

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Fiscal Session, 2026

A Bill

HOUSE BILL 1023

By: Joint Budget Committee

For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES AND OPERATING EXPENSES FOR THE DEPARTMENT OF HUMAN SERVICES - SECRETARY'S OFFICE FOR THE FISCAL YEAR ENDING JUNE 30, 2027; AND FOR OTHER PURPOSES.

Subtitle

AN ACT FOR THE DEPARTMENT OF HUMAN SERVICES - SECRETARY'S OFFICE APPROPRIATION FOR THE 2026-2027 FISCAL YEAR.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. REGULAR SALARIES - SECRETARY OF HUMAN SERVICES. There is hereby established for the Department of Human Services - Secretary's Office for the 2026-2027 fiscal year, the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum	Maximum Annual
			No. of Employees	Salary Rate Fiscal Year
				2026-2027
(1)	ESE08A	SECRETARY OF HUMAN SERVICES	<u>1</u>	GRADE EXE04
		MAX. NO. OF EMPLOYEES	1	

SECTION 2. APPROPRIATION - SECRETARY OF HUMAN SERVICES. There is



hereby appropriated, to the Department of Human Services, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for personal services of the Department of Human Services - Secretary's Office for the fiscal year ending June 30, 2027, the following:

ITEM NO.	FISCAL YEAR 2026-2027
(01) REGULAR SALARIES	\$287,042
(02) PERSONAL SERVICES MATCHING	<u>68,678</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$355,720</u></u>

SECTION 3. REGULAR SALARIES - OPERATIONS. There is hereby established for the Department of Human Services - Secretary's Office 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)	EEX11A	CHIEF PROGRAMS DIRECTOR	2	GRADE EXE03
(2)	EEX22A	HUMAN SERVICES DIVISION DIRECTOR	1	GRADE EXE02
(3)	EEX10A	CHIEF OF STAFF II	1	GRADE EXE02
(4)	EEX08A	CHIEF LEGAL COUNSEL II	1	GRADE SPC11
(5)	FAC09C	CHIEF FISCAL OFFICER II	1	GRADE SPC10
(6)	LAT06C	ATTORNEY IV	3	GRADE SPC09
(7)	LAT07C	CHIEF ADMINISTRATIVE LAW JUDGE	1	GRADE SPC09
(8)	SSP03C	DHS DIVISION ADMINISTRATOR	1	GRADE SPC09
(9)	LAT01C	ADMINISTRATIVE LAW JUDGE	3	GRADE SPC08
(10)	HDH03C	HR ADMINISTRATOR II	1	GRADE SPC08
(11)	FAC12C	MEDICAID FISCAL OFFICER	1	GRADE SPC08
(12)	SSP07C	SOCIAL SERVICES ADMINISTRATOR	3	GRADE SPC08
(13)	LAT05P	ATTORNEY III	10	GRADE SPC08
(14)	CPR02C	CHIEF OF COMMUNICATIONS II	1	GRADE SPC07
(15)	SSP04C	DHS DIVISION MANAGER	2	GRADE SPC07
(16)	FAC11C	DIVISION FISCAL ADMINISTRATOR	10	GRADE SPC07
(17)	FAU01C	AUDIT MANAGER	1	GRADE SPC06

(18)	FAC10C CONTROLLER	1	GRADE SPC06
(19)	FAC06C ASSISTANT CONTROLLER	1	GRADE SPC05
(20)	LAT04P ATTORNEY II	64	GRADE SPC05
(21)	HDH06C HR MANAGER	1	GRADE SPC04
(22)	FAC05P ACCOUNTING SUPERVISOR/EXPERT	7	GRADE SPC04
(23)	FAU02P AUDIT SUPERVISOR/EXPERT	3	GRADE SPC04
(24)	FAC03P ACCOUNTING COORDINATOR	5	GRADE SPC03
(25)	LAT03P ATTORNEY I	4	GRADE SPC03
(26)	FAC02P ACCOUNTANT II	1	GRADE SPC02
(27)	FAU04P AUDITOR II	15	GRADE SPC02
(28)	FAC01P ACCOUNTANT I	7	GRADE SPC01
(29)	FAU03P AUDITOR I	1	GRADE SPC01
(30)	SSP01C ADULT PUBLIC GUARDIAN ADMIN	1	GRADE SGS12
(31)	PPR03C PROCUREMENT MANAGER	1	GRADE SGS10
(32)	FFS03C FISCAL SUPPORT MANAGER	2	GRADE SGS09
(33)	CPR06C PUBLIC INFORMATION MANAGER	1	GRADE SGS09
(34)	PQA02C QUALITY ASSURANCE MANAGER	1	GRADE SGS09
(35)	TCO04P CONSTRUCTION SUPERVISOR/EXPERT	1	GRADE SGS08
(36)	SEM04P EMERGENCY MANAGEMENT SUPVR/EXPERT	1	GRADE SGS08
(37)	HDH08P HR SUPERVISOR/EXPERT	11	GRADE SGS08
(38)	PPR05P PROCUREMENT SUPERVISOR/EXPERT	3	GRADE SGS08
(39)	CPR08P PUBLIC INFORMATION SUPVR/EXPERT	1	GRADE SGS08
(40)	FGM03C GRANTS MANAGER	1	GRADE SGS07
(41)	PAS08I EXECUTIVE ASSISTANT	4	GRADE SGS07
(42)	FBU01P BUDGET ANALYST	4	GRADE SGS07
(43)	TCO01P CONSTRUCTION COORDINATOR	2	GRADE SGS07
(44)	CME02P EDITOR	1	GRADE SGS07
(45)	FFS05P FISCAL SUPPORT SUPERVISOR/EXPERT	27	GRADE SGS07
(46)	CME03P GRAPHIC ARTIST	1	GRADE SGS07
(47)	PHS05P HEALTH PROGRAM COORDINATOR	1	GRADE SGS07
(48)	HDH05P HR COORDINATOR	2	GRADE SGS07
(49)	TIS01P INDUSTRIAL SAFETY COORDINATOR	1	GRADE SGS07
(50)	IIV05P INVESTIGATOR SUPERVISOR/EXPERT	4	GRADE SGS07
(51)	PPR02P PROCUREMENT COORDINATOR	9	GRADE SGS07
(52)	CPR05P PUBLIC INFORMATION COORDINATOR	4	GRADE SGS07
(53)	CTR02P TRAINER	2	GRADE SGS07

(54)	ILS02I HEARING OFFICER	12	GRADE SGS06
(55)	ILS03I LEGAL SUPPORT SPECIALIST	21	GRADE SGS06
(56)	HBE02P BENEFITS COORDINATOR	1	GRADE SGS06
(57)	FFS02P FISCAL SUPPORT COORDINATOR	33	GRADE SGS06
(58)	FGM04P GRANTS SUPERVISOR/EXPERT	4	GRADE SGS06
(59)	HDH04P HR ANALYST	31	GRADE SGS06
(60)	TIW02P INVENTORY MANAGER	1	GRADE SGS06
(61)	CMA04P MARKETING SUPERVISOR/EXPERT	1	GRADE SGS06
(62)	PPR01P PROCUREMENT ANALYST	12	GRADE SGS06
(63)	CPR07P PUBLIC INFORMATION SPECIALIST	4	GRADE SGS06
(64)	PQA03P QUALITY ASSURANCE SPECIALIST	1	GRADE SGS06
(65)	SSP16P SOCIAL SERVICES SPECIALIST	4	GRADE SGS06
(66)	PAS13C POLICY COORDINATOR	1	GRADE SGS05
(67)	PAS01P ADMINISTRATIVE ANALYST	12	GRADE SGS05
(68)	FGM02P GRANTS COORDINATOR	2	GRADE SGS05
(69)	IIV03P INVESTIGATOR II	4	GRADE SGS05
(70)	CMA01P MARKETING COORDINATOR	2	GRADE SGS05
(71)	CME04P MEDIA SPECIALIST	1	GRADE SGS05
(72)	TAT09P PRINTER SUPERVISOR/EXPERT	1	GRADE SGS05
(73)	PPR04P PROCUREMENT SPECIALIST	6	GRADE SGS05
(74)	PPE02P PROGRAM ELIGIBILITY SPECIALIST I	2	GRADE SGS05
(75)	PAS14P RECORDS COORDINATOR	2	GRADE SGS05
(76)	TIW06P SURPLUS PROPERTY AGENT	1	GRADE SGS05
(77)	PAS02P ADMINISTRATIVE COORDINATOR	39	GRADE SGS04
(78)	HBE01P BENEFITS ANALYST	1	GRADE SGS04
(79)	FFS04P FISCAL SUPPORT SPECIALIST	63	GRADE SGS04
(80)	FGM01P GRANTS ANALYST	2	GRADE SGS04
(81)	HDH07P HR SPECIALIST	19	GRADE SGS04
(82)	TIW01P INVENTORY COORDINATOR	1	GRADE SGS04
(83)	CMA03P MARKETING SPECIALIST	1	GRADE SGS04
(84)	TAT08P PRINTER	6	GRADE SGS04
(85)	TIW03P INVENTORY SPECIALIST	8	GRADE SGS03
(86)	PAS05I CALL CENTER SPECIALIST	2	GRADE SGS02
(87)	PAS03P ADMINISTRATIVE SPECIALIST	4	GRADE SGS02
(88)	PAS12P MAILROOM SUPERVISOR/EXPERT	1	GRADE SGS02
(89)	PAS11P MAILROOM SPECIALIST	3	GRADE SGS01

(90)	SIA21P INTERNAL AFFAIRS SUPERVISOR/EXPERT	1	GRADE LES04
(91)	SIA19P INTERNAL AFFAIRS INVESTIGATOR	1	GRADE LES03
(92)	IIA03C CHIEF INFORMATION OFFICER III	1	GRADE IST14
(93)	IDA01C DATA ARCHITECT	1	GRADE IST13
(94)	IIA04C IT ADMINISTRATOR	4	GRADE IST12
(95)	IIS05C IT INFRASTRUCTURE ARCHITECT	4	GRADE IST11
(96)	IIS08C IT INFRASTRUCTURE MANAGER	1	GRADE IST11
(97)	IIS10C IT INFRASTRUCTURE SUPVR/EXPERT	2	GRADE IST10
(98)	IIP03P IT SENIOR PROJECT MANAGER	2	GRADE IST10
(99)	IAS03P APPLICATIONS COORDINATOR	1	GRADE IST09
(100)	IIS06P IT INFRASTRUCTURE COORDINATOR	7	GRADE IST08
(101)	IAS01P APPLICATIONS ANALYST I	1	GRADE IST07
(102)	IDN01P DATA ANALYST	5	GRADE IST07
(103)	IDM02P DATABASE ANALYST	4	GRADE IST07
(104)	IIS04P IT INFRASTRUCTURE ANALYST	2	GRADE IST06
(105)	IIE02P IT SECURITY ANALYST I	2	GRADE IST06
(106)	IUS05P USER SUPPORT SUPERVISOR/EXPERT	1	GRADE IST06
(107)	IAS08I WEBSITE SPECIALIST	1	GRADE IST05
(108)	IDM03P DATABASE SPECIALIST	1	GRADE IST05
(109)	IUS02P USER SUPPORT COORDINATOR	20	GRADE IST05
(110)	IUS01P USER SUPPORT ANALYST	19	GRADE IST04
(111)	IUS04P USER SUPPORT SPECIALIST	<u>13</u>	GRADE IST02
	MAX. NO. OF EMPLOYEES	642	

SECTION 4. EXTRA HELP - OPERATIONS. There is hereby authorized, for the Department of Human Services - Secretary's Office for the 2026-2027 fiscal year, the following maximum number of part-time or temporary employees, to be known as "Extra Help", payable from funds appropriated herein for such purposes: twenty-eight (28) temporary or part-time employees, when needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 5. APPROPRIATION - OPERATIONS. There is hereby appropriated, to the Department of Human Services, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for personal services

and operating expenses of the Department of Human Services - Secretary's Office for the fiscal year ending June 30, 2027, the following:

ITEM NO.	FISCAL YEAR 2026-2027
(01) REGULAR SALARIES	\$38,468,882
(02) EXTRA HELP	298,556
(03) PERSONAL SERVICES MATCHING	14,105,646
(04) OVERTIME	8,383
(05) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	5,571,873
(B) CONF. & TRAVEL	59,433
(C) PROF. FEES	8,861,800
(D) CAP. OUTLAY	400,000
(E) DATA PROC.	0
(06) DATA PROCESSING SERVICES	<u>2,016,710</u>
TOTAL AMOUNT APPROPRIATED	<u>\$69,791,283</u>

SECTION 6. APPROPRIATION - VARIOUS BUILDING CONSTRUCTION. There is hereby appropriated, to the Department of Human Services, to be payable from the Department of Human Services Renovation Fund, for construction, renovation, maintenance, equipment, and repairs for various buildings operated by the Department of Human Services - Secretary's Office for the fiscal year ending June 30, 2027, the following:

ITEM NO.	FISCAL YEAR 2026-2027
(01) CONSTRUCTION	<u>\$15,914,729</u>

SECTION 7. APPROPRIATION - CONSOLIDATED COST. There is hereby appropriated, to the Department of Human Services, to be payable from the DHS Consolidated Cost Revolving Fund, for operating expenses of the Department of Human Services - Secretary's Office - Consolidated Cost for the fiscal year ending June 30, 2027, the following:

ITEM	FISCAL YEAR
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NO.	2026-2027
(01) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	\$800,000
(B) CONF. & TRAVEL	0
(C) PROF. FEES	0
(D) CAP. OUTLAY	21,500
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$821,500</u></u>

SECTION 8. APPROPRIATION - GRANTS PAYING. There is hereby appropriated, to the Department of Human Services, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for purchase of services of the Department of Human Services - Secretary's Office for the fiscal year ending June 30, 2027, the following:

ITEM NO.	FISCAL YEAR 2026-2027
(01) PURCHASE OF SERVICES	<u><u>\$129,084</u></u>

SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SECRETARY'S OFFICE/OFFICE OF CHIEF COUNSEL - PURCHASE OF EVIDENCE. Upon approval by the Chief Fiscal Officer of the State, the Chief Counsel for the Department of Human Services may transfer an amount up to but not to exceed \$12,000 and deposit same in a bank account for the purpose of purchasing evidence in the course of investigating the illegal use of food stamps/Electronic Benefit Transfer (EBT) cards. The funds so transferred shall be subject to accounting in a manner substantially similar to that employed by the Arkansas State Police for such transactions; provided however, that information tending to identify participants in such transactions shall be exempt from the Arkansas Freedom of Information Act.

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

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

SERVICES RENOVATION FUND. Department of Human Services Renovation Fund.

(a) There is established on the books of the Treasurer of State, Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the Department of Human Services Renovation Fund.

(b) This fund shall be used for constructing, acquiring, renovating, maintaining, repairing, and equipping facilities of the Department of Human Services and for paying disallowances by the federal government.

(c) The fund shall consist of:

(1) Federal reimbursement received by the Department of Human Services and deposited in the various fund accounts of the department; and

(2) General revenues transferred from the Division of Youth Services, the Division of Aging, Adult, and Behavioral Health Services, and the Division of Developmental Disabilities Services for the purposes of repairing, renovating, equipping, acquiring and constructing Department of Human Services facilities with an annual maximum of five million dollars (\$5,000,000). The projects for which these transfers are authorized must be projects which were unanticipated during the preceding regular session of the Arkansas General Assembly and must be projects which, if not carried out in the interim period between regular sessions of the Arkansas General Assembly would cause greater harm to the facilities, clients or programs of the Department of Human Services than to wait until the next regular session.

(3) Other non-general revenue funds as may be available within the Department of Human Services that can be used for the purposes of this fund.

(d)(1) At the request of the Secretary of the Department of Human Services, and upon certification of the availability of such funds, the Chief Fiscal Officer of the State shall initiate the necessary transfer documents to reflect the transfer on the books of record of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State, and the Department of Human Services.

(2) The Secretary of the Department of Human Services shall submit any transfer plan to and must receive approval of the plan from the Chief Fiscal Officer of the State, the Governor and the Arkansas Legislative Council or Joint Budget Committee prior to the effective date of the transfer.

(e) Provided, that any non-general revenue funding that may remain in the fund at the end of any fiscal year shall be carried over into the next fiscal year and all obligated general revenue funding that may remain in the fund at

the end of any fiscal year shall be carried over into the next fiscal year to satisfy such legal and contractual obligations that have been entered into prior to the end of the fiscal year.

(f) Determining the amount of funds appropriated to a state agency is the prerogative of the General Assembly and is usually accomplished by delineating specific line items and by identifying the appropriation and funding attached to that line item. The General Assembly has determined that the Department of Human Services could be operated more efficiently if some flexibility is given to that agency. That flexibility is being accomplished by providing transfer authority in subsection (d) of this section, and since the General Assembly has granted the agency broad powers under the transfer authority concept, it is both necessary and appropriate that the General Assembly maintain oversight of the utilization of the transfer authority by requiring prior approval of the Legislative Council or Joint Budget Committee in the utilization of this transfer authority. Therefore, the requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

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

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

TRANSFER AUTHORITY. The Secretary of the Department of Human Services shall have transfer authority provided by the following:

(a) DEPARTMENT OF HUMAN SERVICES RENOVATION FUND. The Secretary of the Department of Human Services is authorized to request fund transfers according to the provisions established by Arkansas Code Ann. 19-27-217, Department of Human Services Renovation Fund, as amended herein; and

(b) MATCH TRANSFER. The Secretary of the Department of Human Services, with the approval of the Chief Fiscal Officer of the State, is authorized to effect inter-agency and inter-divisional fund transfers for the purpose of providing the State's matching share for payments made to that Division or Office or its service providers for services eligible for federal reimbursement under programs administered by the Department of Human

Services. The Department of Human Services shall report to the Legislative Council or Joint Budget Committee on a quarterly basis all fund transfers made in accordance with the authority granted by this section; and

(c) REALLOCATION OF RESOURCES: (1) The Department of Human Services (DHS) provides hundreds of different services to over 1 million Arkansans. The specific mix of service needs and the funding and staffing required to provide them can vary significantly based on many factors, including natural disasters, changing federal mandates and funding sources, demographic shifts, fluctuating court-ordered services, social trends, and job market variations such as nursing shortages. The impact of these factors through the course of any fiscal year make it very difficult for the Department to accurately predict the exact needs for funding, appropriation and positions in each of its over 100 different appropriations. To ensure that it can respond quickly to changing client needs and make the most effective use of the resources allocated to it, the Department of Human Services shall be authorized to utilize the reallocation of resource authority to make the proper adjustments to the budgets within the Department. Therefore, upon determination by the Secretary of the Department of Human Services that a reallocation of resources within the department is necessary for the efficient and effective operation of the department, the Secretary, with approval of the Governor, shall have the authority to request, from the Chief Fiscal Officer of the State, a transfer of positions, appropriations, line item appropriations, and funds within or between existing and newly created divisions, offices, sections, or units of the department. Provided, however, that no transfer of funds or appropriation that provides direct support or matching support for the Arkansas Medicaid Program shall be made to any other fund account or appropriation that does not directly support the Arkansas Medicaid Program. Further, no positions, funds, or appropriation authorized during the budget process for the Division of Children and Family Services' compliance with initiatives established under the Angela R. consent decree shall be transferred to any other division. Nothing in this provision is intended to prevent the one-time transfers of savings in any other program to the Arkansas Medicaid Program, with the exception of the provisions previously cited for the Division of Children and Family Services – Angela R. consent decree. The Division of Developmental Disabilities – Grants to Community Providers line item of the Developmental Disabilities Services - Grants-in-

Aid appropriation may not be decreased. The appropriation, funding, and positions provided for the five Human Development Centers shall remain at a level sufficient to ensure quality care for the Centers' residents. The exemptions provided in this subsection whereby certain DHS Programs and Divisions are protected from appropriation, fund, or position transfers are applicable only to the reallocation or transfer authority granted herein, and not by any reductions which are applicable to all state programs.

The Secretary of the Department of Human Services shall submit any requests for transfers to and must receive approval of the requests for transfers from the Chief Fiscal Officer of the State, the Governor, and the Arkansas Legislative Council or Joint Budget Committee prior to the effective date of the transfers. Provided, however, that the Department of Human Services shall be limited to submitting no more than four reallocation of resources transfer requests during any fiscal year. In each Departmental request no single division will request reallocation for more than one purpose as listed in this section. Transfer authority for unforeseen purposes shall further be limited to no more than 5% of the total appropriation, funding, and positions authorized for the Department. Reallocation of resources transfers may include multiple items but shall be limited to the following purposes:

- i) Medicaid Program;
- ii) Facilities and institutions costs, including operational expenses and construction/renovation/equipping expenses;
- iii) Departmental grants and contracts;
- iv) Court ordered settlements and payments;
- v) Payment of administrative expenses, including but not limited to, overtime and other costs of personnel for critical services or functions necessary to carry out the mission of the agency;
- vi) Restructuring efforts as deemed necessary to comply with new and/or unanticipated federal or state mandates; and/or
- vii) Redirecting internal resources, both direct and/or indirect, to meet client needs and services.

Determining the maximum number of employees and the maximum amount of appropriation and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s) for a state agency and

the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Further, the General Assembly has determined that the Department of Human Services may operate more efficiently if some flexibility is provided to the Department of Human Services authorizing broad powers under the Reallocation of Resources provisions herein. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

(2) If it is determined that the requested reallocation of resources transfers should be made, the Chief Fiscal Officer of the State shall then initiate the necessary transfer documents to reflect the transfers upon the fiscal records of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State, and the Department of Human Services. In addition, the Chief Fiscal Officer of the State, together with the Co-Chairpersons of the Legislative Council or Joint Budget Committee, may approve, on an emergency basis, requests for utilization of this Section without prior approval of the Arkansas Legislative Council or Joint Budget Committee, with any such actions reported at the next meeting of the Arkansas Legislative Council or Joint Budget Committee.

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

SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW. Arkansas State Hospital – Insurance reimbursements and unspent set-aside funds for repairs recoupment.

(a) An insurance reimbursement received by the Department of Human Services to reimburse funds that were transferred from the EBD or Contingency Set-Aside in the Restricted Reserve Fund for critical storm damage repair for the Arkansas State Hospital shall be transferred, as the insurance reimbursement is received, on the books of the Chief Fiscal Officer of the State, the Treasurer of State, and the Auditor of State from the appropriate

fund or fund account into which the department deposited the insurance reimbursement payment to:

(1) The EBD or Contingency Set-Aside in the Restricted Reserve Fund if the EBD or Contingency Set-Aside in the Restricted Reserve Fund is currently active with a balance greater than zero dollars (\$0.00); or

(2) The General Revenue Allotment Reserve Fund if the EBD or Contingency Set-Aside in the Restricted Reserve Fund is no longer active.

(b) Any funds received by the department for critical storm damage repair for the Arkansas State Hospital from the EBD or Contingency Set-Aside in the Restricted Reserve Fund that remain upon completion of the storm damage repair project shall be transferred as provided for insurance reimbursements under subsection (a) of this section.

(c) The Secretary of the Department of Human Services shall notify the Chief Fiscal Officer of the State and the Performance Evaluation and Expenditure Review Subcommittee of the Legislative Council or, if the General Assembly is in session, the PEER/Review Subcommittee of the Joint Budget Committee, of the following to allow for the transfers provided for in subsections (a) and (b) of this section:

(1) The receipt of an insurance reimbursement by the department for critical storm damage repair for the Arkansas State Hospital; and

(2) Upon completion of the storm damage repair project, the amount of any remaining funds described in subsection (b) of this section.

(d) The department shall report quarterly to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee:

(1) The status of the storm damage repair project;

(2) The projected completion time lines for the storm damage repair project;

(3) The total amount of the insurance reimbursements received by the department to date for the storm damage repair project; and

(4) Any remaining balance of the original five million dollars (\$5,000,000) transferred to the department from the EBD or Contingency Set-Aside in the Restricted Reserve Fund.

(e) This section is effective on July 1, 2024, and until the final transfer of funds has been made as provided in this section.

SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS

CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. DEPARTMENT OF HUMAN SERVICES COMPREHENSIVE AGENCY REVIEW. The Arkansas Legislative Council - Hospital, Medicaid, and Developmental Disabilities Study Subcommittee shall perform a comprehensive review of the Department of Human Services, which shall commence at the direction of the co-chairs of the Arkansas Legislative Council, in consultation with the subcommittee co-chairs. This review shall include, but is not limited to: administrative policies and functions, personnel and staffing evaluations, and revenues and expenditures of the department, divisions, and providers. The subcommittee shall prioritize the review as follows: the Shared Services division, the Division of Children and Family Services, and the Division of County Operations, with further prioritization of divisions to be determined by the subcommittee. The review shall include input and recommendations from the Attorney General's Medicaid Fraud Unit and the Department of Inspector General's office.

The preliminary recommendations and report shall be completed within six months of the subcommittee's initial meeting. Upon completion of this preliminary report, the subcommittee shall provide the department, the Governor, and the Arkansas Legislative Council with a report to include recommendations and desired metrics with expected timelines of completion to meet the desired outcomes provided in the preliminary report. At the direction of the chair of the Arkansas Legislative Council - Hospital, Medicaid, and Developmental Disabilities Study Subcommittee, the subcommittee may add recommendations and approve and review actions by the department in accordance with the preliminary recommendations.

The final report and outcomes, including recommending legislation to address findings, shall be presented at the final Arkansas Legislative Council meeting of the 95th General Assembly.

The Department of Human Services shall report to the subcommittee monthly the status of implementation of the recommendations with review and approval of all steps taken to meet the metrics and desired outcomes of the department in accordance with the recommendations by the subcommittee and by the Arkansas Legislative Council.

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

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

SECTION 15. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 16. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2026 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the legislative session, the delay in the effective date of this Act beyond July 1, 2026 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2026.