

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 1062

By: Joint Budget Committee

For An Act To Be Entitled

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

Subtitle

AN ACT FOR THE DEPARTMENT OF HUMAN SERVICES - MEDICAID TOBACCO SETTLEMENT PROGRAM APPROPRIATION FOR THE 2026-2027 FISCAL YEAR.

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

SECTION 1. REGULAR SALARIES - MEDICAL SERVICES - MEDICAID TOBACCO SETTLEMENT PROGRAM. There is hereby established for the Department of Human Services - Division of Medical 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)	PHS05P	HEALTH PROGRAM COORDINATOR	1	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

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

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

SECTION 5. APPROPRIATION - AGING, ADULT, AND BEHAVIORAL HEALTH 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 Aging, Adult, and Behavioral Health Services - Medicaid Tobacco Settlement Program for the fiscal year ending June 30, 2027, the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The General Assembly has determined that the agency in this act could be operated more efficiently if some flexibility is given to that agency and that flexibility is being accomplished by providing authority to transfer between certain items of appropriation made by this act. Since the General Assembly has granted the agency broad powers under the transfer of appropriations, it is both necessary and appropriate that the General Assembly maintain oversight of the utilization of the transfers by requiring prior approval of the Legislative Council or Joint Budget Committee in the utilization of the 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 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

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 Purchasing Law, the General Accounting and Budgetary Procedures 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.

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.

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 Initiated Act 1 of 2000, 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.

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

SECTION 12. 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.