

**B.4**



**JOHN THURSTON**  
ARKANSAS TREASURER OF STATE

**HB1034**

March 18, 2026

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

Re: *Revised FY2027 Office of the Treasurer of State Appropriations for: Refund of Local Sales and Use Taxes; Distribution of Amendment 74 Funds to Counties; Disbursement of Funds for Assistance to Emergency Medical and Local Law Enforcement; and Personal Services, Operating Expenses and Data Processing System Services*

Dear Senator Dismang and Representative Jean:

I respectfully submit the following changes to the FY2027 appropriations for the Office of the Treasurer of State:

*Refund of Local Sales and Use Taxes*

Section (01) Appropriation – City Share

Due to increased revenues, I request an increase of \$30,000,000 in appropriation authority from the Local Sales and Use Tax Trust Fund to support refunds of each city's share of local sales and use taxes.

*Distribution of Amendment 74 Funds to Counties*

Section (01) Appropriation – Amendment 74

Due to increased revenues, I request an increase of \$50,000,000 in appropriation authority from the Uniform Tax Rate Trust Fund to support the redistribution of property tax revenues to counties in accordance with Amendment 74 to the Arkansas Constitution.

*Disbursement of Funds for Emergency Medical Services and Local Law Enforcement Assistance*

Section (01) Appropriation – Emergency Medical

Due to increased revenues, I request an increase of \$10,000 in appropriation authority from the Arkansas Citizens First Responder Safety Enhancement Fund to provide reimbursements for personal services, operating expenses, and other allowable costs incurred by the Arkansas Ambulance Association.

Section (02) Appropriation – Local Law Enforcement

Due to increased revenues, I request an increase of \$10,000 in appropriation authority from the Arkansas Citizens First Responder Safety Enhancement Fund to provide reimbursements for personal services, operating expenses, and other allowable costs incurred by the Arkansas Association of Chiefs of Police.

*Personal Services, Operating Expenses, and Data Processing Systems/Services*  
Section (01) Regular Salaries- Operations

Justification for Regular Salary Appropriation Request

I request increases of \$641,580 for Regular Salaries and \$76,285 for Personal Service Match to fund existing positions at the full authorized range under the Governor's pay plan. This ensures funding reflects established classification ranges and provides flexibility within approved classifications.

Section (03) Appropriation – Operations – Item Number (04)(A) Operating Expense

I request an increase of \$150,000 in appropriation authority from the State Central Services Fund to address increased custodial banking fees and to support ongoing operational expenses of the Office.

Justification for Operational Appropriation Request

The Bank of New York Mellon (BNY Mellon) serves as the State's custodial bank and is responsible for safeguarding and administering the State's financial assets. BNY Mellon maintains custody of the State's cash and investment holdings, processes and settles transactions, collects earnings, and provides reporting on assets held in custody. Custodial fees are assessed based on the month-end market value of assets held in custody.

Following a thorough review by executive, investment, and cash management staff, we determined that the prior fee structure did not fully reflect the scope and value of services provided. The revised fee schedule is reasonable and appropriate for the services delivered to the State.

Section (03) Appropriation – Operations – Item Number (07) Preparedness, Security & Safety

I request an increase of \$150,000 in appropriation authority from the State Central Services Fund to support ongoing data processing system cybersecurity and business continuity measures.

Justification for Operational Appropriation Request

My Office continues to implement daily cybersecurity and business continuity improvements within the parameters of our current budget; however, the rapid growth of artificial intelligence (AI) has increased both the volume and sophistication of attempted intrusions and related risks to public funds and sensitive data. The agency has utilized the current budget to support preparation of the General Ledger system for transition to the AASIS S/4HANA platform; however, additional appropriation is requested to support necessary security enhancements associated with the implementation.

These requests will help ensure the continued and efficient execution of the duties of the Office of the Treasurer of State on behalf of all Arkansans. I appreciate your thoughtful consideration of this request. Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,



John Thurston  
Treasurer of State  
State of Arkansas

**Hall of the House of Representatives**  
95th General Assembly - Fiscal Session, 2026  
Amendment Form

**DRAFT**

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**Subtitle of House Bill 1034**

AN ACT FOR THE OFFICE OF THE TREASURER OF STATE APPROPRIATION FOR THE  
2026-2027 FISCAL YEAR.

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**Amendment No. \_\_\_\_ to House Bill 1034**

Amend House Bill 1034 as originally introduced:

Page 3, line 3, delete "\$3,219,376" and insert "\$3,860,956"

AND

Page 3, line 5, delete "1,065,903" and insert "1,142,188"

AND

Page 3, line 7, delete "1,404,455" and insert "1,554,455"

AND

Page 3, line 14, delete "275,000" and insert "425,000"

AND

Page 3, line 15, delete "\$7,974,734" and insert "\$8,992,599".

**DRAFT**

The Amendment was read \_\_\_\_\_  
By: Joint Budget Committee  
JAR/JAR - 04-02-2026 03:10:15  
JAR133

\_\_\_\_\_  
Chief Clerk

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