



STATE OF ARKANSAS
SARAH HUCKABEE SANDERS
GOVERNOR

Dear Co-Chairs Rice and Wardlaw:

Arkansas' fiscal discipline is strong. While California and New York stare down billion-dollar budget shortfalls, I have been proud to work with our legislators to limit spending growth while still investing in our key priorities. My balanced budget this biennium is no different.

After cutting income taxes three times and still recording healthy surpluses during my first two years, this balanced budget proposes to raise spending by only 2.89%. This added funding is directed toward areas I've made clear are my priorities: education, maternal health, public safety, and government efficiency.

One of the headline policies of Arkansas LEARNS is Education Freedom Accounts. Next year – for the first time in state history – EFAs will allow any student in our state to attend the school that best fits their needs. Interest in the EFA program is high, so to accommodate new students next year, this budget proposes \$90 million in additional funding, plus an additional \$90 million in set aside funding to create a strong fiscal reserve for the program.

As a mom of three, I am also focused on addressing Arkansas' concerning maternal health statistics. This budget includes \$13 million in new Medicaid funding for proposals created by the Strategic Committee on Maternal Health I convened earlier this year. Additionally, this budget includes \$100 million in set-aside funding for Medicaid sustainability.

Last week, I announced a new state employee pay plan that will better align hardworking state employees' salaries with those of their peers in the private and public sectors – and the feedback we have received from our colleagues has been positive. While the vast majority of money for this plan's \$102 million commitment comes from existing funding streams, I am proposing \$3.15 million in new funding for pay raises for our state's dedicated frontline workers.

You will also find support for other critical needs in this budget: nearly \$50 million for Corrections, nearly \$6 million for higher education, over \$4 million for the Division of Youth Services, and \$1 million for foster placement.

This balanced budget fulfills our promises to the people of Arkansas – including our promise to keep government spending low. I look forward to working with the legislature to pass it and continue in our work to make Arkansas the best state in America to live, work, and raise a family.

Sincerely,

A handwritten signature in blue ink that reads "Sarah Sanders".

Sarah Huckabee Sanders