



Sarah Huckabee Sanders  
Governor

# ARKANSAS DEPARTMENT OF AGRICULTURE

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Wes Ward  
Secretary of Agriculture

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Ms. Kay Barnhill  
Administrator, Office of Personnel Management  
Arkansas Department of Transformation and Shared Services  
501 Woodlane Street, Suite 205  
Little Rock, AR 72201

**Special Compensation Plan Request: Natural Resources Division – Water Development Project Staff**

Dear Ms. Barnhill:

In accordance with the Uniform Classification and Compensation Act of 2024, the Arkansas Department of Agriculture respectfully requests approval of a special compensation plan due to increases in employee workload resulting from a significant increase in water and wastewater projects being administered by the department.

The Natural Resources Division currently administers four federal and three state financing programs for water and wastewater projects through its water development section. From FY20-FY22 there was a total of 50 water and wastewater projects administered through department funding. From FY23-FY24 the number of projects that received funding increased by 332 as new funding sources were made available through the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA) and other sources. The current portfolio of active projects being administered exceeds \$2.5 billion. It is anticipated that the demand for water and wastewater funding will remain high resulting in increased workloads beyond that typically performed by employees.

Over the last three years, key positions such as project administrators and engineers have experienced high turnover rates, exceeding 50%, making it difficult to administer projects and conduct programmatic reviews in a timely manner. In addition, the competition for qualified engineers has increased significantly resulting in frequent turnover and smaller applicant pools. The need to award employees who take on an increased workload is critical to providing timely assistance to communities seeking financial assistance for water and wastewater projects.

**Implementation**

The following positions have been identified for eligibility. This does not mean that all positions will receive incentive pay or additional leave time.

Title	Grade	Class Code	No. of Employees
AGRI Water Development Division Manager	GS13	B005C	1
Engineer Supervisor	GS12	B015C	1
Engineer, P.E. / Engineer	GS11 - GS09	B023C	8
Rural Construction Grant/ Grant Financial Officer	GS07	G145C	7
Environmental Program Coordinator	GS07	X054C	1

Grants Coordinator	GS07	G147C	3
Program Fiscal Manager	GS08	A041C	2
Finance Program Coordinator	GS08	G126C	1
Administrative Specialist III	GS04	C056C	1

Awards will be based on the number of active water and wastewater projects being administered. Employees will only be considered for incentive pay when their case load exceeds 45 cases. Additional eligibility requirements are provided below:

1. If the total number of active water and wastewater projects fall below 350 in a fiscal year no incentives will be offered.
2. Employees with more than one of year of employment will only be eligible if they receive a meets expectation or exceeds expectation performance rating.
3. Employees with less than a full year of employment may be eligible for special compensation based on supervisory review of the employee's performance after three months.

**Cost**

Special compensation will be administered in the form of a lump-sum bonus of \$5,000 per employee or 40 hours of incentive leave time per fiscal year. The department has sufficient funding to cover the request. This compensation will be paid from special revenues.

- For compensation of \$5,000 per fiscal year, the total maximum cost to the department will be approximately \$170,000 or \$340,000 over two years including fringe benefits.
- For compensation of 40 hours of incentive leave time per fiscal year per eligible position, the total maximum cost to the department will be approximately \$44,522 including fringe benefits or \$89,044 over two years.

**Recruitment Incentive**

The department requests approval to offer recruitment incentive pay for engineering positions. Currently the department has nine engineer positions, three of the positions are vacant. The department is having an extremely hard time recruiting to fill these positions and is competing with the private sector that can pay more than the state. Engineers are critical to expedite the completion of water projects and assist with the state water plan as directed by the Governor. The department seeks to offer up to a \$5,000 recruitment incentive to new hires, outside of current state employment, for the following classifications:

- Engineer Supervisor, GS12, B015C (1 position)
- Engineer, P.E. / Engineer, GS11-GS09, B023C (8 positions)

Recruitment incentive payments will be paid from special revenues. The payment may be paid in full or in installments as determined by the Secretary. An employee receiving a recruitment incentive award shall be required to be employed with the department for a period of one (1) year.

An employee who received a recruitment incentive payment and who voluntarily resigns or is terminated from the department before completing the one-year period shall pay back the entire amount received. The recruitment incentive payment must be paid back within one hundred eighty (180) days from the employee's termination or resignation. If the employee fails to pay back the recruitment incentive pay, the department, with the assistance of OPM and the Department of Finance and Administration, may pursue a set off of any refunds due the employee from their state taxes pursuant to A.C.A. 26-36-301 *et seq.* If the payment was approved in installments, the employee will not

receive the value of an installments payments that are scheduled on or after the termination or resignation date. An employee who received recruitment incentive leave and who voluntarily resigns or is terminated from the department before completing the one-year period shall have the remaining recruitment incentive leave expire and not paid out as a lump-sum.

We appreciate your consideration of these requests. Please let us know if you have any questions.

Respectfully,



Wesley W. Ward  
Secretary of Agriculture  
State of Arkansas