



GL #14

STATE OF ARKANSAS
SARAH HUCKABEE SANDERS
GOVERNOR

March 10, 2026

Senator Jonathan Dismang, Co-Chair
Representative Lane Jean, Co-Chair
Joint Budget Committee
Arkansas General Assembly
State Capitol Building
Little Rock, AR 72201

Dear Co-Chairs:

I respectfully request the following amendments to the 2026-2027 Operations Appropriation Bill for the Department of Corrections - Division of Correction.

Please amend SECTION 17 - SPECIAL LANGUAGE - REALLOCATION OF RESOURCES as follows:

SECTION 17. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. REALLOCATION OF RESOURCES. Upon determination by the Board of Corrections, at the request of the Secretary of Corrections, that a reallocation of resources within the Divisions of Community Correction and Division of Correction is necessary for the efficient and effective operation of the department, the Board, with approval of the Governor and approval by the Arkansas Legislative Council or Joint Budget Committee, shall have the authority to instruct the Department Secretary, to request from the Chief Fiscal Officer of the State, a transfer of positions, programs, funds, appropriations, and line-item appropriations within or between existing and newly created divisions, offices, sections, or units of the department. If it is determined that the requested transfer should be made, the Chief Fiscal Officer of the State shall then initiate

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the necessary transfer documents to reflect the transfers upon the fiscal records of the State Treasurer, the State Auditor, the Chief Fiscal Officer of the State, and the Department of Corrections Division of Corrections and Community Correction. Provided, however, that the Department Secretary shall be limited to submitting no more than two requests, encompassing a single purpose listed in this section, during any fiscal year per division. Transfer authority shall further be limited to no more than five percent (5%) of the total General Revenue and Special Revenue appropriation, funding, and positions specific to each division, office, section or unit from which funds are transferred. ~~However, there shall be no fund transfers to or from the County Jail Reimbursement Fund.~~ A Reallocation of Resources Transfer shall be limited to the following specific purposes:

- a) Costs to open and operate temporary beds;
- b) Payment of Debt Service;
- c) Payment of Overtime Expenses;
- d) Unanticipated increases for medical or private prison contracts;
- e) Construction/renovation/equipping of new beds;
- f) Deficits in Farm or Industry Program;
- g) Losses not covered by insurance proceeds;
- h) Costs of personnel for critical services necessary to carry out the mission of the agency.

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 Corrections Divisions of Correction and Community Correction may operate more efficiently if some flexibility is provided to the Board of Corrections 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 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.

The above request is necessary to remove conflicting special language regarding the transfer of funds to the County Jail Reimbursement Fund, as it is inconsistent with Section 26 of this bill, thereby ensuring internal consistency and proper fiscal administration.

Please amend SECTION 29 – SPECIAL LANGUAGE - CARRY FORWARD – GENERAL REVENUE YEAR END FUND BALANCE as follows:

SECTION 29. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. CARRY FORWARD – GENERAL REVENUE YEAR END FUND BALANCE. (a) The Chief Fiscal Officer of the State shall cause to be transferred on his or her books and those of the State Treasurer and Auditor of State the balance of General Revenue funds remaining in the Division of Correction Inmate Care and Custody Fund Account on June 30, ~~2026~~ 2027 into a sub-fund created within the Division of Correction Inmate Care and Custody Fund Account to be used for County Jail Reimbursement or maintenance needs within the Department of Corrections – Division of Correction. The balance of General Revenue in the sub-fund of the Division of Correction Inmate Care and Custody Fund Account at the beginning of any fiscal year shall not exceed five million dollars (\$5,000,000). For this reason, any general revenue which would cause the balance of sub-fund of the Division of Correction Inmate Care and Custody Fund Account to exceed five million dollars (\$5,000,000) shall be reclaimed by the Department of Finance and Administration pursuant to the same procedures as other general revenue recapture.

(b) Any carry forward of the unexpended balance of funding as authorized herein, may be carried forward under the following conditions:

(1) The Office of Budget of the Department of Finance and Administration shall report to the Legislative Council all amounts carried forward by the September meeting of the Legislative Council or the Joint Budget Committee meeting which report shall include the name of the agency, board, commission, or institution and the amount of funding carried forward, the program name or line item and the funding source; and

(2) The Department of Corrections – Division of Correction shall provide a written report to the Legislative Council or Joint Budget Committee containing all information set forth in subdivisions (b) (1) of this section no later than thirty (30) days prior to the time the Department presents its budget request to the Legislative Council or Joint Budget Committee, or both; and

(3) Thereupon, the Department of Finance and Administration shall include all information obtained in subdivision (b) (2) of this section in the budget manuals.

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

The above request is necessary to correct the fund name referenced in the special language to ensure consistency with Ark. Code Ann §19-22-102.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Sarah Sanders". The signature is written in a cursive, flowing style.

Sarah Huckabee Sanders
Governor of Arkansas

Hall of the House of Representatives

95th General Assembly - Fiscal Session, 2026

Amendment Form

DRAFT

Subtitle of House Bill 1011

AN ACT FOR THE DEPARTMENT OF CORRECTIONS - DIVISION OF CORRECTION
APPROPRIATION FOR THE 2026-2027 FISCAL YEAR.

Amendment No. ___ to House Bill 1011

Amend House Bill 1011 as originally introduced:

Page 13, line 24, delete "However, there shall be no fund transfers to or from the County Jail Reimbursement Fund." and substitute "~~However, there shall be no fund transfers to or from the County Jail Reimbursement Fund.~~"

AND

Page 21, line 20, immediately following "Correction" insert "Inmate Care & Custody"

AND

Page 21, line 21, immediately following "Correction" insert "Inmate Care & Custody"

AND

Page 21, line 24, immediately following "Correction" insert "Inmate Care & Custody"

AND

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Page 21, line 27, immediately following "Correction" insert "Inmate Care & Custody".

The Amendment was read _____

By: Joint Budget Committee

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DJC037

Chief Clerk