



STATE OF ARKANSAS  
ASA HUTCHINSON  
GOVERNOR

November 10, 2022

Senator Terry Rice, Co-Chair  
Representative Jeffrey Wardlaw, Co-Chair  
Arkansas Legislative Council  
Arkansas General Assembly  
Little Rock, AR 72201

Dear Co-Chairs:

Over the last eight years, my Administration has worked diligently to improve the lives of Arkansans, and I am pleased with the advances we have made. While my term as Governor may be coming to an end, the state's commitment to improving the well-being of all its residents remains the same. The attached budget is consistent with the goals and priorities my Administration has established and reflects our ongoing commitment to education, law enforcement, and families in Arkansas.

A good education is impossible without the presence of qualified and experienced teachers. An increase to Education totaling \$200 million in Fiscal Year (FY) 2024, along with a \$350 million increase in FY 2025. These increases are more than sufficient to raise starting teacher pay to a level that is competitive and will attract more highly qualified teachers into the profession. This will also help Arkansas remain competitive with surrounding states, thereby providing our students with the skills necessary to succeed in the workplace. Regarding Higher Education, a total of \$4 million has been designated to ensure the University of Arkansas at Pine Bluff receives its federal match as a land grant university for the next two fiscal years.

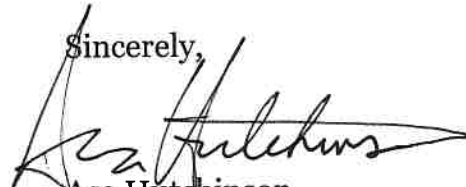
The wellbeing of our communities would not be possible without the tireless efforts of our law enforcement officers (LEOs). Together, we have displayed our appreciation for these brave and selfless individuals earlier this year through Acts 223 and 224, and we will continue to show our support by increasing the State Police Budget by \$1.5 million for each of the next two years.

As we continue to prioritize our LEOs, we must also ensure we have the facilities and tools to effectively manage inmates and parolees. That is why we are providing the Department of Correction an additional \$5.4 million in FY 2024 and \$7.3 million in FY 2025. Additionally, Community Correction will see an increase of \$5.5 million for each of the next two years. Together, these efforts illustrate Arkansas's commitment to supporting law enforcement and protecting citizens.

Over the course of my tenure as Governor, we have worked together to support veterans and Arkansans currently serving in the military. Thanks to Act 141 of the 91<sup>st</sup> General Assembly, military retirement is no longer taxed at the state level, thereby providing much needed relief to those who have served our nation. The Department of the Military will receive an increase of \$4.2 million.

Finally, Arkansas prides itself on being a place where children and families can thrive, so it is imperative we create an environment where youth can succeed. Across the nation, Americans have dealt with the rising costs of food, gas, and other essential items, and foster families are no exception. This is why the attached budget includes an increase in payments for foster families and offers monthly payments to provisional foster parents. Additionally, my budget includes funding for our juvenile justice system, providing the treatment and resources for at-risk teens and children, thereby building a brighter future for all Arkansans.

Thank you.

Sincerely,  
  
Asa Hutchinson

**STATE GENERAL REVENUE**  
**2023 - 2025 Executive Recommendations**

FUND ACCOUNTS	Fiscal Year 2024					Fiscal Year 2025				
	FY23 FORECAST	BASE LEVEL	Executive Recommendation	TOTAL	Over FY23	BASE LEVEL	Executive Recommendation	TOTAL	Over FY24	
Div. of Elementary and Secondary Education	2,291,011,525	2,291,068,275	200,000,000	2,491,068,275	8.73%	2,291,069,749	350,000,000	2,641,069,749	6.02%	
State Library	5,641,919	5,641,919	0	5,641,919	0.00%	5,641,919	0	5,641,919	0.00%	
Career and Technical Education <sub>2</sub>	22,730,645	22,730,645	79,174	22,809,819	0.35%	22,730,645	153,227	22,883,872	0.32%	
Career and Technical Education-Adult Ed	8,137,976	8,139,176	0	8,139,176	0.01%	8,139,176	0	8,139,176	0.00%	
<b>PUBLIC SCHOOL FUND</b>	<b>2,327,522,065</b>	<b>2,327,580,015</b>	<b>200,079,174</b>	<b>2,527,659,189</b>	<b>8.60%</b>	<b>2,327,581,489</b>	<b>350,153,227</b>	<b>2,677,734,716</b>	<b>5.94%</b>	
<b>GENERAL EDUCATION FUND</b>										
Div. of Elementary and Secondary Education	17,196,441	18,260,460	0	18,260,460	6.19%	18,282,199	0	18,282,199	0.12%	
Div. of Elementary and Secondary Education - Succeed Scholarship	3,300,000	3,300,000	0	3,300,000	0.00%	3,300,000	0	3,300,000	0.00%	
Educational Facilities Partnership	70,328,951	70,328,951	0	70,328,951	0.00%	70,328,951	0	70,328,951	0.00%	
Div. of Academic Facilities & Transportation	2,662,495	2,854,502	0	2,854,502	7.21%	2,857,204	0	2,857,204	0.09%	
Educational Television	5,472,881	5,823,608	0	5,823,608	6.41%	5,825,736	0	5,825,736	0.04%	
School for the Blind	7,721,552	8,210,740	0	8,210,740	6.34%	8,218,836	0	8,218,836	0.10%	
School for the Deaf	11,092,319	11,808,489	0	11,808,489	6.46%	11,812,933	0	11,812,933	0.04%	
State Library	3,696,730	3,858,205	0	3,858,205	4.37%	3,859,435	0	3,859,435	0.03%	
Div. of Career and Technical Education <sub>2</sub>	9,500	9,500	(9,500)	0	-100.00%	9,500	(9,500)	0	0.00%	
Rehabilitation Services	11,641,802	11,922,857	0	11,922,857	2.41%	11,942,101	0	11,942,101	0.16%	
<b>Subtotal - General Education</b>	<b>133,122,671</b>	<b>136,377,312</b>	<b>(9,500)</b>	<b>136,367,812</b>	<b>2.44%</b>	<b>136,436,895</b>	<b>(9,500)</b>	<b>136,427,395</b>	<b>0.04%</b>	
<b>Technical Institutes:</b>										
Northwest TI	3,066,434	3,304,826	157,891	3,462,717	12.92%	3,308,152	157,891	3,466,043	0.10%	
<b>Subtotal - Technical Institutes</b>	<b>3,066,434</b>	<b>3,304,826</b>	<b>157,891</b>	<b>3,462,717</b>	<b>12.92%</b>	<b>3,308,152</b>	<b>157,891</b>	<b>3,466,043</b>	<b>0.10%</b>	
<b>TOTAL GENERAL ED. FUND</b>	<b>136,189,105</b>	<b>139,682,138</b>	<b>148,391</b>	<b>139,830,529</b>	<b>2.67%</b>	<b>139,745,047</b>	<b>148,391</b>	<b>139,893,438</b>	<b>0.04%</b>	
<b>HUMAN SERVICES FUND</b>										
DHS-Administration	23,778,727	24,487,611	0	24,487,611	2.98%	24,518,586	0	24,518,586	0.13%	
Children & Family Services	130,997,824	132,028,047	6,662,228	138,690,275	5.87%	132,071,165	6,662,228	138,733,393	0.03%	
Child Care/Early Childhood Ed.	2,573,405	2,576,668	0	2,576,668	0.13%	2,589,553	0	2,589,553	0.50%	
Youth Services	48,903,006	48,976,015	5,795,495	54,771,510	12.00%	48,980,104	6,604,112	55,584,216	1.48%	
Devel. Disab. Services	65,306,674	65,496,503	0	65,496,503	0.29%	65,603,057	0	65,603,057	0.16%	
Medical Services	2,333,276	2,439,870	0	2,439,870	4.57%	2,442,596	0	2,442,596	0.11%	
DHS-Grants	1,396,781,898	1,396,781,898	0	1,396,781,898	0.00%	1,396,781,898	25,000,000	1,421,781,898	1.79%	
Behavioral Health <sub>3</sub>	101,232,260	101,377,245	2,013,677	103,390,922	2.13%	101,436,841	1,520,809	102,957,650	-0.42%	
Provider Services and Quality Assurance	5,321,846	5,510,773	0	5,510,773	3.55%	5,515,977	0	5,515,977	0.09%	
County Operations <sub>3</sub>	52,470,649	53,740,856	43,252	53,784,108	2.50%	53,841,215	43,252	53,884,467	0.19%	
<b>TOTAL HUMAN SERVICES</b>	<b>1,829,699,565</b>	<b>1,833,415,486</b>	<b>14,514,652</b>	<b>1,847,930,138</b>	<b>1.00%</b>	<b>1,833,780,992</b>	<b>39,830,401</b>	<b>1,873,611,393</b>	<b>1.39%</b>	
<b>STATE GENERAL GOV'T FUND</b>										
Div. of Ark. Heritage	7,327,148	7,752,638	0	7,752,638	5.81%	7,755,838	0	7,755,838	0.04%	
Department of Agriculture	18,293,095	19,466,991	0	19,466,991	6.42%	19,479,187	0	19,479,187	0.06%	
Dept. of Labor and Licensing	3,777,575	3,908,028	0	3,908,028	3.45%	3,909,567	0	3,909,567	0.04%	
Div. of Higher Education	11,645,808	11,923,990	0	11,923,990	2.39%	11,927,187	0	11,927,187	0.03%	
Institution Productivity Funding <sub>4</sub>	0	0	0	0	0.00%	0	6,339,869	6,339,869	0.00%	
Higher Education Grants	40,619,625	40,619,625	31,611	40,651,236	0.08%	40,619,625	62,571	40,682,196	0.08%	
Economic Development Commission	21,035,903	21,238,499	0	21,238,499	0.96%	21,239,734	0	21,239,734	0.01%	
Div. of Correction	378,956,016	394,337,302	5,480,408	399,817,710	5.51%	395,473,587	7,307,211	402,780,798	0.74%	
Div. of Community Correction	97,653,507	103,989,443	5,500,000	109,489,443	12.12%	104,561,074	5,500,000	110,061,074	0.52%	
Dept. of the Military	7,748,372	7,905,818	2,086,380	9,992,198	28.96%	7,910,278	2,199,049	10,109,327	1.17%	
Parks & Tourism	20,630,801	22,067,735	0	22,067,735	6.96%	22,082,257	0	22,082,257	0.07%	
Div. of Environmental Quality	4,047,126	4,201,485	0	4,201,485	3.81%	4,202,841	0	4,202,841	0.03%	
Miscellaneous Agencies	73,043,955	79,785,641	2,276,256	82,061,897	12.35%	75,683,887	2,288,678	77,972,565	-4.98%	
<b>TOTAL STATE GENERAL GOV'T</b>	<b>684,778,931</b>	<b>717,197,195</b>	<b>15,374,655</b>	<b>732,571,850</b>	<b>6.98%</b>	<b>714,845,062</b>	<b>23,697,378</b>	<b>738,542,440</b>	<b>0.82%</b>	

**STATE GENERAL REVENUE**  
**2023 - 2025 Executive Recommendations**

FUND ACCOUNTS	Fiscal Year 2024					Fiscal Year 2025				
	FY23 FORECAST	BASE LEVEL	Executive Recommendation	TOTAL	Over FY23	BASE LEVEL	Executive Recommendation	TOTAL	Over FY24	
<b>OTHER FUNDS</b>										
County Aid	21,428,616	21,428,616	0	21,428,616	0.00%	21,428,616	0	21,428,616	0.00%	
County Jail Reimbursement	25,765,944	25,765,944	0	25,765,944	0.00%	25,765,944	0	25,765,944	0.00%	
Crime Information System	2,143,658	2,182,877	0	2,182,877	1.83%	2,186,443	0	2,186,443	0.16%	
Child Support Enforcement	12,631,574	13,246,341	0	13,246,341	4.87%	13,288,801	0	13,288,801	0.32%	
Dept. of Health	80,910,069	81,845,348	0	81,845,348	1.16%	81,954,072	0	81,954,072	0.13%	
Performance Fund	10,000,000	0	41,000,000	41,000,000	310.00%	0	41,000,000	41,000,000	0.00%	
Motor Vehicle Acquisition	0	0	3,000,000	3,000,000	100.00%	0	3,000,000	3,000,000	0.00%	
Municipal Aid	29,372,099	29,372,099	0	29,372,099	0.00%	29,372,099	0	29,372,099	0.00%	
Div. of Arkansas State Police	78,118,514	82,422,233	1,500,000	83,922,233	7.43%	82,491,514	1,500,000	83,991,514	0.08%	
Div. of Workforce Services-TANF	3,685,419	3,685,419	0	3,685,419	0.00%	3,685,419	0	3,685,419	0.00%	
Div. of Workforce Services-Adult Education	918,996	1,025,268	0	1,025,268	11.56%	1,026,253	0	1,026,253	0.10%	
Services for the Blind	1,900,926	1,962,217	0	1,962,217	3.22%	1,972,456	0	1,972,456	0.52%	
Skills Development Fund	3,586,921	3,608,348	0	3,608,348	0.60%	3,608,348	0	3,608,348	0.00%	
<b>TOTAL OTHER FUNDS</b>	<b>270,462,736</b>	<b>266,544,710</b>	<b>45,500,000</b>	<b>312,044,710</b>	<b>15.37%</b>	<b>266,779,965</b>	<b>45,500,000</b>	<b>312,279,965</b>	<b>0.08%</b>	
<b>INSTITUTIONS OF HIGHER EDUCATION - Four Year Institutions:</b>										
Arkansas State University	62,119,174	61,997,087	544,585	62,541,672	0.68%	62,119,174	0	62,119,174	-0.68%	
Arkansas Tech University	38,234,177	37,855,112	(757,102)	37,098,010	-2.97%	38,234,177	0	38,234,177	3.06%	
Henderson State University	19,333,283	19,333,283	(118,253)	19,215,030	-0.61%	19,333,283	0	19,333,283	0.62%	
Southern Arkansas University	17,278,600	17,278,600	(345,572)	16,933,028	-2.00%	17,278,600	0	17,278,600	2.04%	
UA-Fayetteville	130,852,704	127,791,350	6,405,192	134,196,542	2.56%	130,852,704	0	130,852,704	-2.49%	
UA - System	3,479,474	3,479,474	0	3,479,474	0.00%	3,479,474	0	3,479,474	0.00%	
UA - Archeological Survey	2,369,274	2,369,274	0	2,369,274	0.00%	2,369,274	0	2,369,274	0.00%	
UA - Agriculture	65,800,138	65,800,138	0	65,800,138	0.00%	65,800,138	0	65,800,138	0.00%	
UA - Clinton School	2,336,896	2,336,896	0	2,336,896	0.00%	2,336,896	0	2,336,896	0.00%	
UA - Criminal Justice Institute	2,458,634	2,458,634	0	2,458,634	0.00%	2,458,634	0	2,458,634	0.00%	
UA - AR Sch.Math, Science, & Arts	1,133,048	1,133,048	0	1,133,048	0.00%	1,133,048	0	1,133,048	0.00%	
U of A - Ft. Smith	21,913,603	21,913,603	(438,272)	21,475,331	-2.00%	21,913,603	0	21,913,603	2.04%	
UA-Little Rock	60,401,230	60,401,230	187,833	60,589,063	0.31%	60,401,230	0	60,401,230	-0.31%	
UA-Medical Sciences	88,012,881	88,012,881	0	88,012,881	0.00%	88,012,881	0	88,012,881	0.00%	
UAMS - Child Abuse/Rape/Domestic Violence	350,000	350,000	0	350,000	0.00%	350,000	0	350,000	0.00%	
UAMS - Pediatrics/Psychiatric Research	1,985,100	1,985,100	0	1,985,100	0.00%	1,985,100	0	1,985,100	0.00%	
UAMS - Indigent Care	5,438,340	5,438,340	0	5,438,340	0.00%	5,438,340	0	5,438,340	0.00%	
UA-Monticello	17,385,204	17,385,204	(347,704)	17,037,500	-2.00%	17,385,204	0	17,385,204	2.04%	
UA-Pine Bluff	26,608,560	26,608,560	(457,906)	26,150,654	-1.72%	26,608,560	0	26,608,560	1.75%	
UA-Pine Bluff - Land Grant	0	0	2,000,000	2,000,000	100.00%	0	2,000,000	2,000,000	0.00%	
University of Central Arkansas	56,823,973	56,823,973	81,644	56,905,617	0.14%	56,823,973	0	56,823,973	-0.14%	
<b>Subtotal - 4 Year Institutions</b>	<b>624,314,294</b>	<b>620,751,787</b>	<b>6,754,445</b>	<b>627,506,232</b>	<b>0.51%</b>	<b>624,314,293</b>	<b>2,000,000</b>	<b>626,314,293</b>	<b>-0.19%</b>	

**STATE GENERAL REVENUE**  
**2023 - 2025 Executive Recommendations**

FUND ACCOUNTS	Fiscal Year 2024					Fiscal Year 2025				
	FY23 FORECAST	BASE LEVEL	Executive Recommendation	TOTAL	Over FY23	BASE LEVEL	Executive Recommendation	TOTAL	Over FY24	
<b>INSTITUTIONS OF HIGHER EDUCATION - Two Year Institutions:</b>										
Arkansas Northeastern College	8,885,744	8,885,744	58,990	8,944,734	0.66%	8,885,744	0	8,885,744	-0.66%	
Arkansas State University - Beebe	11,410,153	11,410,153	(53,773)	11,356,380	-0.47%	11,410,153	0	11,410,153	0.47%	
Arkansas State Univ. -Mt. Home	3,537,885	3,537,885	21,066	3,558,951	0.60%	3,537,885	0	3,537,885	-0.59%	
Arkansas State Univ. - Newport	6,586,715	6,518,999	31,911	6,550,910	-0.54%	6,586,715	0	6,586,715	0.55%	
Cossatot C C of the UA	3,808,951	3,616,471	166,954	3,783,425	-0.67%	3,808,951	0	3,808,951	0.67%	
East Arkansas Cmty. College	8,843,480	8,577,373	224,062	8,801,435	-0.48%	8,843,480	0	8,843,480	0.48%	
Arkansas State Univ. - Mid-South	4,015,302	4,015,302	116,869	4,132,171	2.91%	4,015,302	0	4,015,302	-2.83%	
ASU - Mid-South - ADTEC	1,527,000	1,527,000	0	1,527,000	0.00%	1,527,000	0	1,527,000	0.00%	
National Park College	9,445,631	9,175,555	49,515	9,225,070	-2.34%	9,445,631	0	9,445,631	2.39%	
North Arkansas College	7,583,685	7,583,685	22,041	7,605,726	0.29%	7,583,685	0	7,583,685	-0.29%	
NorthWest Arkansas Cmty. College	12,058,971	11,438,222	208,515	11,646,737	-3.42%	12,058,971	0	12,058,971	3.54%	
Phillips Cmty. College of the UA	9,255,217	9,255,217	(149,286)	9,105,931	-1.61%	9,255,217	0	9,255,217	1.64%	
U of A - Rich Mountain	3,512,634	3,373,487	108,590	3,482,077	-0.87%	3,512,634	0	3,512,634	0.88%	
Southern Ark. University - Tech	5,568,684	5,568,684	(111,374)	5,457,310	-2.00%	5,568,684	0	5,568,684	2.04%	
SAU-Tech-Envir. Control Center	375,036	375,036	0	375,036	0.00%	375,036	0	375,036	0.00%	
SAU-Tech-Fire Training Academy	1,680,943	1,680,943	0	1,680,943	0.00%	1,680,943	0	1,680,943	0.00%	
South Arkansas Cmty. College	6,207,822	6,189,410	19,123	6,208,533	0.01%	6,207,822	0	6,207,822	-0.01%	
U of A - Cmty. College at Batesville	4,586,958	4,276,121	301,316	4,577,437	-0.21%	4,586,958	0	4,586,958	0.21%	
U of A - Cmty. College at Hope-Texarkana	4,839,322	4,839,322	(96,836)	4,742,486	-2.00%	4,839,322	0	4,839,322	2.04%	
U of A - Cmty. College at Morrilton	5,402,116	5,289,085	(95,761)	5,193,324	-3.87%	5,402,116	0	5,402,116	4.02%	
<b>Subtotal - 2 Year Institutions</b>	<b>119,132,249</b>	<b>117,133,694</b>	<b>821,922</b>	<b>117,955,616</b>	<b>-0.99%</b>	<b>119,132,249</b>	<b>0</b>	<b>119,132,249</b>	<b>1.00%</b>	
<b>INSTITUTIONS OF HIGHER EDUCATION - Technical Colleges</b>										
Black River	5,807,841	5,807,841	147,771	5,955,612	2.54%	5,807,841	0	5,807,841	-2.48%	
ASU - Three Rivers	3,350,898	3,350,898	30,462	3,381,360	0.91%	3,350,898	0	3,350,898	-0.90%	
Ozarka	3,336,267	3,171,953	240,038	3,411,991	2.27%	3,336,267	0	3,336,267	-2.22%	
U of A - Pulaski Tech	14,380,567	14,380,567	345,231	14,725,798	2.40%	14,380,567	0	14,380,567	-2.34%	
Southeast Arkansas College	5,354,958	5,354,958	0	5,354,958	0.00%	5,354,958	0	5,354,958	0.00%	
<b>Subtotal - Technical Colleges</b>	<b>32,230,531</b>	<b>32,066,217</b>	<b>763,502</b>	<b>32,829,719</b>	<b>1.86%</b>	<b>32,230,531</b>	<b>0</b>	<b>32,230,531</b>	<b>-1.83%</b>	
<b>TOTAL INST'S OF H. E.</b>	<b>775,677,074</b>	<b>769,951,698</b>	<b>8,339,869</b>	<b>778,291,567</b>	<b>0.34%</b>	<b>775,677,073</b>	<b>2,000,000</b>	<b>777,677,073</b>	<b>-0.08%</b>	
<b>Total Request</b>	<b>6,024,329,476</b>	<b>6,054,371,242</b>	<b>283,956,741</b>	<b>6,338,327,983</b>	<b>5.21%</b>	<b>6,058,409,628</b>	<b>461,329,397</b>	<b>6,519,739,025</b>	<b>2.86%</b>	
<b>OFFICIAL FORECAST 11.10.2022</b>	<b>6,622,400,000</b>			<b>\$6,593,300,000</b>				<b>\$6,829,100,000</b>		
<b>Surplus/Deficit</b>	<b>598,070,525</b>			<b>254,972,017</b>				<b>309,360,975</b>		

1. Base Level includes adjustments for the FY22 and FY23 Performance Pay, COLA, calculated 2023-2025 Career Service Payments, and the \$1,200 annual increase in EBD Contribution (from \$450/month to \$550/month).
2. The Executive Recommendation reflects a reallocation of \$9,500 from the Div. of Career and Technical Education line to the Public School Fund-Career and Technical Education line.
3. The Executive Recommendation reflects a reallocation of \$43,252 from the County Operations line to the Behavioral Health line.
4. Executive Recommendations for formula institutions reflect the Productivity Funding Distribution for FY24. FY25 allocations for Formula Institutions reflect the calculated base level distribution. Any amount above the base level allocations for formula institutions is provided in the Institution Productivity Funding line.

DFA-OFFICE OF BUDGET  
11/10/2022