



**STATE OF ARKANSAS**  
**SARAH HUCKABEE SANDERS**  
**GOVERNOR**

Dear Co-Chairs:

Our top priority leading into fiscal session is to limit the growth of government while still investing in our top priorities, allowing us to continue to responsibly phase out the state income tax. Achieving all three objectives is not easy, but this budget moves us toward those goals.

Over the past three years, my administration has made a focused effort to improve efficiency in state government through the Arkansas Forward initiative and deliver savings to the Arkansas taxpayer. We have pushed our agencies to do more with less while still ensuring that essential services are delivered to the Arkansans who count on them.

To continue this effort, we are proposing to reimplement categories of spending. Category A is our "must-haves": just as a family must pay rent or utilities, so too must state government pay employee salaries and building maintenance. Category B is our "like-to-haves": just as families might spend on a vacation when finances allow, so will state government fund certain discretionary grants if our revenues are high enough.

This year's fiscally responsible spending increase is only 3%, the average over the past several years. It allows us to invest in key priorities, the largest of which is education. Through Arkansas LEARNS, we created the Education Freedom Account program, which enrolled a record 44,000 students this school year. This budget provides \$122 million in additional funding for the program, along with a \$70 million set aside for future growth.

This budget delivers \$53.4 million for the new pay plan, with the vast majority going to pay raises for Corrections officers and state troopers. It also funds other priorities: \$6 million to higher education, \$7 million to drug task forces, \$5 million to improve Arkansas' SNAP error rate, and \$6 million to the 10:33 Initiative, a faith-based solution to end welfare dependency and move people from crisis to career.

My team has worked hard to build a budget that limits growth, invests in priority areas, and allows us to make additional cuts to Arkansas' income tax once the fiscal session concludes. I look forward to your consideration and our continued collaboration to cut costs, improve services, and make Arkansas a great place to live, work, and raise a family.

Sincerely,

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

Sarah Huckabee Sanders