



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

H.1

OFFICE OF THE SECRETARY
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
www.arkansas.gov/dfa

June 5, 2026

Senator Ben Gilmore, Chair
Representative Les Eaves, Chair
Arkansas Legislative Council
State Capitol
Little Rock, AR 72201

Dear Co-Chairs:

Pursuant to Ark. Code. Ann. §19-21-102, I recommend remaining at a 2.0% deduction for the State Central Services Fund for Fiscal Year 2027, effective July 1, 2026.

Current projections of income and expenditures for the State Central Services Fund indicate the current deduction of 2.0% on both general and special revenues will provide sufficient funding for agencies operating from the Fund.

This deduction for the State Central Services Fund has been included in the general revenues available for distribution to state agencies under the current Official Forecast of General Revenue for the 2027 fiscal year.

I would appreciate your approval of this request.

Sincerely,

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

James L. Hudson
Cabinet Secretary