ADMINISTRATIVE RULES SUBCOMMITTEE
OF THE
ARKANSAS LEGISLATIVE COUNCIL

Thursday, February 19, 2026
10:00 a.m.
Room A, MAC
Little Rock, Arkansas

A. Call to Order

B. Reports on Administrative Directives Pursuant to Act 1258 of 2015, for Quarter Ending December 31, 2025

1. Department of Corrections (Wade Hodge)

2. Post-Prison Transfer Board (Kevin Smith)

C. Rules Filed Pursuant to Arkansas Code § 10-3-309

1. Arkansas Public Service Commission (Danni Hoefer)

a. Wind Energy Development Rules, 23 CAR pt. 469

DESCRIPTION: The Arkansas Public Service Commission (APSC) has promulgated its final rules for the implementation of the Arkansas Wind Energy Development Act (Act 945 of 2025).

The purpose of the final rules is to establish standards and criteria for permitting and regulating wind energy facilities and promote, preserve, and protect the public peace, health, safety, and welfare through effective permitting and regulation of wind energy facilities.

Key provisions of the proposed rules include:

- Application process and notice requirements to obtain a permit to construct, operate, or redevelop a wind energy facility or wind energy facility expansion in Arkansas. (Subpart 2)
- Installation requirements (23 CAR § 469 – 301)
- Acoustics standards (23 CAR § 469 – 302)
- Decommissioning and removal requirements (23 CAR § 469 – 401)
- Requirements related to interconnection with the grid (23 CAR § 469 – 501)
- Site visits and enforcement by the APSC (Subpart 6)
- Information subject to disclosure (23 CAR § 469 – 106)

PUBLIC COMMENT: The commission held a public hearing on December 11, 2025. The public comment period expired December 11, 2025.

Due to its length, the public comment summary is attached separately.

Isaac Linam, an attorney with the Bureau of Legislative Research, asked the following questions and received the following responses:

QUESTION (1) Concerning 23 CAR § 469-103(14)(A)(i) and (ii), it appears the definition was copied directly from Acts 2025, No. 945. These two subdivisions in your rule and in the corresponding Arkansas Code section contain the phrase "under this subchapter", which appears to be a self-reference in the Arkansas Code to the subchapter in which the Arkansas Wind Energy Development Act was codified. Was it your intention to for your rule to read "Under the Arkansas Wind Energy Development Act", "under this part", or some other language? **RESPONSE:** It should read "under the Arkansas Wind Energy Development Act" rather than "under this subchapter". [The commission revised the rule to make this change.]

QUESTION (2) Concerning 23 CAR § 469-103(14)(B), in your rule, the second part of this definition uses the non-exclusive term "including without limitation", while the second part of this definition in Act 945 uses the exclusive term "includes". Why did the commission add "without limitation" to your definition when that is absent from the definition in Act 945? **RESPONSE:** It should read "includes." [The commission revised the rule to make this change.]

QUESTION (3) Concerning 23 CAR § 469-103(20)(B), in your rule, the second part of this definition uses the non-exclusive term "including without limitation", while the second part of this definition in Act 945 uses the exclusive term "includes". Why did the commission add "without limitation" to your definition when that is absent from the definition in Act 945? **RESPONSE:** It should read "includes." [The commission revised the rule to make this change.]

QUESTION (4) Concerning 23 CAR § 469-103(22)(B), in your rule, the second part of this definition uses the non-exclusive term "including without limitation", while the second part of this definition in Act 945 uses the exclusive term "includes". Why did the commission add "without limitation" to your definition when that is absent from the definition in Act 945? **RESPONSE:** It should read "includes." [The commission revised the rule to make this change.]

The proposed effective date for the rule is pending legislative review and approval.

FINANCIAL IMPACT: The commission indicated this rule will have no financial impact.

LEGAL AUTHORIZATION: Arkansas Code § 23-18-1419(a) provides that the "Arkansas Public Service Commission shall promulgate rules to implement and administer" the Arkansas Wind Energy Development Act, Arkansas Code § 23-18-1401 et seq. Arkansas Code § 23-18-1419(b) provides that these rules "include without limitation" permit requirements and terms, application for a permit requirements, and renewal application for a permit requirement "for the construction, operation, or redevelopment of a wind energy facility or a wind energy facility expansion". In addition, Arkansas Code § 23-18-1419(b) requires the rules to "include without limitation" rules for "[t]he erection, construction, reconstruction, change, alteration, maintenance, use, operation, and decommissioning of wind energy facilities, including without limitation the [i]nterconnection of power lines with regional transmission organizations, independent transmission system operators, or similar organizations" as well as

the [e]stablishment of necessary cooperation for site visits and enforcement investigations."

This rule implements Acts 2025, No. 945, sponsored by Senator Bart Hester. Act 945 created the Arkansas Wind Energy Development Act. Act 945, § 2 provides that the commission "shall promulgate rules necessary to implement this act", and the rules either shall be finalized "[o]n or before January 1, 2026" or if legislative approval "has not occurred by January 1, 2026, as soon as practicable after approval under § 10-3-309."

2. Department of Commerce, Arkansas Economic Development Commission (Brian Black, items a, b, c; Esperanza Massana-Crane, items a, b; Jennifer Emerson, item c)

a. REPEAL Minority Business Enterprise and Women-Owned Business Enterprise Certification Program, 15 CAR pt. 183

DESCRIPTION: The Arkansas Economic Development Commission (the "AEDC") is proposing to repeal its existing Minority Business Enterprise and Women-Owned Business Enterprise Certification Program Rules. AEDC maintains that the proposed repeal is necessary to maintain compliance with Act 116, enacted during the 2025 Regular Session. Specifically, the rule repeal is necessary to maintain compliance with Ark. Code Ann. § 25-1-130, which prohibits the state from engaging in discrimination or preferential treatment on the basis of sex, race, ethnicity, or national origin. The repeal of this rule serves to maintain statutory compliance and limit AEDC's liability.

PUBLIC COMMENT: A public hearing was held on this rule on October 15, 2025. The public comment period expired October 28, 2025. The commission indicated it received no public comments.

Isaac Linam, an attorney with the Bureau of Legislative Research, asked the following questions:

QUESTION (1) Arkansas Code § 15-4-314(a) provides that "the Arkansas Economic Development Commission shall promulgate rules to create a certification process for minority business enterprises and women-owned business enterprises". Given that rulemaking is required under that statute, can you provide your legal rationale for repealing this rule despite the mandatory rulemaking language? **RESPONSE:** Act 116 of 2025 expressly prohibits discrimination by public entities on the basis of race, sex, color, ethnicity, or national origin. As a result of the Act, a certification process for Minority Business and Women-Owned businesses is no longer necessary, as it would only assist in the administration of a program now prohibited by Act 116. If a new rule becomes necessary in the future, AEDC can promulgate a rule appropriate to the new legislation. But there is no reason at this point in time to promulgate a rule for a statute that no longer applies.

QUESTION (2) You indicated the repeal of this rule has no financial impact. Does the commission anticipate any savings as a result of this repeal? **RESPONSE:** There are no funds allocated directly to the Certification program. Repeal of this rule has no financial impact. Program administration required significantly less than one FTE.

The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: The commission indicated that the proposed repeal of the rule will have no financial impact.

LEGAL AUTHORIZATION: Arkansas Code § 15-4-314(a) provides that "[t]he Division of Minority and Women-owned Business Enterprise of the Arkansas Economic Development Commission shall promulgate rules to create a certification process for minority business enterprises and women-owned business enterprises." In addition, Arkansas Code § 15-4-209(a)(8) provides that the commission shall "[a]ssist businesses and minority-owned businesses through certification, loan guaranties, technical assistance, or grants to encourage their growth and development". Arkansas Code § 15-4-209(b)(4) provides that the commission may "[p]romulgate rules necessary to implement the programs and services offered by the commission."

The commission indicated the repeal of this rule is required to implement Acts 2025, No. 116, § 21, which created new Arkansas Code § 25-1-130. Subsection (b) of that statute provides that "[t]he state shall not discriminate against, or grant preferential treatment to, an individual or group on the basis of race, sex, color, ethnicity, or national origin in matters of state employment, public education, or state procurement."

b. REPEAL Minority Business Enterprise and Women-Owned Business Enterprise Loan Mobilization Program Rules, 15 CAR pt. 149

DESCRIPTION: The Arkansas Economic Development Commission (the "AEDC") is proposing to repeal its existing Minority Business Enterprise and Women-Owned Business Enterprise Loan Mobilization Program Rules. AEDC maintains that the proposed repeal is necessary to maintain compliance with Act 116, enacted during the 2025 Regular Session. Specifically, the rule repeal is necessary to maintain compliance with Ark. Code Ann. § 25-1-130, which prohibits the state from engaging in discrimination or preferential treatment on the basis of sex, race, ethnicity, or national origin. The repeal of this rule serves to maintain statutory compliance and limit AEDC's liability.

PUBLIC COMMENT: A public hearing was held on this rule on October 7, 2025. The public comment period expired October 28, 2025. The commission indicated it received no public comments.

Isaac Linam, an attorney with the Bureau of Legislative Research, asked the following question:

QUESTION: You indicated the repeal of this rule has no financial impact. Are appropriated funds or other revenues or funds allocated to this program? If so, what is the status of those funds? **RESPONSE:** Any funds that would otherwise have been used related to this rule would continue to be used for existing liabilities of the loan guarantee program. The authorized appropriation for the loan guarantee program totals $629,081.57. There are existing liabilities for that program that are significantly greater than the authorized appropriation (approximately $2 Million). The Commission does not anticipate any savings based on the repeal of this rule. No new obligations will be incurred as a result of the repeal.

The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: The commission indicated that the proposed repeal of

the rule will have no financial impact.

LEGAL AUTHORIZATION: Arkansas Code § 15-4-306 provides that "the Arkansas Economic Development Commission shall" provide support and services "to minority business enterprises and women-owned business enterprises", including by promoting "mobilization of activities and resources of state agencies and local governments, business and trade associations, universities, foundations, professional organizations, and volunteer and other groups toward the growth of minority business enterprises and women-owned business enterprises, and facilitate the coordination of the efforts of these groups with those of other state departments and state agencies" and assisting "minority business enterprises and women-owned business enterprises in obtaining governmental or commercial financing for business expansion, establishment of new businesses, or industrial development projects".

In addition, Arkansas Code § 15-4-209(a)(8) provides that the commission shall "[a]ssist businesses and minority-owned businesses through certification, loan guaranties, technical assistance, or grants to encourage their growth and development". Arkansas Code § 15-4-209(b)(4) provides that the commission may "[p]romulgate rules necessary to implement the programs and services offered by the commission."

The commission indicated the repeal of this rule is required to implement Acts 2025, No. 116, § 21, which created new Arkansas Code § 25-1-130. Subsection (b) of that statute provides that "[t]he state shall not discriminate against, or grant preferential treatment to, an individual or group on the basis of race, sex, color, ethnicity, or national origin in matters of state employment, public education, or state procurement."

c. REPEAL Rules for the Consolidated Incentive Act of 2003, 15 CAR pt. 143

DESCRIPTION: The Arkansas Economic Development Commission (the "AEDC") is proposing to repeal its existing Consolidated Incentive Act Rules. AEDC maintains that the current rules are unnecessary, as they largely restate the statute and introduce potential ambiguities that could be better addressed through individualized incentive agreements and public guidance. Rule promulgation is not required under the Consolidated Incentive Act itself, and the repeal will also ensure that there is no disconnect between any changes to the statute and AEDC's administrative guidance moving forward.

PUBLIC COMMENT: A public hearing was held on this rule on November 5, 2025. The public comment period expired November 11, 2025. The commission indicated it received no public comments.

The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: The commission indicated that the proposed repeal of the rule will have no financial impact.

LEGAL AUTHORIZATION: Arkansas Code § 15-4-2710 provides that the Arkansas Economic Development Commission may promulgate rules necessary to carry out the Consolidated Incentives Act of 2003, Arkansas Code § 15-4-2701 et seq.

3. Department of Commerce, State Insurance Department (Crystal Phelps)

a. Online Marketplace Guarantee Provider Registration Rule, 23 CAR pt. 45

DESCRIPTION:

Legislative Authority for Rule

Act 426 of 2025, codified at Arkansas Code § 23-66-801 et seq.

Background and Purpose of Rule

Act 426 of 2025 requires the Department to register online marketplace guarantee providers and ensure such providers are complying with financial standards to protect consumers. These rules are necessary to establish a framework for regulation.

Explanation of the Proposed Rule

An online marketplace provider provides online access to a service. Examples of online marketplace providers include AirBnB and VRBO, companies which provide access to rental markets through their websites. Act 426 of 2025 regulates the provision of online marketplace guarantees by these entities. These guarantees are provided to "platform contract holders" who, if using the online marketplaces previously mentioned, are persons offering their homes or other property for rental. An online marketplace guarantee is a promise by the provider to cover the cost of damage occurring to the platform contract holder's property if the property is damaged by a third party using the online marketplace, and the third party does not cover the damage. This guarantee may be purchased by the platform contract holder or offered for free to the platform contract holder.

Act 426 maintains guarantees provided by online marketplace providers are not insurance and creates a framework for the Insurance Commissioner to regulate online marketplace providers offering guarantees. The Department proposes requiring an online marketplace provider seeking to offer guarantees in Arkansas to pay an application fee of one thousand dollars ($1,000.00), to satisfy statutory financial requirements, and to file documentation necessary to support the provider's application. The Department proposes requiring providers to annually renew and pay a renewal fee of one thousand dollars ($1,000.00). This rule creates processes the Commissioner shall use to issue, deny, or renew certificates of registration. The rule also establishes recordkeeping requirements and advises providers of the Commissioner's enforcement authorities.

The Department has made one amendment since it initially filed this rule. An applicant may demonstrate it meets financial requirements necessary to be registered as an online marketplace guarantee provider by maintaining a net cash balance or net worth of at least fifty million dollars ($50,000,000). The initial filing of this draft rule required an applicant asserting it met this requirement to submit financial statements as proof. Some private companies viewed financial statements to be propriety and became concerned that disclosure could cause them significant economic harm. The Commissioner already has the authority to require a company to provide financial statements upon request pursuant to Ark. Code Ann. § 23-66-804(c)(3)(B). The Department decided it would forego documentation so long as an applicant certified to the commissioner which of the financial requirements it met. The Department revised 23 CAR § 44-102(b) to accomplish this change.

PUBLIC COMMENT: A public hearing was held on this rule on January 14, 2026. The public comment period expired on January 14, 2026. The department received the following public comments:

Renzo Soto, Executive Director, TechNet

COMMENT 1: 23 CAR § 44-102(b)(3)(C). Please amend language to allow compliance with submission of a valid attestation signed by an executive director of the applicant.

COMMENT 2: 23 CAR § 44-102. Add a new subsection (c) to protect documents containing sensitive and confidential information.

RESPONSE: The Department is amending 23 CAR § 44-102 so that an applicant will not be required to provide any confidential financial information and will instead certify to the commissioner that it meets one or more of the financial requirements provided at Arkansas Code § 23-66-804(c). The Department's amendment will alleviate both concerns expressed by TechNet.

The proposed effective date is March 1, 2026.

FINANCIAL IMPACT: The department indicated this rule has no financial impact.

LEGAL AUTHORIZATION: Arkansas Code § 23-66-810 provides "[t]he Insurance Commissioner may promulgate rules to implement and administer [the Online Marketplace Guarantees Act], including rules related to recordkeeping by a provider."

This rule implements Acts 2025, No. 426, sponsored by Senator Justin Boyd. Act 426 created the Online Marketplace Guarantees Act, Arkansas Code § 23-66-801 et seq.

4. Department of Education, Division of Career and Technical Education (Courtney Salas-Ford)

a. Rule Governing the Arkansas Adult Diploma Program, 6 CAR pt. 301

DESCRIPTION: The Department of Education, Division of Career and Technical Education, seeks to amend its Rule Governing the Arkansas Adult Diploma Program.

Purpose

The Division of Career and Technical Education of the Department of Education is seeking review and approval of the proposed amendments to the Division of Career and Technical Education's Rule Governing the Arkansas Adult Diploma Program.

Background

Pursuant to Ark. Code § 6-44-302, the Arkansas Adult Diploma Program was established in 2023 and directed the division to establish the payment amount for the completion of milestones. Act 502 of 2025 increased the amounts established by the ADE and set those amounts in statute.

Summary of Amendments

This amendment to the Arkansas Adult Diploma Program updates the text of the rule to implement the changes made by Act 502 of 2025. The only deviation

from the statutory text is to address an ambiguity in the statutory language. This was necessary because in the definition of milestone, the statutory text provided for a milestone for workforce services credentials that is less than 50 hours and another that is between 51 hours and 100 hours. This left a 50 hour workforce credential omitted from the definition. In section 4 of the act, the opposite issue pertained in that a 50 hour workforce credential was defined as both a $250 milestone and a $500 milestone. The language of the rule harmonized the definition and the payment structure with a 50 hour workforce credential compensated at $500. There were no other deviations from the statutory text.

Public Comment

No changes were made based on public comments.

PUBLIC COMMENT: Public hearings were held on December 2, 2025. The public comment period for this rule expired December 16, 2025. The agency provided the following public comment summary:

Commenter Name: Dr. Dennis Felton Jr., Vice President of School Operations, Responsive Education Solutions, Inc.-Arkansas; Executive Director, Arkansas Works

COMMENTS: *Submitted Electronically and in person*

In Person public comment transcript (December 2, 2025): OK. My name is Dr. Dennis Felton, Jr. I serve as the vice president of school operations for Responsive Aid Arkansas, as well as our executive director of our adult ed program, which we call Arkansas Works. Upon review of the proposed rulemaking we are excited about the new changes and believe that some of the changes will assist organizations like responsibly in their ability to be able to attract dropout recovery adults and put them on the path to be able to achieve a high school diploma. One of the things that we want to recommend to the state to consider making exception is waiving the additional graduation requirements that are currently necessary for adults to be considered a high school graduate in Arkansas. We believe that these requirements were originally based on traditional high school students and may pose barriers to adult learners particularly those engaged in a dropout recovery program. All graduates should be required to meet the 22 credit fulfillment as far as graduation requirements. However, we are seeking that they would take in consideration waiving the additional graduation requirements. And so I do have those graduation requirements outlined. And this also would apply for only the adults in the program, which are over the age of 21. One is a digital learning course credit which is outlined in ACA 6-16-1406. The other one is the personal and family finance course where students must earn a credit in a course that includes personal and family finance in grades 9 through 12 which is outlined in ACA 6-16-135. The other one is that students must pass the Arkansas civics exam which is outlined in ACA 6-16-149. The other requirement is CPR training. Students must complete CPR training which is outlined in ACA 6-16-143, and then the last requirement is the computer science course requirement which will begin at 22-23 school year where a public high school student shall be required to earn at least one unit of credit in an ADE-approved high school computer science course before graduating, which is outlined in ACA 6-16-152. Also want to express our concerns in regards to the graduation rate calculation and want there to be consideration in the proposed rulemaking as far as how is that graduation rate

calculated within the adult diploma program. It has come to our attention that the rules do not explicitly define what constitutes the graduation rate. However, it does have it set up where there's a cohort that enters an adult ed program. And then after a certain measurement period, the providers report back the individuals that graduated from the program based on the individuals they receive funding for. And we understand that graduating adults within a small physical period especially within one or two years could become difficult because of the individual circumstance, the educational needs of those individuals. And so like in a traditional setting you may have an adult that comes in that maybe does need a half a year a year worth of credit to get done but then there are adults they have minimum credits that are attained towards high school diploma, which it may take multi-years in order to be able to achieve and fulfill the graduation requirements. And so the current system relies on a cohort model that kind of determines funding based on the number of participants each year. However, in our experience, this approach does not accommodate the unique situations of adult learners who may need extended period of time to complete their education requirements. We strongly advocate for allowing providers to place adults in cohort to extend up to four years and potentially not be penalized from a graduation rate perspective for those entered in that cohort. This flexibility will enable us to create personalized graduation plans that will be aligned to the specific needs of each learner ultimately supporting their journey towards high school receiving a high school diploma. So we appreciate your consideration of this request and these recommendations and look forward to how we can continue to discuss this and better support our adult learners in Arkansas.

Email and Attachment (November 21, 2025): To whom this may concern, I am writing to submit our public comment concerning the Rules Governing the Arkansas Adult Diploma Program (Amendment). Please find our comments attached for your review. Thank you for considering our input.

Summary of attached comment: ResponsiveEd Arkansas (AR approved program provider) is recommending that the state make an exception and waive certain additional graduation requirements that are currently necessary for adults to be considered a "high school graduate" in Arkansas. We believe that these requirements were originally established for traditional high school students and may pose barriers to adult learners, particularly those engaged in dropout recovery programs. All graduates will be required to meet the twenty-two (22) credits needed to fulfill graduation requirements. Below are the specific graduation requirements we request to be waived solely for the AR Adult Diploma Program.

Graduation Requirements for Waiver

We propose the waiver of the following graduation requirements for adults over the age of 21:

1. **Digital Course Requirement:** Students must complete a digital course for credit (A.C.A.§ 6-16-1406).

2. **Personal and Family Finance Course:** Students must earn a credit in a course that includes Personal and Family Finance in grades 9-12 (A.C.A. § 6-16-135).

3. **Arkansas Civics Exam:** Students must pass the Arkansas Civics Exam

(A.C.A. § 6-16-149).

4. **CPR Training:** Students must complete CPR training (A.C.A. § 6-16-143).

5. **Computer Science Course Requirement:** Beginning with the entering ninth-grade class of 2022-2023, a public high school student shall be required to earn one (1) unit of credit in an ADE-approved high school computer science course before graduating (A.C.A. § 6-16-152).

Concerns Regarding Graduation Rate Calculation

I would like to express our concerns about the current graduation rate calculation as outlined in the Rules Governing the Arkansas Adult Diploma Program. It has come to my attention that the rules do not explicitly define what constitutes the graduation rate, which raises significant challenges for both providers and participants. Graduating adults within a single fiscal year can be exceptionally difficult due to various factors, including individual circumstances and educational needs. The current system relies on a cohort model that determines funding based on the number of participants each year. However, this approach does not accommodate the unique situations of adult learners who may require more time to complete their education.

I strongly advocate for allowing providers to place adults in a cohort that extends up to four years. This flexibility would enable us to create tailored graduation plans that align with the specific needs of each adult learner, ultimately supporting their journey toward graduation more effectively. We appreciate your consideration of this request and look forward to discussing how we can better support adult learners in Arkansas.

Thank you for your attention to this important matter. **RESPONSE:** Comment considered, no changes made. The comment requests policy changes beyond the scope of the current proposed draft. The Division will consider the recommended policy for future rulemaking.

Jason Kearney, an attorney with the Bureau of Legislative Research, asked the following questions and was provided with the following agency responses:

1) 6 CAR § 301-101(18)(D) – Can the agency explain why the definition of "milestones" includes the language "between *fifty (50)* and one hundred (100) hours of training" when the corresponding provision in Arkansas Code § 6-44-302(18)(D) includes the language "between *fifty-one (51)* and one hundred hours"? (Emphasis added.) **RESPONSE:** This was necessary because the definition of milestone in the statutory text provided for a milestone for workforce services credentials that is less than 50 hours and another that was is between 51 hours and 100 hours. This left a 50-hour workforce credential omitted from the definition. In Section 4 of the Act, the opposite issue pertained in that a 50-hour workforce credential was defined as both a $250 milestone and a $500 milestone. The language of the rule harmonized the definition and the payment structure with a 50-hour workforce credential compensated at $500. There were no other deviations from the statutory text.

2) Did the agency consult with the Office of Skills Development on these rules? **RESPONSE:** Yes, we asked that they review the rules and they are in agreement with the draft.

The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: The agency has indicated that the proposed rule has no financial impact.

LEGAL AUTHORIZATION: Pursuant to Arkansas Code § 6-44-309, the Department of Education, in consultation with the Office of Skills Development, shall promulgate rules to implement Arkansas Code § 6-44-301 et seq., also known as the Arkansas Adult Diploma Program Act. Further, the department shall promulgate rules necessary to establish the: (1) criteria as described under Arkansas Code § 6-44-304(b)(2) under which an entity becomes an approved program provider; and (2) performance standards as specified under the Act for an approved program provider to continue to participate in the program. *See* Arkansas Code § 6-44-304(b)(1).

The proposed rule amendments implement Acts 2025, No. 502, sponsored by Representative David Ray, which amended the Arkansas Adult Diploma Program Act. When adopting the initial rules required under Acts 2025, No. 502, the department shall file the final rules with the Secretary of State for adoption under Arkansas Code § 25-15-204(f): (1) on or before January 1, 2026; or (2) if approval under Arkansas Code § 10-3-309 has not occurred by January 1, 2026, as soon as practicable after approval under Arkansas Code § 10-3-309. *See* Acts 2025, No. 502, § 9(a).

5. Department of Finance and Administration (Alicia Austin Smith, Keith Linder)

a. Beer Excise Tax, 26 CAR pt. 160

DESCRIPTION: Section 2 of Act 874 of 2025 requires the Department to promulgate this amended rule to provide the procedure for a taxpayer to claim the new tax credit for beer and sake produced with Arkansas rice.

PUBLIC COMMENT: A public hearing was held on December 3, 2025. The public comment period expired on December 16, 2025. The agency provided the following summary of public comments:

Commenter Name: Ryan O'Connor, O'Connor Distributing, November 26, 2025

Comments: Thank you for the opportunity to provide comments on the proposed rule regarding the Beer and Sake Excise Tax Credit for Arkansas-grown rice. After reviewing the language, I would like to formally register several concerns that I believe merit further consideration before adoption.

1. Lack of clarity regarding validation of grain bills

As written, the rule provides no clear mechanism for the State to validate or audit grain bills to confirm the use of Arkansas-grown rice. At the wholesaler level, we do not receive grain-bill recipes with our loads, nor do we possess any means of verifying the percentage of inputs that meet the Arkansas-grown threshold. This creates a compliance gap for wholesalers who would be required to submit or substantiate tax-credit claims based on information we do not have—and cannot independently confirm. Additional guidance or an alternative reporting structure is necessary to ensure accurate administration.

2. The credit benefits a narrow set of producers

The tax credit appears to disproportionately benefit a very limited group of producers—primarily Lost Forty, ABI, and Origami Sake and their affiliated

wholesalers. This is not broad-based tax relief and does not offer equitable participation across the beer and sake industry.

3. Poor tax policy framed as agricultural support

Although positioned as a measure to support Arkansas rice, the proposal is unlikely to meaningfully increase rice demand or benefit Arkansas consumers. Instead, it would primarily allow large multinational producers to reduce their excise tax obligations. Arkansas residents will not see lower prices as a result of this proposal; any savings will simply remain with the producer. In effect, this becomes a tax carveout that reduces funding for key state programs without generating downstream consumer benefit.

4. Creates a concerning precedent and slippery slope

Granting product-specific tax credits tied to agricultural inputs establishes a precedent that could encourage other industries—timber, poultry, beef, natural gas, etc.—to seek similar carveouts. This is not sound tax policy and risks long-term erosion of the state's tax base and budgeting stability.

Given the operational impact on wholesalers, the lack of verifiable reporting mechanisms, and the tax-policy implications for the State of Arkansas, I respectfully request that these concerns be addressed and that the rule be reconsidered in its current form.

Thank you for your time and for considering this feedback.

Division Response: Comment considered. No changes made to proposed rule.

Commenter Name: Eric Pendergrass, Burford Distributing; Ryan O'Connor, O'Connor Distributing; Heath Sutherlin, Premium Brands of Northwest Arkansas; December 1, 2025

Comments: Burford Distributing, O'Connor Distributing and Premium Brands of Northwest Arkansas, are Arkansas-based beer wholesalers and submit these comments in response to the Department of Finance and Administration's proposed rule implementing Act 874 regarding the beer and sake excise tax credit for Arkansas rice. We recognize that Act 874 has been enacted by the General Assembly and must now be administered by DFA. Our objective is not to challenge the statute itself, but rather to provide industry-based insight to ensure that the implementing rule promotes fairness, prevents market distortion, and ensures the credit is granted only when fully earned and documented.

The credit created by Act 874 poses substantial risks of competitive distortion, supplier pricing manipulation, and inconsistent documentation. While the statute intends to support Arkansas rice, without strict compliance standards it may be exploited in ways that disadvantage wholesalers and provide no measurable benefit to consumers. These concerns warrant strong implementation safeguards, including rigorous documentation, traceability, verification, and penalties for misuse.

Accordingly, we respectfully offer the following comments and recommendations.

I. Risk of Abuse and Market Distortion

Act 874 provides an avenue to claim a credit based on grain input choices that wholesalers cannot independently verify. Without strong regulatory guardrails,

suppliers may treat the credit as a pricing offset, raising base prices while using the tax credit to retain margin. Such practices are common in the beverage industry when incentives are introduced, and are rarely accompanied by downstream consumer savings.

The rule should therefore be crafted to ensure that only those brewers and producers who strictly comply with the statute—and who can fully substantiate their sourcing claims—are eligible for the credit. Strong compliance mechanisms protect all tiers of the Arkansas alcohol industry from unfair advantage and reduce the likelihood of strategic exploitation.

II. Necessity of Batch-Level Documentation

Modern brewers, especially national producers, universally employ batch tracking codes for quality assurance, safety, and recall purposes. These codes provide precise, immutable documentation of a product's composition. Because this technology already exists within industry operations, the rule should require documentation at the batch level, not merely at the product or brand level.

Batch-level grain-bill records ensure:

- accurate reporting of the rice content,
- prevention of blended-sourcing manipulation, and
- clear traceability for DFA audits.

This requirement aligns with existing industry practices and imposes no unreasonable burden.

III. Documentation Showing Arkansas-Grown and Arkansas-Processed Rice

To prevent partial or misleading sourcing claims, the Department should require clear documentary evidence that the rice was:

1. grown, and
2. processed (e.g., milled, converted) within the State of Arkansas.

Documentation should include farm-origin statements, processor invoices, bills of lading, and any certificates used in the commodity supply chain. Anything less creates opportunity for out-of-state rice to enter the grain bill with minimal Arkansas involvement, frustrating legislative intent and inviting abuse.

IV. Third-Party Validation of Grain Bill and Sourcing Claims

Self-reporting, without external verification, creates an environment where suppliers may overstate compliance or misunderstand eligibility. Third-party validation of:

- percentage of Arkansas rice,
- batch composition, and
- farm and processor sourcing is critical to ensure fairness and consistency. Third-party validation is already a feature of several Arkansas agricultural incentive programs and should be adopted here as well.

V. Audit Rights for DFA and Annual Recertification

DFA should expressly reserve the authority to conduct audits and request

supplemental evidence. Audit rights protect the State's fiscal interests and deter improper claims.

Annual recertification ensures that producers demonstrate continued compliance, not merely onetime eligibility. Ingredient sourcing changes frequently in brewing operations, making regular verification essential.

VI. Recommended Additional Regulatory Provision (Integrated Text)

Burford Distributing recommends that the Department incorporate the following additional subsection into 26 CAR § 160-101, drafted in the same structural format as the existing rule:

> (f) Verification of the Arkansas Rice Beer and Sake Brewing Tax Credit.
>
> (1) A taxpayer claiming any credit authorized under Acts 2025, No. 874, shall maintain, for a period of not less than seven (7) years, all documentation supporting the use of Arkansas-grown and Arkansas-processed rice, including:
>
> (A) batch-level grain-bill records for each product;
>
> (B) source documentation establishing that the rice was both grown and processed within the State of Arkansas;
>
> (C) third-party validation or certification of grain-bill composition; and
>
> (D) all invoices, contracts, purchase orders, and other supporting source documents relied upon to calculate the claimed credit.
>
> (2) The Department shall possess audit authority over any documentation required under subdivision (f)(1) and may require a taxpayer to produce additional evidence to verify eligibility for the credit.
>
> (3) No credit may be claimed under subsection (d) unless the taxpayer has received written or electronic acknowledgment from the Department confirming that the submitted documentation satisfies the requirements of this subsection.

VII. Legal Basis for Recommended Additions

These recommendations are firmly grounded in Arkansas law:

> 1. DFA's rulemaking authority
>
> The Department is authorized to adopt rules relating to any tax administered by the director. *Ark. Code Ann. § 26-18-301(a).* Requiring documentation, traceability, verification, and penalties is directly within this authority.
>
> 2. Strict construction of tax credits
>
> Arkansas courts repeatedly hold that tax credits and exemptions must be strictly construed against the taxpayer. Taxation is the rule, and exemption is the exception:
>
> - *Ragland v. Dumas*, 732 S.W. 2d, 118, 292 Ark. 515 (1987)
> - *Ark. Teacher Ret. Sys. v. Short*, 381 S.W.3d 834, 2011 Ark. 263(2011)
>
> Under these precedents, DFA is obligated to ensure rigorous compliance before extending a tax benefit.

3. Administrative Procedure Act standards

The Arkansas APA permits agencies to impose documentation and verification requirements that are reasonably necessary to fulfill statutory duties. Ark. Code Ann. § 25-15-204. Given the complexity of brewing operations and the ease with which grain sources can be blended or shifted, enhanced documentation is unquestionably necessary.

VIII. Competitive Impact on Wholesalers

Without strict rule-based protections, wholesalers will face pricing disputes and reduced negotiating power. Suppliers may raise prices while simultaneously claiming the credit, effectively capturing the benefit and creating competitive imbalances within the Arkansas distribution market. Strong documentation, verification, and enforcement standards minimize these disputes and ensure fairness for all participants in the three-tier system.

Conclusion

Burford Distributing respectfully urges DFA to adopt the compliance standards described above. These measures will protect the integrity of the Arkansas beer industry, prevent misuse of the credit, and ensure that Act 874 is administered consistently with the legislature's stated objectives.

We appreciate the opportunity to participate in the rulemaking process and stand ready to assist the Department with further industry insight.

Division Response: Comment considered. No changes made to proposed rule.

Commenter Name: Justin T. Allen, Wright, Lindsey & Jennings, December 2, 2025

Comments: On behalf of the Wholesale Beer Distributors of Arkansas ("WBDA"), I am submitting the below comment on the proposed rule titled "Beer and Sake Excise Tax Credit for Arkansas Rice." Thank you in advance for your consideration.

The proposed new language states that the taxpayer shall file an Arkansas Rice Beer and Sake Brewing Tax Credit Form that shows "[t]he grain bill of each product . . . ."

It is unclear whether the language requires the taxpayer to produce the actual grain bill or simply report the contents of the grain bill that are necessary to establish eligibility. Wholesalers are rarely, if ever, provided access to a manufacturer's grain bill and having to produce the grain bill in applying for the credit would be problematic.

Wholesalers should be in a position to obtain the relevant information contained in the grain bill from the manufacturer – in this case the percentage of Arkansas rice used in manufacturing the product – and in good faith rely upon that information and report it to the agency on the Tax Credit form.

In sum, it will not be practical for wholesalers to produce the actual grain bill. However, the WBDA would ask that some language be included in the rule stating that wholesalers, in submitting the tax credit form, may rely upon a manufacturer's written certification that a product and its corresponding grain bill meet the requirements of Act 874.

Thanks again for your consideration.

Division Response: Comment considered. No changes made to proposed rule.

Commenter Name: Barry Capps et al., Golden Eagle of Arkansas et al., December 3, 2025

Comments: These comments are respectfully submitted by eleven Arkansas beer wholesalers in response to the Department of Finance and Administration's proposed rule implementing Act 874 titled "Beer and Sake Excise Tax Credit for Arkansas Rice".

Anheuser-Busch worked closely with Arkansas legislators to pass Act 874 and with the Arkansas Department of Finance and Administration to develop a process ensuring the credit accurately and conservatively represents the percentage of Arkansas rice in the grain bill of each product eligible for the credit.

Public comments from other beer wholesalers have been submitted that, if adopted, would undermine the role of the Arkansas Legislature and the intended impact of the Act itself.

It is clear from those comments that the primary concern is that of competition in the marketplace at the wholesale level. While that concern is unfounded, even if rooted in fact, the proper body to vet those policy concerns would be the Arkansas legislature.

The remaining comments are unnecessarily onerous documentation requirements that are impractical and overly burdensome on both the taxpayer and the State. This appears to be an attempt to use the rule making process to prevent the effective implementation of a law that was properly contemplated by the Arkansas legislature and signed into law by the Governor.

Throughout the legislative process resulting in Act 874 it was not lost on anyone that Arkansas farmers are experiencing a difficult time. This Act is a boon to the rice farmers of this State by incentivizing the use of local rice and providing financial benefits to the producers.

Anheuser-Busch has a long history of supporting Arkansas rice farmers and has operated a rice mill in Jonesboro since 1982. In fact, this year at least 69% of the rice used in all Anheuser-Busch products comes from Arkansas farms and as much as 85% of Arkansas rice is used in products shipped to Arkansas.

Beyond the commitment Anheuser-Busch has made to rice farmers in Arkansas, this Act is intended to encourage other suppliers to purchase and use Arkansas rice, including small businesses. As such, a reasonable and sensible verification process should be used to determine if beer or sake qualify for the credit. Overly stringent and unnecessary documentation will have a chilling effect on larger businesses eligible for the credit and preclude small businesses from the benefits of the credit altogether thereby negating the legislative intent of the Act.

We believe the Department of Finance and Administration has put forth a sound and reasonable rule regarding the requirements for claiming the Beer and Sake Excise Tax Credit and the rule should be adopted as written.

Division Response: Comment considered. No changes made to proposed rule.

Commenter Name: Peter Salatich, Anheuser-Busch, December 3, 2025

Comments: These comments are respectfully submitted by Anheuser-Busch in response to the Department of Finance and Administration's proposed rule implementing Act 874 of the 95th General Assembly 2025 titled "Beer and Sake Excise Tax Credit for Arkansas Rice":

"As the nation's leading brewer, Anheuser-Busch is a major purchaser of U.S. agricultural products, including Arkansas-grown rice. Several of our beer brands, such as Budweiser, Bud Light, and Michelob Ultra, use rice in the brewing process to help provide a clean, crisp taste. Each year Anheuser-Busch purchases more than 840 million pounds of rice from Arkansas farmers helping make Anheuser-Busch the largest end user of rice in the United States.

Anheuser-Busch sincerely appreciates the opportunity to work with the Department of Finance and Administration and our local Arkansas Anheuser-Busch beer wholesalers in this rulemaking process to ensure accurate reporting and implementation of Act 874. Anheuser-Busch fully supports the Department's proposed draft rules."

Division Response: Comment considered. No changes made to proposed rule.

Camille Fleming, an attorney with the Bureau of Legislative Research, asked the following question:

QUESTION: The new subsection (d) references that tax credits for the use of Arkansas rice in the grain bill of "beer or sake" shall be deducted from the taxpayer's report as shown on the Arkansas Beer Excise Tax Report. Subsection (a)(2) mentions that this report "shall cover all shipments of beer during the previous calendar month". Did the agency intend to leave out the mention of "sake" in (a)(2)? **RESPONSE:** Correct, the agency does not intend to amend (a)(2). Under the current reporting practice, sake falls under the definition of beer.

The proposed effective date of this rule is pending legislative review and approval.

FINANCIAL IMPACT: The agency indicated there is no financial impact.

LEGAL AUTHORIZATION: The Director of the Alcoholic Beverage Control Division is authorized and directed to adopt and issue rules to protect the revenue of this state, prescribing a reporting method for paying and collecting the excise tax on beer. *See* Arkansas Code § 3-7-401(a). These rules shall be adopted by the Secretary of the Department of Finance and Administration and joining enforced by both the secretary and the Alcoholic Beverage Control Board. *See* Arkansas Code § 3-7-404(a) and (b).

This rule implements Acts 2025, No. 874, sponsored by Representative Jeff Wardlaw, which concerned the excise tax on certain beer and sake and created an excise tax credit for certain beer and sake produced using Arkansas rice.

6. Department of Human Services, Division of County Operations (Mary Franklin)

a. SNAP Updates from HR1 (20 CAR pt. 501)

DESCRIPTION:

Statement of Necessity

The Department of Human Services (DHS), Division of County Operations (DCO), updates the Supplemental Nutrition Assistance Program (SNAP) Certification Manual to implement Public Law 119-21, H.R.1 – 119th Congress (2025-26). The federal law affects SNAP eligibility, benefits, and program administration, rendering extensive updates to the SNAP rules.

Summary

The Director of the Division of County Operations (DCO) revises the SNAP Certification Manual sections 3100-3320, 3400-3650, 5411, and 6600-6628. The revisions implement Public Law 119-21 and follow federal guidance issued by the U.S. Department of Agriculture Food and Nutrition Service (FNS). The rule update is necessary to comply with FNS General Work Rules and Able-Bodied Adults without Dependents Guidance. Also, the rule implements updates to energy assistance payments, including adding energy assistance payments as an unearned income source when the household does not contain an aged or disabled member.

In all sections being revised by this rule, the following changes were made:

1. Changed all references of "Requirement to Work (RTW) to "General Work Requirements" to align with updated HR1 language;
2. Changed all references to "Department of Workforce Services (DWS)" and replaced with "Arkansas Workforce Connections (AWC)";
3. Changed all references of "able-bodied adult" to "Able-Bodied Adults Without Dependents (ABAWDs)";
4. Removed outdated form references, processes, and language; and
5. Changed all references of county office worker to eligibility worker.

Additional substantive changes were made to multiple sections of the manual, as follows:

- 3100:
    - Changed section title from "Work Registration Requirements" to "General Work Requirements";
    - Added "SNAP applicants who do not meet an exemption from the General Work Requirements (listed below) will be registered for work at initial application and at each renewal when the SNAP application form is signed. Registration must also occur at the time of a reported change when a member of an active case loses an exemption OR when an eligible, nonexempt individual enters a household currently certified to participate in SNAP. Household members subject to the work registration requirement will be notified via a Notification of SNAP Work Requirements (DCO-260)";

- Added “Individuals 16-59 years of age and able to work will need to meet the General Work Requirement in order to receive SNAP benefits. The general requirements include the following:
    i. Registering for work upon application and each renewal after initial registration (this occurs automatically when an individual signs the application for SNAP);
    ii. Participating in SNAP Employment and Training (E&T) to the extent required by the agency;
    iii. Accepting a bona fide offer of suitable employment at a wage not less than the higher of the applicable state or federal minimum wage;
    iv. Not voluntarily quitting a job or reducing work hours below thirty (30) hours without good cause;
    v. Responding to any request from an eligibility worker for information regarding employment status or availability for work”;
- Deleted “Able-Bodied Adult Without Dependents (ABAWD) is limited to any three (3) months in a three (3) year period of receiving benefits…” this entire paragraph was deleted as well as the bulleted list following.
- Deleted “Voluntary Quit” section;
- Deleted “Requirement to Work (RTW)” section;
- Deleted “Employment & Training Program” section; and
- Deleted “Workfare Program” section.

• 3200:

- Changed title of this section from “Who is Exempt from Work Registration” to “Individuals Exempt from General Work Requirements”;
- Bullet #1 Added “(However, individuals sixty (60) to sixty-four (64) years of age must comply with Requirement to Work unless they meet another exemption.)”;
- Bullet #3 Added “Individuals living with a disability”;
- Bullet #5 added “Receiving Transitional Employment Assistance (TEA) cash assistance”;
- Bullet #6 added “or having applied”; and
- Updated bullet #8 from “Employed or self-employed on a full-time basis (thirty (30) hours or more) to “Employed or self-employed on a full-time basis (thirty (30) hours or more weekly OR 120 hours monthly) OR earning wages at least equal to the federal minimum wage multiplied by thirty (30) hours.” This update was made as we needed to include the statement

regarding at least equal federal minimum wage multiplied by 30 hours per FNS regulations.

- 3230:
    a. Changed section title from “Individual Aged 60 or Older and/or Living with a Disability” to “Individuals Living with a Disability”;
    b. Added bullet point #3 “Individuals living with a medical condition that causes them to be physically or mentally unfit for employment as verified by a medical provider”;
    c. Added bullet #4 “Receiving temporary or permanent disability benefits issued by governmental or private sources such as workman’s compensation”;
    d. Added bullet #5 “Individuals with proof they receive or have a pending application for SSA/SSI”; and
    e. Added bullet #6 “Veterans who are rated as disabled”.
- 3300: Section deleted
- 3310: Section deleted
- 3310.1: Section deleted
- 3310.3: Section was deleted as this talks about Semi-Annual Report and Annual Review and we no longer issue those.
- 3320:
    - Updated section title from “Work Registration Priority” to “General Work Requirement Exemption Priority”;
    - Changed order of bullet #1 and bullet #2 to make “Physically or mentally unfit for employment” as bullet #1 and “Age” as bullet #2;
    - Updated bullet #2 from “incapacitated” to read as “Physically and mentally unfit for employment”; and
    - Updated bullet #7 to clarify that the work registrant must meet the definition of a student rather than the eligibility requirements of a student. Reworded to read as: “The applicant must meet the student definition per SNAP 3290.”
- 3401:
    - Changed title of section from “Work Registration Violation” to “Failure to Comply with General Work Requirements”; and
    - Deleted “E&T Program” from bullet #2.
- 3411:
    - Updated 1st paragraph to remove “a work registration violation” and replaced with “failure to comply with General Work Requirements”; and

- Bullet #5: Deleted “unsuitable employment” and replaced with “When agency determines that there is not an appropriate and available opening with the E&T program to accommodate the individual.”

- 3500:
  - In 1st paragraph of this section, added “SNAP participants who do not meet an exemption to the General Work Requirements are considered to be subject to the SNAP Requirement to Work (RTW) and are coined as Able-Bodied Adults Without Dependents (ABAWDs). ABAWDs must meet all the general SNAP work and eligibility requirements as well as additional requirements to continue receiving SNAP benefits beyond a three (3) month timelimit.”;
  - Added the following “NOTE: The Requirement to Work is additional work requirement that is separate from the General Work Requirements, which include the following: registering for work, participating in SNAP E&T to the extent assigned, accepting suitable offers of employment, and avoiding voluntarily quitting a job or reducing work hours below thirty (30) hours per week without good cause. See SNAP 3412 for applying sanctions if a SNAP participant fails to comply with these requirements. However, no SNAP participant who is exempt from the General Work Requirements as listed in SNAP 3100 will be subject to the Requirement to Work.”;
  - Bullet #1 added “Work can be for pay, for goods or services (for something other than money), unpaid, or as a volunteer; or”;
  - Added 4th bullet point “Participate in an Employment and Training program for Veterans that is operated by Department of Labor or Department of Veterans Affairs; or”;
  - Deleted EXAMPLE as this calls out State Minimum Wage and these amounts change. Deleting so we don’t have to constantly update the manual with new amounts; and
  - Added “For individuals subject to the time limit who are fulfilling the work requirement by working, by combining work and participation in a work program, or by participating in a work program, that is not operated or supervised by the State, the individual’s work hours must be verified. The eligibility worker must also verify the number of countable months that were used in another state if there is evidence that the individual participated in SNAP in the other state.

    The State Agency may use information received from the other state as verified information.”

- 3502.1: Renumbered to SNAP 3502 as 3502 was blank section:

- Bullet #1 changed age for sentence to read “Anyone seventeen (17) years of age or younger” due to being required by the Big Beautiful Bill- PL 119-21;
- Bullet #2 replaced “sixty (60) years of age with “Anyone sixty-five (65) years of age or older” due to PL 119-21- Big Beautiful Bill;
- Bullet #3
    - Updated four (4) months to six (6) months;
    - Added “The incapacitation may be obvious and would not require verification or certification.”;
- Bullet #5 deleted “If the pregnancy is not obvious, verification may be requested from a medical professional such as a physician, a certified nurse midwife or an employee of the Health Department.” Verification of pregnancy is not a required verification per FNS;
- Bullet #6 Deleted Homeless and added “An Indian or an Urban Indian (as per PL 119-21 signed into law July 4, 2025). Acceptable verifications include Tribal Enrollment/Membership card, Certificate of Degree of Indian Blood (CDIB), Letter from the US Department of Health and Human Services, Letter from Tribe, or other acceptable information;
- Added sub-bullets for #6 to add definition of Indian, Indian Tribe and Urban Indian and Urban Centers to read as:
    - Added “Indian is defined as any person who is a member of an Indian tribe.” An Indian Tribe is defined as any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or group or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indian because of their status as Indians.
    - Added “Urban Indian is defined as any individual who resides in an urban center, and who meets one (1) or more of these four (4) criteria:
        1. Regardless of f they live on or near a reservation, is a member of a tribe, band, or other organized group of Indians, including those tribes, band or groups terminated since 1940 and those recognized now or in the future by the State in which they reside, or who is a descendant, in the first (1st) or second (2nd) degree of any such member; or
        2. Is an Eskimo or Aleut or other Alaska Native; or

3. Is determined to be an Indian for any purpose under regulations promulgated by the Secretary of Interior; or

4. Is determined to be an Indian under regulations promulgated by the Secretary of Health and Human Services"

- Bullet #7 added "is" Deleted "A Veteran" and added "A California Indian (as per PL 119-21 signed into law July 4, 2025.)";
    - Added "A member of a federally recognized Indian Tribe";
    - Added "Are a descendant of an Indian who was residing in California on June 1, 1852, if such descendant –
        1. Is a member of the Indian community in which such descendant lives
        2. Are an Indian who holds trust interests in public domain, national forest, or reservation allotments in California; or
        3. Are an Indian of California who is listed on the plans for distribution of the assets of rancherias and reservations located within the State of California under the Act of August 18, 1958, and any descendant of such an Indian."
- Bullet #8: Added "Individuals sixty (60) to sixty-four (64) years of age must qualify for an exemption that is not based on age to be exempt from the Requirement to Work."

- 3502.2: renumbered to SNAP 3502.1:
    - Deleted "eight percent (8%)" and changed to "a percentage". This is something that may be updated but is not vital information in regard to casework. This was removed to not confuse case workers as there is no need for them to know the percentage, but only that a percentage is counted;
    - Deleted "Discretionary exemptions do not expire and any unused exemptions from the previous fiscal year can carry over year to year." Per FNS guidance these do not carry over effective FY2026 SNAP FY 2025 Discretionary Exemptions for ABAWDs – Not Adjusted for Carryover | Food and Nutrition Service; and
    - Added the following as merged SNAP 3502.3 into this section: "Discretionary exemptions allow certain individuals an opportunity to establish or to re-establish themselves into the community, and may be assigned to the following groups:
        - Individuals who are currently in Foster Care
        - Individuals who are in Domestic Violence Shelters.

Individuals who are currently in Foster Care or Domestic Violence Shelters may be exempt from the RTW until they exit Foster Care or the Domestic Violence Shelter."

- 3502.3: Section deleted and merged into SNAP 3502.1.
- 3503: Section deleted in entirety and merged with SNAP 3500 (table deleted in its entirety).
- 3510: Deleted section and moved to SNAP 3511.
- 3531:
    - Updated Step 1 as follows
        - Added "Without Dependents (ABAWD) to the Step 1 title;
            1. Added "ABAWD" after RTW;
            2. Replaced "18-54" with "16-64";
            3. Changed "seventeen (17) to "sixteen (16)" due to PL 119-21;
            4. Changed to sixty-five (65) due to PL 119-21;
            5. Deleted "there a child in the SNAP household 17 years of age or under?" and replaced with "Is the able-bodied adult responsible for a dependent child under fourteen (14) years of age who resides in the SNAP household?";
            6. Deleted "is this individual experiencing homelessness" "is this individual a veteran" and "is this individual twenty-four (24) years of age or younger and aged out of foster care in any state at 18 on their (18th) birthday?" due to these groups are no longer exempt from RTW according to PL 119-21;
            7. Added "Does this individual belong to one of the following groups: Indian, Urban Indian or California Indians (as the terms are defined by the Indian Health Care Improvement Act)?";
        - Updated "meeting" to "complying with the" to read as: "If the answer to any of the questions below is "YES," the individual is complying with the RTW";
        - Deleted "meets the RTW, and no penalty should be imposed" and replaced with "is complying with the RTW"; and

        - Checkbox 1 – Added “Work can be for pay, for goods or services (for something other than money), unpaid, or as a volunteer?”

    - Updated Step 2 as follows: Deleted “Impose a Penalty and notify the household” and replaced with “Client is not eligible until they comply with RTW and must be notified with a Notice of Action.”

- 3540.3: Added 2nd bullet “Volunteered an average of twenty (20) hours per week, averaging monthly (eighty (80) hours per month). This can be verified with the Volunteer Agreement (DCO-0261)”
- 3600: Section was merged as part of SNAP 3400.
- 3610: Deleted whole section as this is talked about in SNAP 3310.1
- 3610.1: Section deleted and merged into SNAP 3400.
- 3620: Deleted the entire section and merged with SNAP 3400 .
- 3621: Section deleted in its entirety. Some information merged with SNAP 3400.
- 3621.1: deleted entire section and merged with SNAP 3400.
- 3622.1:
    - Changed section title from “County Office Responsibilities” to “Stage Agency Responsibilities”; and
    - Added bullet #3 “Explain next steps that the agency will take as a result of the provider determination.”
- 3630:
    - Deleted “monthly” and replaced with “annual”; and
    - Deleted “50 per client per calendar month” and replaced with “nine hundred dollars ($900) per fiscal year per participant”.
- 5411: Bullet #5 added “or third-party energy assistance payments (for example, LIHEAP) do not count as income if the SNAP household contains an elderly or disabled member. If the household does not contain an elderly or disabled member, the third-party energy assistance payments will count as income for SNAP.
- 6600:
    - Added “The excess shelter deduction must be calculated after the household’s adjusted SNAP income has been determined.”; and
    - Added “To apply the deduction, one-half (1/2) of the adjusted SNAP income must be calculated. Then, this figure is subtracted from the household’s total shelter costs. The results is the household’s excess shelter.”
- 6610:
    - Bullet #2

        - Added “Homeowners who claim a homestead tax credit receive credit on their real estate for the assessment year (see Appendix H)”;
        - Deleted “full cost incurred” and replaced with “amount due by the household for”;
        - Added “after the application of the homestead tax credit”; and
        - Deleted “Homeowners who claim a homestead tax credit receive a three hundred seventy-five dollar ($375.00) credit on their real estate for the assessment year (See Appendix H refer to Arkansas Code § 26-26-1118 for current amount).”
    - Bullet #4: Added “Telephone cost”
- 6620:
    - Added “For households receiving in-kind assistance, verification of the dollar value of that assistance is required”;
    - Added “NOTE: Refer to Appendix D for the value for each standard listed above as this may change annually”; and
    - Added “, depending on eligibility for such allowances. For example, the household reports a change in eligibility for the SUA, but still has utility expenses, the standard must be changed to the Basic Utility Allowance or Telephone Standard.”
- 6620.1:
    - Deleted “Households must incur and be billed for, or expect to” and replaced with “Any household that incurs and is billed for, or expects to”;
    - Added “Households billed less than monthly for heating costs, such as butane or propane, are entitled to the Standard Utility Allowance between billing months.”;
    - Added “A similar energy assistance program is a program designed to provide heating and cooling assistance through a payment directly to or on behalf of low-income households. A quantifiable payment is on that the State agency quantifies in dollars. This includes measures set by LIHEAP to determine a household’s benefit amount for energy assistance. In-kind energy assistance, such as firewood or coal, may be considered another similar energy assistance program payment if such assistance can be quantified. The eligibility worker must document such was received or scheduled to be received in the current month and date received. If the payment is not received or scheduled to be received during the current month or in the immediately preceding twelve (12) months, the household will not meet the LIHEAP qualification for the SUA.”
    - Added to “NOTE:”

- "A household that does not include at least one (1) elderly or disabled member is no . . .";
- Deleted "Eligibility for LIHEAP implies out of pocket expenses, or the household must receive energy assistance of at least that exceeds twenty dollars ($20.00) per year under federal law. Households billed less than monthly for heating costs, such as butane or propane, are entitled to the Standard Utility Allowance between billing months. If the household reports a change in eligibility for the SUA, but still has a utility expense, the standard must be changed to the Basic Utility Allowance or Telephone Standard."

- Added "A household is also eligible for the Standard Utility Allowance if they are living in a multi-unit dwelling or an individual unit and receiving a qualifying weatherization program payment. The household must verify the weatherization payment in order to receive the SUA"; and
- Added "The standard utility allowance must not be prorated when households who share a dwelling share a utility cost. When households share a dwelling and utility costs, both SNAP households will be allowed to claim the full Standard Utility Allowance."

- 6622:
  - Deleted "Households that are not eligible for the Standard Utility Allowance (SUA) may be eligible for the Basic Utility Allowance (BUA).";
  - Added "Household must verify two (2) utilities other than for heating or cooling.";
  - Deleted "Household only responsible for sewage, trash fees, water, garbage, and other basic service fees, and taxes for one (1) telephone are eligible for the BUA."
  - Added "Households which have no heating/cooling expenses and are not eligible for the SUA but incur two (2) non-heating/cooling expenses such as sewage, trash fees, water, garbage, telephone are eligible for the BUA."; and
  - Added "The costs for a telephone are included in the Basic Utility Allowance (BUA) and may not be allowed as a standalone deduction if using the BUA."

- 6624:
  - Added "and is meant to provide a standard expense amount for households who are considered homeless and have expenses that may include, but are not limited to, hotel and motel rooms, homeless shelters, payments to relatives or friends, or the cost of laundry."; and

- Added "The homeless household must provide a statement declaring expenses or provide proof of payment made for hotel and motel rooms, to friends or relative, to laundry mats, etc."

- 6625: Added "Telephone fees include but are not limited to basic services fees, wire maintenance fees, subscriber line charges, relay center surcharges, 911 fees, and taxes."
- 6626: Section deleted. See SNAP 5413, SNAP 5411, and SNAP 6700.
- 6628: Section deleted

PUBLIC COMMENT: No public hearing was held on this proposed rule. The public comment period expired on January 10, 2026. The agency provided the following public comment summary:

Commenters' Names: Keesa Smith-Brantley, Executive Director Policy Director, and Christin Harper, Policy Director, Arkansas Advocates for Children and Families

COMMENT: Thank you for the opportunity for Arkansas Advocates for Children and Families to comment on the proposed rule: Supplemental Nutrition Assistance Program (SNAP) Updates from H.R. 1.

Arkansas Advocates for Children and Families (AACF) is a statewide, non-profit, policy research and advocacy organization. We work to ensure that all children and their families have the resources and opportunities they need to realize their full potential. This includes advocating for policies designed to reduce food insecurity in our state, such as increasing the SNAP asset limit.

AACF recognizes that the Division of County Operations (DCO) has worked diligently to come into compliance with SNAP H.R. 1 requirements even amid the chaos of the federal government shutdown. While there may be relatively limited flexibility in implementing these federal requirements, we would like to offer recommendations that may help ensure the smooth implementation of these mandates or otherwise increase clarity of the rule. These recommendations are described below.

Medical Provider Verification of and Physical or Mental Unfitness for Employment, Disability, and Incapacitation

There are several instances in the rule that mandate verification from a medical provider including:

- Section 3230 which requires:
    - household members living with a medical condition that causes them to be physically or mentally unfit for employment to provide verification from a medical provider; and,
    - any member who is not receiving disability benefits and whose disability is "…not obvious or is questionable…." to provide verification that may include "A statement from a medical professional indicating the cause of disability and, if known, how long the disability is expected to last;"
- Section 3240 which states that an exemption from the General Work Requirements for the care of an incapacitated person must be verified by

a medical professional, to "…include the name of the person providing the care and a description of the incapacitating condition."

- Section 3502 which requires "a statement from a physician, licensed psychologist or other licensed healthcare provider indicating the cause of the disability and anticipated duration of the disability" in order to medically certify someone as physically or mentally unfit for employment and thereby meet that specific Requirement to Work exemption.

We understand and support the need for such verifications in each of these instances. However, it is not clear from the proposed rule if there are standardized forms that may be provided to SNAP applicants/recipients to facilitate the collection of these required medical verifications. If there are not, we encourage DCO to consider the development of such forms to lessen the burden for both SNAP applicants/recipients and their respective medical providers. Standardized forms would also ensure that the needed information for these verifications is efficiently and consistently collected upon the first request.

Finally, a standardized medical verification form for these purposes would also minimize the disruption of benefits in cases where current SNAP recipients lose employment due to a new disability or physical or mental health condition.

Further, when evaluating an individual's physical or mental unfitness for employment, we ask that the definitions of these terms include cognitive impairments and learning disabilities that reduce a person's capacity to work, in addition to physical disabilities and mental health conditions that render a person unfit for employment. This may be the intent of the proposed rule, but additional clarification on this point would be helpful.

Able-bodied Adults Without Dependents Terminology

AACF recognizes that "able-bodied adults without dependents" (ABAWDs) has been a long-standing term within SNAP to denote those adults without minor children for whom they are responsible and who are subject to specific SNAP work requirements. However, this term is no longer accurate given that H.R. 1 now requires adults with dependent children ages 14 through 17 to meet the Requirement to Work (if they do not meet another Requirement to Work exemption). Some states are working to institute the term "time-limited individuals" or "time-limited recipients" in lieu of the ABAWD terminology to more accurately convey this new H.R. 1 provision. We encourage DCO to consider making similar changes.

Application of Caregiving Exemptions Under General Work Requirements

AACF notes that a continued exemption for the general work requirements under Section 3320 includes the care of an incapacitated person. This section does not explicitly state that the incapacitated person must also be a member of the SNAP applicant's/recipient's household.

Likewise, federal regulation does not specify that the incapacitated person must be in the SNAP applicant's/recipient's home. As such, AACF encourages DCO to allow a SNAP applicant/recipient who provides care for an incapacitated person (provided the care of the incapacitated person is fully documented as

required by the rule) to meet this exemption for the general work requirements even if the incapacitated person does not reside in the same household.

Nearly 654,000 Arkansans, or 28% of Arkansas adults, provided care to a family member or friend within the last year, according to a report, Caregiving in U.S. In 2025: Caring Across States, produced by the American Association of Retired Persons (AARP) and National Alliance for Caregiving.[1]

These caregivers not only provide needed support to the incapacitated individuals but, in many cases, also allow an incapacitated person's family members to continue to participate in the workforce. For a caregiver who regularly provides support to an incapacitated person and meets other SNAP eligibility criteria, that caregiving service should be recognized as an exemption under Section 3320 when acceptable documentation of such activities is provided to the individual's eligibility worker.

Consideration of Child Care Provided by a Relative Under the Requirement to Work

Under Section 3500 of the proposed rule, an individual meets the Requirement to Work (RTW) if he or she works at least twenty (20) hours per week (or an average of eighty (80) hours a month). The rule allows work to be for pay, for goods or services, unpaid, or as a volunteer. AACF asks that regular caregiving by a relative for a child over six years of age (e.g., after school or on weekends while their parents work outside the home) – whether the caregiving is paid or unpaid – be considered as meeting the RTW, if documentation is provided to the individual's eligibility worker.

The Afterschool Alliance reports that while 41,417 children in Arkansas are enrolled in afterschool programs, 214,539 children in the state are not in such programs but would be if a program were available.[2] Due to unaffordability as well as a lack of access to such programs in many communities, afterschool programs are frequently out of reach for parents in Arkansas.

Consequently, parents often rely on relatives to provide care for their children outside of school hours. This, in turn, allows parents to continue to participate in the Arkansas workforce. This critical service should be recognized by serving as a reason for which individuals who meet other SNAP Employment & Training Program Reimbursement/Payments for Transportation AACF is grateful for the allowable SNAP Employment & Training (E&T) reimbursements for transportation listed in Section 3630. In addition to the transportation options listed, AACF also recommends adding ride sharing services (e.g., Uber) to be included in this list as this mode of transportation is becoming increasingly more common, particularly in more urban areas of the state.

Discretionary Exemptions

AACF commends DCO for establishing the discretionary RTW exemptions noted in Section 3502.1 for individuals who are currently in foster care or in domestic violence shelters. Initially this section states that individuals currently

[1] Caregiving in the U.S. 2025: Spotlight on Arkansas. AARP and National Alliance for Caregiving. October 2025. Caregiving in the U.S. 2025: Arkansas.
[2] Arkansas After 3PM. The Afterschool Alliance. America After 3PM, Fifth Edition. October 2025. AR-AA3PM-2025-Fact-Sheet.pdf.

in foster care or in domestic violence shelters "…may be exempt from the RTW until they exit foster care or the domestic violence shelter." However, the following sentence in this section then limits the discretionary exemption to one (1) month, which conflicts with the preceding sentence. Given the trauma and other hardships experienced by these populations, AACF asks for consideration to allow discretionary exemptions to be approved for the duration of an individual's time in foster care or a domestic violence shelter (rather than the one (1) month limit), provided the State agency's exemptions do not exceed their allotment by the end of the fiscal year pursuant to 7 CFR 273.24.[3]

Miscellaneous

Section 3270 of the rule now refers to those participating in a drug and/or alcohol treatment program as opposed to the previous references to "addicts" or "addiction," for which AACF is appreciative. AACF recommends that a similar revision be made for consistency in Section 3320, Item 5 (i.e., delete the word "addiction").

Thank you again for the opportunity to comment. We look forward to continuing to work together to reduce the food insecurity rate

RESPONSE: Thank you for your feedback. We will take your comments into consideration. We aim to ensure that any mandatory changes to eligibility requirements place the least possible burden on clients.

This rule was previously reviewed and approved as an emergency rule with an effective date of November 21, 2025. The proposed effective date for permanent promulgation is March 1, 2026.

FINANCIAL IMPACT: The agency indicated that this rule has a financial impact.

Per the agency, the total cost to implement this rule is $142,910 for the current fiscal year ($42,532.84 in general revenue and $100,377.16 in federal funds) and $0 for the next fiscal year. The total estimated cost by fiscal year to a state, county, or municipal government to implement this rule is $42,532.84 for the current fiscal year and $0 for the next fiscal year.

LEGAL AUTHORIZATION: The Department of Human Services has the responsibility to administer assigned forms of public assistance, see Ark. Code Ann. § 20-76-201(1), and it has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).

This rule implements Title I, Subtitle A of Pub. L. 119-21, 139 Stat. 72 (July 4, 2025), regarding nutrition. Subtitle A addresses re-evaluation of the thrifty food plan, modifications to SNAP work requirements for able-bodied adults, availability of standard utility allowances based on receipt of energy assistance, restrictions on internet expenses, matching funds requirements, administrative cost sharing, the national education and obesity grant program, and alien SNAP eligibility.

[3] Code of Federal Regulations. eCFR :: 7 CFR 273.24 -- Time limit for able-bodied adults.

7. Department of Human Services, Division of Medical Services (Elizabeth Pitman, items a, b, c; Paula Stone, item a)

a. Rehabilitative Hospital Provider Manual, 20 CAR pt. 643

DESCRIPTION:

Statement of Necessity

The Division of Medical Services (DMS) revises the Rehabilitative Hospital Provider Manual. New sections are added to create rules regarding Adult Acute Psychiatric Inpatient Hospitalization services and detailed criteria for admission to a Rehabilitative Hospital.

Adult Acute Psychiatric Inpatient Hospitalization services address severe, rapidly emerging psychiatric conditions that require immediate intervention and intensive treatment. The services are delivered in a highly secure and structured inpatient setting and exceed the level of care typically available in a general inpatient psychiatric unit. The primary goal is to stabilize acute psychiatric symptoms, manage dangerous behavior, and facilitate transition to a less intensive level of care.

The criteria for admission include psychiatric evaluations, level of care necessity, and severity of illness. All criteria must be met to be admitted.

Rule Summary

DMS adds two new sections in the Rehabilitative Hospital Provider Manual. Section 217.000 creates rules regarding Adult Acute Psychiatric Inpatient Hospitalization services. Section 217.100 establishes detailed criteria for admission to a Rehabilitative Hospital.

PUBLIC COMMENT: A public hearing was held on this rule on December 10, 2025. The public comment period expired on December 20, 2025. The agency provided the following public comment summary.

Commenter's Name: Brian Thomas President & CEO, on behalf of the Board of Directors, Medical Staff, and Leadership of Jefferson Hospital Association, Inc., d/b/a Jefferson Regional Medical Center

COMMENT: On behalf of the Board of Directors, Medical Staff, and Leadership of Jefferson Hospital Association, Inc., d/b/a Jefferson Regional Medical Center, I wish to offer our full support for the modification and expansion of the Rehabilitative Hospital Manual to include Medicaid coverage for inpatient behavioral health services provided at the Jefferson Regional Specialty Hospital in White Hall, AR.

For over four decades, Jefferson Regional Medical Center offered inpatient adult behavioral health services within its acute care hospital to care for the southeast Arkansas market. In 2024, Jefferson Regional partnered with LifePoint Health in order to expand this excellent program to a brand new, state-of-the-art stand-alone hospital that increased our adult psych beds from 18 beds to 36 beds. In fact, this new hospital is one of the first of its kind in the United States to house an inpatient behavioral health unit joined with an inpatient rehabilitation hospital. We are so proud of this new project, but the inability to treat and bill for Medicaid services for adult behavioral health at this new facility is a direct detriment to the patients that we serve in this region. Currently, many patients are

being held in the emergency department for hours/days, only to be transferred to other behavioral health hospitals elsewhere in the state in order to receive the necessary care they need. In order to keep those patients right here in southeast Arkansas, we strongly support this manual change to include the provision that inpatient behavioral health services be covered within the Inpatient Rehabilitation hospital.

RESPONSE: Thank you for the comment supporting the changes to the Rehabilitative Hospital Manual allowing a new provider type to provide much needed psychiatric hospital services to Medicaid beneficiaries.

The proposed effective date is March 1, 2026.

FINANCIAL IMPACT: The agency indicated that this rule has no financial impact.

LEGAL AUTHORIZATION: The Department of Human Services has the responsibility to administer assigned forms of public assistance and is specifically authorized to maintain an indigent medical care program (Arkansas Medicaid). *See* Ark. Code Ann. §§ 20-76-201(1), 20-77-107(a)(1). The Department has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).

b. Cell and Gene Therapy (CGT) Model (20 CAR pts. 570, 624)

DESCRIPTION:

Statement of Necessity

Arkansas Medicaid joined the Cell and Gene Therapy (CGT) Access Model developed by the Centers for Medicare & Medicaid Services (CMS) Innovation Center. The CMS Innovation Center develops and implements payment and service delivery models (pilot programs) and conducts Congressionally mandated demonstrations to support health care transformation and increase access to high-quality care.

The CGT Access Model focuses on outcomes-based agreements with manufacturers to improve health outcomes and reduce long-term costs for state Medicaid programs. Cell and gene therapies are onetime treatments that can transform the lives of people living with rare and severe diseases that are difficult to treat. While there may be other models negotiated with manufacturers by CMS, the initial model is for patients with sickle cell disease. A State Plan Amendment (SPA) will be necessary to allow for the one-time treatments. Reimbursement rate will be no less than actual acquisition cost for the medication.

Summary

Arkansas Medicaid will request a SPA from CMS and take other steps to implement the CGT Access Model. The State Plan Amendment will allow claims for select gene therapy drugs to be reimbursed in addition to the hospital per diem rates for dates of service on or after January 1, 2026. The SPA also will allow for select access model drugs to be carved out of the hospital per diem and to be reimbursed at the provider's Actual Acquisition Cost for the drug, verified

by the purchasing invoice. Corresponding updates to the Medicaid Hospital Provider Manual will provide information and billing guidelines for the cell and gene therapy model for sickle cell disease.

PUBLIC COMMENT: A public hearing was held on this rule on January 7, 2026. The public comment period expired on January 10, 2026. The agency indicated that it received no public comments.

The proposed effective date is March 1, 2026.

FINANCIAL IMPACT: The agency indicated that this rule has a financial impact.

Per the agency, the total cost to implement this rule is $2,821,540 for the current fiscal year ($868,188 in general revenue and $1,953,352 in federal funds) and $5,643,080 for the next fiscal year ($1,745,405 in general revenue and $3,897,675 in federal funds). The total estimated cost by fiscal year to a state, county, or municipal government to implement this rule is $868,188 for the current fiscal year and $1,745,405 for the next fiscal year.

The agency indicated that there is a new or increased cost or obligation of at least $100,000 per year to a private individual, private entity, private business, state government, county government, municipal government, or to two or more of those entities combined. Accordingly, the agency provided the following written findings:

(1) a statement of the rule's basis and purpose;

Arkansas Medicaid is joining the Centers for Medicare & Medicaid Innovation (CMMI) cell and gene therapy access model. This model will focus on outcomes-based agreements with manufacturers to improve health outcomes and reduce long-term costs for state Medicaid programs.

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;

Medicaid seeks to improve efficiency and quality of care through use of cell and gene therapies as one-time treatments that can transform the lives of people living with rare and severe diseases that are difficult to treat. There may be other models negotiated with manufacturers by CMS. This initial model is for patients with sickle cell disease. This is an optional model and no statute requires rulemaking.

(3) a description of the factual evidence that:

(a) justifies the agency's need for the proposed rule; and

(b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

Medicaid seeks to promulgate this rule to implement an outcomes-based model for reimbursement of FDA approved medications already required for coverage and accessibility for patients with rare diseases.

(4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

N/A

(5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

N/A

(6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and

N/A

(7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:

(a) the rule is achieving the statutory objectives;

(b) the benefits of the rule continue to justify its costs; and

(c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

The Agency monitors state and federal rules and policies for opportunities to reduce and control costs.

LEGAL AUTHORIZATION: The Department of Human Services has the responsibility to administer assigned forms of public assistance and is specifically authorized to maintain an indigent medical care program (Arkansas Medicaid). *See* Ark. Code Ann. §§ 20-76-201(1), 20-77-107(a)(1). The Department has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).

c. Recovery Audit Contractor Exemption SPA (20 CAR pt. 570)

DESCRIPTION:

Statement of Necessity

The Centers for Medicare and Medicaid Services (CMS) requested that the Arkansas Department of Human Services submit a State Plan Amendment (SPA) requesting an exemption of the requirement to contract with a Recovery Audit Contractor (RAC).

Summary

The Division of Medical Services shall submit a SPA requesting a RAC exemption pursuant to guidance provided by CMS.

- SPA pages 36-1 Section 4 General Program Administration

PUBLIC COMMENT: No public hearing was held on this rule. The public comment period expired on January 10, 2026. The agency indicated that it received no public comments.

The proposed effective date is March 1, 2026.

FINANCIAL IMPACT: The agency indicated that this rule has no financial impact.

LEGAL AUTHORIZATION: The Department of Human Services has the responsibility to administer assigned forms of public assistance and is specifically authorized to maintain an indigent medical care program (Arkansas Medicaid). *See* Ark. Code Ann. §§ 20-76-201(1), 20-77-107(a)(1). The Department has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).

8. Department of Labor and Licensing, Arkansas State Board of Public Accountancy (Tim Montgomery, Daniel Parker)

a. Code of Professional Conduct, 17 CAR pt. 235; and State Board of Public Accountancy Rules, 17 CAR pt. 236

DESCRIPTION: There are many reasons for these proposed changes:

1) To define the meaning of substantial equivalency and provide the parameters required for out-of-state CPAs and CPA firms servicing Arkansas clients as allowed by Act 428 of the 95th General Assembly.

2) To create an additional pathway to licensure, thereby removing barriers to entry into the profession and increasing the CPA pipeline in Arkansas. Currently, an applicant for licensure must obtain a bachelor's degree, 150 semester credit hours including 30 hours of upper-level accounting courses, and one year of experience. This pathway will remain in effect. However, the proposed rule change allows for an additional pathway to licensure that includes obtaining a bachelor's degree including 27 hours of upper-level accounting courses and two years of experience. The cost of a 5th year of college is a major barrier to entry into the profession. Removing that cost plus the ability to earn income while getting the additional year of experience constitutes a huge positive financial impact for Arkansas residents entering the CPA profession.

3) To reduce CPA Exam sitting requirements, thereby improving Arkansas CPA exam test scores and increasing the CPA pipeline in Arkansas. Reducing the exam sitting requirements will allow students to begin sitting for the exam while they are still in college where they have valuable resources readily available. Statistics show that pass rates are higher for Arkansas candidates that are in the youngest age groups. Additionally, there may be one or two universities encouraging their students to sit for the CPA exam in states other than Arkansas because those states have reduced sitting requirements. This constitutes a loss of revenue for the Board because exam application fees go to the Board of the state in which the applicant applies.

4) To clarify rules regarding compliance with professional standards, notification requirements, annual fees, continuing education requirements, the practice review program, licensure for uniformed service members and veterans, and their spouses, and peer review requirements.

5) To clarify the rules that make up the Board's Code of Professional Conduct

(Part 235).

PUBLIC COMMENT: The public comment period for this rule expired on December 31, 2025. A public hearing was not held for this rule. The agency provided the following summary of public comments:

1. Commenter Name: Mackenzie Howlett, CPA

Comment Summary: Ms. Howlett urged the Arkansas State Board of Public Accountancy ("ASBPA" or the "Board") to adopt a later effective date for the proposed changes because implementing new requirements with regard to CPA licensure too quickly would disadvantage newly licensed CPAs like herself who have already invested significant time, tuition, and effort in reliance on the current rules. She feels that adopting the changes now would place her at a comparative disadvantage.

ASBPA Response: No changes were made to the proposed rules based on Ms. Howlett's comments. Adopting this approach to rulemaking would effectively prevent the Board from ever revising its rules.

2. Commenter Name: Jeremy Keen, CPA

Comment Summary: Mr. Keen informed the ASBPA that there were accountants that worked with him who were interested in taking the CPA exam but that they were not eligible for CPA licensure because they did not have the required 150 semester credit hours. They would, however, upon passing the CPA exam, be able to obtain a CPA license under the proposed pathway of a bachelor's degree plus two years of experience. Mr. Keen asked if these coworkers needed to wait to apply to sit for the CPA exam until after the new pathway was established.

ASBPA Response: Director Montgomery responded to Mr. Keen's comments informing him that an applicant for licensure would need to wait until the proposed rules were approved and published before applying for a CPA license. No changes were made to the proposed rules.

Additional Comment: Mr. Keen later submitted another comment in full support of the proposed changes, appreciating the direction that the rule revisions would take the profession. Mr. Keen pointed out that many of the proposed changes bring clarity to the Board's rules, utilizing clearer and more plain terminology. He also pointed out the financial impact that the proposed additional CPA licensure pathway would have on many applicants who choose to forgo a fifth year of college expenses and become gainfully employed in order to obtain the additional year of experience.

3. Commenter Name: John Meyers, CPA

Comment Summary: Mr. Meyers was initially opposed to adding an additional pathway to CPA licensure but then retracted his comments after discussing the issue with his brother, who is also a CPA.

ASBPA Response: No changes were made to the proposed rules.

4. Commenter Name: Sarah Norris, CPA

Comment Summary: Ms. Norris submitted comments in support of the proposed changes to add an additional pathway to CPA licensure and reduce the required number of upper-level accounting hours needed to sit for the CPA exam.

ASBPA Response: Director Montgomery responded and thanked Ms. Norris for her comments. No changes were made to the proposed rules.

5. Commenter Name: R. Tracy Fox, CPA, Frazee Fox & Dodge, Ltd.

Comment Summary: Mr. Fox submitted comments on the proposed changes to 17 CAR § 235-401(b) regarding the transfer of client records to a purchaser. Mr. Fox was unclear as to the definition of 'their records' within the context of this rule and was concerned that the rule change would place the transferring firm in a state of suspension if the client opted out of the transfer but failed to take possession of their records.

ASBPA Response: Director Montgomery responded to Mr. Fox's comments, pointing out that the four types of records were defined in 17 CAR § 235-402 and that specific rules were given for each type of record, including which types must be provided to the client upon request.

Director Montgomery also informed Mr. Fox that opting out of the transfer of records and taking possession of those records constituted one action. If a client opts out of a transfer of records, then they must take possession of those records. Mr. Fox responded to Director Montgomery thanking him for his response.

NOTE: The Bureau of Legislative Research (BLR) also provided comments on this proposed rule change. ASBPA approved changes to the proposed rules based on BLR's comments which will also clarify the points raised by Mr. Fox.

6. Commenter Name: Steven Kilgore, CPA

Comment Summary: Mr. Kilgore commented on the proposed change to 17 CAR § 236-311 regarding the removal of the Government/Not for Profit accounting course as a requirement for CPA licensure. Mr. Kilgore was concerned that removing the governmental course would reduce the immediate utility of CPAs and other degreed accountants, pointing out that he considers the processes and accounting rules applicable to government and non-profits to be greater than other business industries. Mr. Kilgore also mentioned comments made by Director Montgomery during an Arkansas Ethics presentation given by Director Montgomery in 2024 regarding reciprocal licensure.

ASBPA Response: Director Montgomery responded to Mr. Kilgore thanking him for his comments and providing agreement with some of the points that Mr. Kilgore raised. Director Montgomery informed Mr. Kilgore that removing the governmental course as a requirement for licensure does not lessen the importance of the course nor does it mean that the course will be removed from accounting degree requirements. Director Montgomery also reminded Mr. Kilgore of the details of the comments he made during the 2024 presentation, stating that approximately only three or four Board of Accountancy jurisdictions require a governmental accounting course for CPA licensure. No changes were made to the proposed rules based on Mr. Kilgore's comments.

7. Commenter Name: J. Gregg Rollins, CPA

Comment Summary: Mr. Rollins submitted a comment in full support of the proposed changes.

ASBPA Response: No changes were made to the proposed rules.

8. Commenter Name: Sloane Dunklin Holzhauer, CPA, Sloane D. Holzhauer, CPA, PLLC

Comment Summary: Ms. Holzhauer submitted comments expressing strong opposition to the proposed additional pathway to CPA licensure [17 CAR § 236-311(d)] and the reduction of accounting education hours required for CPA licensure [17 CAR § 236-311(b)]. Ms. Holzhauer explained that, as a non-traditional student, she "made substantial personal, financial, and professional sacrifices to meet the standards that have long defined this profession." Specifically, Ms. Holzhauer referred to the 150-hour requirement, stating that the requirement raised the bar for entry into the profession because prior standards were deemed insufficient and that it has long served as an important screening function beyond technical knowledge. Ms. Holzhauer believes that the proposed changes risk undermining the credibility of the CPA designation and devalues the efforts of those who earned the license under existing standards.

ASBPA Response: Director Montgomery thanked Ms. Holzhauer for her comments and, after recognizing that he is not the accountancy Board, provided his personal experience as a CPA and as director of the ASBPA. Director Montgomery pointed out that the 150-hour requirement does not necessitate additional accounting coursework above the required accounting hours that can be obtained with a bachelor's degree. Though a student may obtain a post-baccalaureate accounting degree, it is not required. As a result, many students take non-technical courses just to reach 150 semester credit hours. Director Montgomery pointed out that many people believe an additional year of experience in the accounting field of work may be more valuable than 30 extra hours of college credit. Director Montgomery also pointed out that he personally obtained his Arkansas CPA license under the same pathway that is being proposed.

Commenter Response: Ms. Holzhauer thanked Director Montgomery for his thoughtful and candid response. In the end, both Ms. Holzhauer and Director Montgomery agreed that allowing unrelated coursework to satisfy the 150-hour requirement diluted its intent, that utilizing the opportunity to obtain an additional upper-level accounting coursework is invaluable, that the CPA exam remains the true gatekeeper to entering the profession, and that the current CPA pipeline challenges include many other factors in addition to the 150-hour requirement.

No changes were made to the proposed rules based on Ms. Holzhauer's comments.

9. Commenter Name: John Garmon, CPA

Comment Summary: Mr. Garmon submitted comments urging the ASBPA to reconsider the proposed changes to 17 CAR § 236-311(b) regarding the reduction of upper-level accounting education hours required for CPA licensure and the removal of the Government/Not for Profit accounting course as a core requirement for CPA licensure. Mr. Garmon believes that foundational knowledge in governmental accounting equips CPAs to provide leadership, oversight, and informed judgment in roles involving public funds, regulatory compliance, and financial accountability. Mr. Garmon also believes that reducing the number of required upper-level accounting hours increases the likelihood that students will select coursework of lesser rigor. Finally, Mr.

Garmon urged the ASBPA to consider requiring rigorous coursework to meet the 150-hour requirement as opposed to reducing the requirement.

Mr. Garmon submitted additional comments in an effort to clarify his position on the 150-hour requirement. He supports the 150-hour requirement with the expectation that the additional hours beyond the bachelors degree requirements be comprised of substantive, high-quality coursework that strengthens professional competence, rather than reducing the overall requirement. However, Mr. Garmon also pointed out the current national context in which these proposed changes are occurring in which there is growing concern that incremental reductions in education and licensure standards, framed as access or workforce solutions, risk redefining accounting as a trade rather than a profession.

ASBPA Response: Director Montgomery thanked Mr. Garmon for all his comments. No changes were made to the proposed rules based on Mr. Garmon's comments.

10. Commenter Name: Deana A. Infield, CPA, Chair of the Arkansas Society of CPAs (ARCPA) Board of Directors

Comment Summary: Ms. Infield submitted a letter to the ASBPA noting that the Board of Directors of the ARCPA fully support the proposed changes under Act 428 of 2025 and that they are excited about the additional pathway to CPA licensure consisting of a bachelor's degree, two years of experience, and passage of the Uniform CPA exam. Ms. Infield also noted that the ARCPA Board has heard overwhelming support from their members, including student members, for the additional pathway, indicating that it will allow CPA candidates the flexibility to determine which pathway best fits their particular situation.

ASBPA Response: Director Montgomery thanked Chair Infield for the ARCPA Board's support. No changes were made to the proposed rules.

11. Commenter Name: James Cox, Vice-President, State Advocacy and State Society Relations, American Institute of Certified Public Accountants (AICPA)

Comment Summary: Mr. Cox submitted a letter on behalf of the AICPA regarding the ASBPA's proposed changes to Title 17, Chapter XLII, Subchapter A, Parts 235 and 236 of the Code of Arkansas Rules.

CPA Licensing/Practice Privilege (17 CAR § 236-311; 17 CAR § 236-501): The AICPA applauds the ASBPA for its inclusion of the additional pathway to CPA licensure in 17 CAR § 236-311 which will provide access and flexibility for CPA candidates while maintaining the needed rigor to ensure public protection. Mr. Cox noted that almost half of the licensing jurisdictions in the United States have adopted the additional pathway with the other half expected to adopt the pathway in 2026 and 2027. The AICPA also supports the changes to 17 CAR § 236-501 which maintain the ability of CPAs licensed in other jurisdictions to practice in Arkansas without the need to obtain an additional license while consenting to the oversight of the ASBPA.

Disclosure of state of licensure by individuals or firms with practice privileges (17 CAR § 236-502): The AICPA believes in the concept of CPA = CPA, regardless of where they are employed, and that a CPA should be allowed to use the CPA title as long as they meet certain licensing criteria, meet continuing

professional education standards, and are subject to regulation by a state board of accountancy. Mr. Cox noted that 17 CAR § 236-502(a)(1) appears to adopt this concept; however, 17 CAR § 236-502(a)(2) advises that CPAs practicing in Arkansas under a practice privilege may identify themselves using certain disclaimers. The AICPA is concerned that requiring such disclosures are overly burdensome and run counter to the CPA = CPA concept.

Practice in unregistered entity (17 CAR § 235-505): Mr. Cox noted that currently, CPAs are prohibited from practicing public accountancy in association with a sole proprietor, partnership, corporation, or other entity not registered with the Board unless an appropriate disclaimer is used and that the proposed rule broadens the scope of this prohibition and requirement to include the use of the CPA title in conjunction with an unlicensed entity. The AICPA is concerned that the proposed change could lead to CPAs not in public accountancy dropping the CPA license. The AICPA asks that the ASBPA consider the possible ramifications of such a change on the broader population of CPAs and clarify its intent.

Partnerships, corporations, limited liability companies, sole proprietorships, and other permissible forms of practice — General requirements — Ownership. (17 CAR § 236-603): Mr. Cox noted that CPA firms have grown to incorporate a complex ecosystem of professionals. While the AICPA agrees that CPAs are at the core of the profession, they recognize the responsibilities of the modern CPA firm are nuanced and asks that the ASBPA provide guidance to firms as to its implementation.

AICPA Code of Professional Conduct: The AICPA encourages the ASBPA to adopt the full AICPA Code of Professional Conduct (the AICPA Code).

ASBPA Response: Director Montgomery thanked Mr. Cox for submitting comments from the AICPA. No changes were made to the proposed rules based upon the comments received from the AICPA as the ASBPA feels that points raised in the comment letter do not have a strong bearing on the currently proposed rule changes. The ASBPA will, however, discuss and consider the points raised in the AICPA comment letter at a subsequent Board meeting.

Camille Fleming, an attorney with the Bureau of Legislative Research, asked the following questions:

QUESTION (1): 17 CAR § 235-401(b). This subsection states, "A licensee shall not transfer client records to a purchaser until a notification of at least thirty (30) days has been provided to his or her client, allowing each client the opportunity to opt out of the transfer and to take possession of their records." What is a "purchaser"? **RESPONSE:** This is speaking of a person buying an existing CPA firm. The wording is slightly revised for clarity in the attachment.

QUESTION (2): 17 CAR § 236-208(a)(2)(A). This subdivision states that "testing fees may be waived for a candidate that qualifies for any social program adopted by the board…" Are the special programs adopted by the board the same programs as mentioned in 17 CAR § 236-1102, which regards the waiver of initial licensing fees? **RESPONSE:** No, these are not the same. 17 CAR § 236-308(a)(2)(A) is speaking of the waiver of exam section fees [17 CAR § 236-1101(b)(2)(A)] while 17 CAR § 236-1102 is speaking of the waiver of the initial licensing fee [17 CAR § 236-1101(c)(1)]. Also, 17 CAR § 236-308(a)(2)(A) is

in regard to programs adopted by the Board, such as the ARIES program, while 17 CAR § 236-1102 is specifically in regard to Act 2021, No. 725. To be consistent, we will add the word 'section' before "testing fees." Thus, 17 CAR § 236-308(a)(2)(A) will state "Section testing fees may be waived for a candidate that qualifies for any special program adopted by the board…." And 17 CAR § 236-308(a)(2)(B) will state "Section testing fees may be reimbursed for a candidate that qualifies for any special program adopted by the board."

QUESTION (3): 17 CAR § 236-311(b)(4)(B). This subdivision states, "Institutions that use an integrated approach that covers multiple subjects will be responsible for providing the board with documentation to establish the courses within which each content area is covered." This is the first time a "board" is mentioned in this section of the rule. What board is this referring to? **RESPONSE:** This is referring to the Arkansas State Board of Public Accountancy and should state so. The wording is slightly revised for clarity in the attachment to state: "….will be responsible for providing the Arkansas State Board of Public Accountancy with documentation…."

QUESTION (4): 17 CAR § 236-602(d)(3). This subdivision states, "Any shareholder who ceases to be eligible to be a shareholder shall be required to dispose of all of his or her shares within a reasonable period to a person qualified to be a shareholder or to the corporation." What length of time counts as a "reasonable period"? **RESPONSE:** This is not a new statement; it is simply being moved to a different part of the section (previously 17 CAR § 236-602(b)). Because what will constitute "a reasonable period" of time can vary significantly depending on the circumstances, the Board's preference is to retain this flexibility and address each circumstance (which very seldom has been an issue) on its own merits.

QUESTION (5): 17 CAR § 236-1302(g). Throughout this section, the phrase "quality review" was replaced with "practice review". In this subsection, however, the phrase "quality review" was left alone. Was this left alone purposefully? **RESPONSE:** Yes, however, we believe a slight clarification would be helpful. The wording is slightly revised for clarity in the attachment.

QUESTION (6): Throughout rule. Some instances of "quality review" were removed and replaced with "practice review" in this rule, but other times they were left alone. What's the difference between a "quality review" and a "practice review"? **RESPONSE:** The process whereby the Board performs a review on a licensee's practice used to be called a "quality review." However, when peer review was mandated several years ago for licensees that perform attest work, we changed the name of this board-review process to "practice review" to distinguish it from the "quality review" program that was still in existence for those licensees that only perform compilations. So, the board conducts a "practice review" every three years on every active licensee (individual and firm). Within that "practice review," the licensee responds one of three ways: 1) issues no reports; 2) issues compilation reports only; or 3) issues attest reports. If they select #2, they follow the "quality review process" requirements identified in 17 CAR § 236-1303. If they select #3, they follow the "peer review program" requirements identified in Subpart 19.

GENERAL NOTE: 17 CAR § 236-311(d). The list in this section has a conjunction issue. The list begins at (A) and ends (D). The conjunction "and" is

present after item (A) and the conjunction "or" is present after item (C). CAR style encourages using only one conjunction. See CAR Style Guide, 2.5(a)(5)(A). **RESPONSE:** Another good catch. To be eligible for licensure, an applicant must fulfill part A; they must also fulfill B, C, or D. The wording is slightly revised for clarity in the attachment.

The proposed effective date of this rule is pending legislative review and approval.

FINANCIAL IMPACT: The agency indicated there is no financial impact.

LEGAL AUTHORIZATION: The Arkansas State Board of Public Accountancy may adopt, amend from time to time, rules for the orderly conduct of its affairs and for the administration of the Public Accountancy Act of 1975, Arkansas Code § 12-12-101 et seq. *See* Arkansas Code § 12-12-203.

17 CAR pt. 236 implements Acts 2025, No. 428, sponsored by Senator Jim Petty, which amended the law concerning accountants and amended the definition of substantial equivalency for the practice of accountancy.

D. Agency Requests to Be Excluded from Reporting Requirements of Act 595 of 2021

1. Department of Education, Division of Career and Technical Education (Act 867 of 2023) (Courtney Salas-Ford, Department of Education, and Allison Hatfield, Department of Commerce) (*Held over from January 15, 2026 meeting for further discussion with the Department of Education and the Department of Commerce*) (revised request)

E. Evaluation of Rule Review Group 3 Agencies Pursuant to Act 781 of 2017 and Act 65 of 2021

1. Department of Education, Division of Public School Academic Facilities and Transportation (Courtney Salas-Ford)

F. Agency Updates on the Status of Outstanding Rulemaking from the 2023 Regular Session Pursuant to Act 595 of 2021[4]

1. Department of Commerce, Arkansas Economic Development Commission (Brian Black)

Rules Outstanding as of February 1, 2026, as Reported and Updated by the Agency

- *Consolidated Incentive Act Rules (Act 834 of 2023)
  - The Arkansas Economic Development Commission has determined that rules under the Consolidated Incentive Act are not necessary to accomplish the goals of Act 834 of 2023 and is currently working to repeal the existing Consolidated Incentive Act rules. Under Ark. Code Ann. § 15-4-2710, rules are allowed but not required under the Act. The existing rules are unclear and largely restate the statute, serving as a potential barrier to businesses looking to utilize the Act's incentives. The public comment period has ended, and AEDC has requested that the rule repeal be placed on the Committee's agenda for consideration.

[4] Outstanding rules that are on the current agenda for legislative review and approval are designated by an asterisk (*).

2. Department of Corrections, Secretary of Corrections (Wade Hodge)

Rules Outstanding as of February 1, 2026, as Reported and Updated by the Agency

- Visitation (Act 659, § 112 of 2023)
    - This rule will be promulgated by the Secretary of Corrections. The rule has been reviewed and approved by the Secretary and the executive. On December 19, 2025, the rule received final approval from the Board of Corrections to be set for public comment. The proposed rule is currently in the public comment period as is expected to be ready for review at the ALC Rules committee's April meeting.

3. Department of Education (Courtney Salas-Ford)

Rules Outstanding as of February 1, 2026, as Reported and Updated by the Agency

Arkansas State Library

- Rules Governing the Standards for State Aid to Public Libraries (Act 566, § 11 of 2023)
    - Rulemaking regarding Act 566 of 2023 was temporarily suspended due to the passage of Act 903 of 2025. Rulemaking will resume now that a new slate of library board members has been appointed.

Division of Career and Technical Education

- Rules Governing the Approval of Computer Science-Related Career and Technical Education Courses (Act 654, § 4 of 2023)
    - This rule has been redrafted in compliance with the Code of Arkansas Rules. It is anticipated that the final rule will be submitted to ALC for review in April.
- Rules Governing the Vocational Start-Up Grant Program (Act 867, § 7 of 2023)
    - The ADE is requesting to be excused from rule making regarding this program. This request was tabled at the January ALC meeting to be heard in February.

Division of Elementary and Secondary Education

- Rules Governing School District Waivers (Act 347, § 1 of 2023)
    - The agency is redrafting this rule due to the enactment of Act 304 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.
- Rules Governing Grading and Course Credit (Act 654, §§ 2, 4 of 2023)
    - This rule was approved by the State Board of Education to be released for public comment; however, the agency is redrafting this rule due to the enactment of Act 341 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.

State Board of Education

- Rules Governing the Course Choice Program (Act 237, § 20 of 2023)
    - The agency is redrafting this rule due to the enactment of Act 730 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.
- Rules Governing Public Charter Schools (Act 237, § 49 of 2023)
    - The agency is redrafting this rule due to the enactment of Act 800 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.

Division of Higher Education

- Rules Governing Universal Academic Credit (Act 237, § 54 of 2023)
    - The agency is redrafting this rule due to the enactment of Act 341 of 2025. The rule will be a top priority for the current round of rulemaking. It is anticipated that the final rule will be submitted to ALC for review in March.

G. Agency Monthly Written Updates Pursuant to Act 595 of 2021 Concerning Rulemaking from the 2025 Regular Session

H. Adjournment