

**Department of Transformation and Shared Services**

Governor Sarah Huckabee Sanders

Secretary Leslie Fisker

Director Kay Barnhill

October 18, 2023

The Honorable Breanne Davis, Co-Chairperson
The Honorable Mark Berry, Co-Chairperson
Uniform Personnel Classification and
Compensation Plan Subcommittee
Arkansas Legislative Council
State Capitol Building, Room 315
Little Rock, Arkansas 72201

Dear Senator Davis and Representative Berry:

The Office of Personnel Management (OPM) submits a request from the Arkansas Department of Commerce (ACOM) to offer an annual salary greater than maximum level of a pay grade for their position authorized as U049U, ACOM State Bank Commissioner, SE04. The Uniform Classification and Compensation Act, Ark. Code Ann. § 21-5-209 (g)(2)(iii) states:

“Salaries established by this section may exceed the maximum pay level for the grade assigned to the classification by no more than twenty-five percent (25%) for no more than ten percent (10%) of the positions authorized in the state agency's appropriation act.”

Act 475 of the 94th General Assembly transfers administrative functions of the Securities Department to the Bank Department and amends the law concerning the organization of the Securities Department. This position, occupied by Susannah Marshall, will direct all operations within the Bank and Securities Department. Due to the additional responsibility of directing operations within the Securities Department, ACOM requests to offer a 10% annual salary increase to Ms. Marshall resulting in an annual salary of \$191,309.75. However, this amount is greater than maximum level of the classification's pay grade, which is \$181,500.

The Office of Personnel Management has reviewed this request from the Arkansas Department of Commerce and recommends approval to offer an annual salary greater than maximum level of the pay grade to be **retroactive as of August 28, 2023**. ACOM has guaranteed our office that it possesses sufficient funding to support this annual salary adjustment.

Office of Personnel Management

501 Woodlane Street, Suite 205 * Little Rock, AR 72201 * 501.682.1753

The Honorable Breanne Davis, Co-Chairperson
The Honorable Mark Berry, Co-Chairperson
October 18, 2023
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Your consideration of this request is greatly appreciated.

Kay Fournell

STATE PERSONNEL DIRECTOR

9/20/23
DATE

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Arkansas State
Bank Department

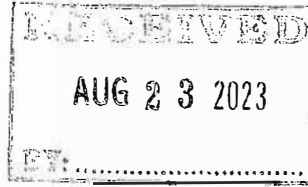
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Hugh McDonald
Secretary of Commerce
Susannah T. Marshall
Bank Commissioner
Arkansas State Bank Department

August 9, 2023

Kay Barnhill, Director
Office of Personnel Management
501 Woodlane Ave, Ste 205
Little Rock, AR 72201



Dear Ms. Barnhill:

The Arkansas State Bank Department (ASBD) and the Arkansas Securities Department (ASD) are both charged with maintaining the legal and regulatory structure for Arkansas' financial industry. The primary duty of the ASBD is to perform periodic examinations of state-chartered banks, bank holding companies, trust companies and other entities to determine safety and soundness, and compliance with laws and regulations. The primary duty of the Securities Department is the implementation of rules and regulations regarding investments in securities. Both the ASBD and the ASD are fully funded by special revenues related to fees and/or assessments paid by the regulated industry; neither department receives General Revenue funding from the State.

The 92nd General Assembly enacted Act 910 of 2019, which transferred both the Bank Department and the Securities Department to the newly established Arkansas Department of Commerce. More recently, the 94th General Assembly enacted Act 475 of 2023, which transferred the administrative functions of the ASD to the ASBD and amended the law concerning the organization of the ASD, effective August 1, 2023. Act 475 of 2023 also requires the Securities Commissioner to act in consultation with both the Secretary of Commerce and the Bank Commissioner, and states that the Securities Commissioner shall either be appointed by the Governor and report to the Bank Commissioner, or that the Bank Commissioner may act as the Securities Commissioner. Act 475 of 2023 also amends ACA § 25-43-302 (a)(26) concerning the state entities within the Department of Commerce to define the State Securities Department as an entity "...within the State Bank Department."

By establishing the ASD as an entity created within the ASBD and assigning the State Bank Commissioner the responsibility to oversee all administrative functions and activities of the ASD, Act 475 of 2023 has provided an opportunity for the Department of Commerce to implement a top-down reorganization that will generate cost saving efficiencies within the ASD.

Commerce Secretary Hugh McDonald recently recommended that (a) the Bank Commissioner shall serve as the Securities Commissioner, which will generate savings of \$156,705, and (b) the recently vacated GS12 Chief Finance Officer for the ASD will not be backfilled, which will generate additional savings of approximately \$138,102. Together, these two position changes alone will generate immediate cost savings of almost \$295,000.

Arkansas Department of Commerce
Arkansas State Bank Department
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However, it is important to recognize that because these high-level positions will not be backfilled, existing staff within the ASD will be required to take on additional duties. Therefore, the ASD requests approval to implement the following position adjustments and salary increases in recognition of both the increased workload that will be assigned to existing positions and the significant cost savings that will be generated from allowing these two executive level positions to remain unfilled:

- **ASBD – Bank Commissioner (Position #22088779):** Increase Susannah Marshall's current SE04 salary of \$173,918 (\$83.6144 / hour) by 10% to \$191,310. Because this requested salary exceeds the maximum of \$181,500 of an SE04 by approximately 5.4%, this request is detailed in a separate letter and must receive prior approval by the Arkansas Legislative Council. Because the Bank Commissioner will spend 10% of her total working time overseeing the administrative functions of the ASD, this requested increase will be funded by the ASD, on a reimbursement basis, as outlined in an approved Memorandum of Understanding.
- **ASD – Securities Deputy Commissioner (Position #22088677):** Increase Deputy Commissioner Campbell McLaurin's current GS14 salary of \$106,950 by 10% to \$117,645. This requested increase will be funded by the ASD.
- **ASD - Securities Chief Examiner (Position # 22142801):** Promote ASD employee Karyn Tierney from her current GS12 Attorney Supervisor position into this GS13 Chief Examiner position with an approximate 6.275% salary increase, which will increase her current salary of \$106,234 to the GS13 maximum level of \$112,900. This requested increase will be funded by the ASD.
- **ASD –Attorney Supervisor (Position # 22088669):** Promote ASD employee Joseph Joslin from his current GS11 Attorney Specialist position into this GS12 Attorney Supervisor vacated by Karyn Tierney, which will increase his current salary of \$82,661 by 10% to \$90,927. This requested increase will be funded by the ASD.
- **ASD – Attorney Specialist, Crossgraded to a GS11 Accounting Operations Manager (Position # 22088671):** Promote ASD employee Sharonica Crutchfield from her current GS09 Accounting Coordinator position into the GS11 position vacated by Joseph Joslin, which will increase her current salary from \$76,098 by 10% to \$83,708. This requested increase will be funded by the ASD.
- **ASD – Administrative Analyst (Position # 22145221):** Promote ASD employee Rhonda Washington from her current GS04 Fiscal Support Specialist position, which will increase her current salary from \$41,439 by 10% to \$45,583. This requested increase will be funded by the ASD.
- **ASD – Surrender Pool Position Request:** The current agency reorganization effort also includes a request to surrender two (2) GS04 positions, including the Fiscal Support Specialist position vacated by Rhonda Washington (Position #22088675) and a currently vacant Legal Support Specialist position (Position #22088681) in exchange for a new GS11 ACOM Securities Examiner Supervisor position that will be responsible for supervising positions in the Department's Enforcement Division. Because of the strict education and tenure requirements for this supervisory position, the position will likely be filled internally at an increased cost of around \$6,000. This request, as detailed in a separate request letter, will be funded by the ASD and must receive prior approval by the Arkansas Legislative Council.

August 9, 2023


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Once implemented, the aforementioned salary adjustments will total approximately \$61,000 plus related matching, which is well below the total cost savings generated by the Secretary's recommendation to not backfill the SE02 Securities Commissioner position and the GS12 Securities Chief Finance Officer position.

The State Securities Department has the necessary budget and available funding to support this request.

If additional information is needed, please contact Bank Chief Examiner, Jessica Wallace at 501-683-3214.

Sincerely,

A handwritten signature in black ink that reads "Susannah T. Marshall". The signature is written in a cursive style.

Susannah T. Marshall
Bank Commissioner

STM/jw