansas Rehabilitation Services - Act 609, Section 41.	22081440	MRE04C	REHABILITATION MANAGER	Division of State Services for the Blind - Act 609, Section 49.	PER6501	DH9	0810
0810	DH3	PER2000	Arkansas Rehabilitation Services - Act 609, Section 41.	22082029	FAC03P	ACCOUNTING COORDINATOR	Division of Workforce Services - Act 609, Section 1.	PWC0200	DK1	0810
0810	DJ9	PWC0100	Arkansas Manufacturing Extension Network/Existing Business Resources Division - Act 609, Section 25.	22094176	FBU01P	BUDGET ANALYST	Division of Workforce Services - Act 609, Section 1.	PWC0200	DK1	0810
0425	2SW	TSI4500	Arkansas Insurance Department - Act 607, Section 1.	22088195	HDH07P	HR SPECIALIST	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0790	2SK	HOA0100	Arkansas Economic Development Commission - Act 608, Section 5.	22094113	PAS02P	ADMINISTRATIVE COORDINATOR	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0790	2SK	HOA0100	Arkansas Economic Development Commission - Act 608, Section 5.	22094133	HBE02P	BENEFITS COORDINATOR	Shared Services - Act 608, Section 1.	PAY9902	Z38	9902
0790	2SK	HOA0100	Arkansas Economic Development Commission - Act 608, Section 5.	22094195	FAC04C	ACCOUNTING MANAGER	Division of Workforce Services - Act 609, Section 1.	PWC0200	DK1	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093910	IIS01P	IT COORDINATOR	Arkansas Workforce Connections - Act 609, Section 16.	PWC0000	DJ8	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22141188	PAS01P	ADMINISTRATIVE ANALYST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22157043	PAS01P	ADMINISTRATIVE ANALYST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810

0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22141189	PAS01P	ADMINISTRATIVE ANALYST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093679	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093777	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093662	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093682	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093812	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093816	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093837	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093848	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22141197	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22148147	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22151606	PCO03P	COMMERCE PROGRAM SPECIALIST	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22143391	PCO04P	COMMERCE PROGRAM SUPERVISOR/EXPERT	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22169389	PCO04P	COMMERCE PROGRAM SUPERVISOR/EXPERT	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810
0810	DJ6	TES0700	Workforce Policy & Innovation - Act 609, Section 53.	22093917	EEX55A	WORKFORCE DIRECTOR	Reemployment - Act 609, Section 10.	FRE0000	DJ7	0810

Arkansas Department of Commerce Reallocation of Resources Request Justification

Justification:
Pursuant to section 26 of Act 608 of 2025, this request accounts for one of the two authorized reallocations of resources for State Fiscal Year 2026. This reallocation facilitates the transfer of appropriation and positions with a net zero change in authorized positions or appropriation.

Appropriation Transfers:
The Department is requesting to reallocate appropriation to align with its current organizational structure. This transfer will also prevent any regular salary or personal services matching appropriation projected shortfall. This adjustment only impacts appropriation and will be supported through existing fund sources.

An appropriation transfer is requested from the Division of Workforce Services Trust Fund to the following programs for projected shortfalls:
- The Construction Industry Craft Training Program to fully support the programs 1 full-time employee.
- The Governor's Commission on Adult Literacy to provide \$50,000 for regular salaries and personal services matching to administer the literacy grant program.
- The Division of Reemployment to allow for the administrative expenses of the UI grant.
- The Increased Capabilities Access Network to support the implementation of Act 499 of 2025 and other salary adjustments.

Position Transfers:
The requested position transfers are necessary to complete the Department of Commerce realignment and ensure positions are properly aligned with operational responsibilities and funding sources. Specifically, these transfers accomplish four key objectives: (1) consolidate all shared services functions, including human resources, fiscal, procurement, information technology, and communications, into the appropriate divisions to improve efficiency and accountability; (2) restructure the Division of Reemployment to absorb Bureau of Labor Statistics grants, Labor Market Information grants, and Unemployment Insurance programmer staff operations, thereby aligning programmatic functions under a single organizational structure; (3) further centralize and streamline related operations within the Division of Reemployment to enhance coordination and service delivery; and (4) implement corrective transfers to ensure position authorizations accurately reflect programmatic needs, funding sources, and operational oversight. These changes promote transparency, strengthen internal controls, and support the effective administration of federally and state-funded programs.