



Department of Shared Administrative Services
Governor Sarah Huckabee Sanders
Secretary Leslie Fiskens

March 18, 2026

The Honorable Breanne Davis, Co-Chairperson
The Honorable Les Warren, 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 Warren:

The Office of Personnel Management (OPM) respectfully submits department plans for administering special compensation awards and recruitment incentives. Ark. Code Ann. § 21-5-227 authorizes a department to develop their plan and submit it for OPM review and legislative approval. The Department of Commerce and the Department of Veterans Affairs have submitted their plans, and OPM **recommends** the approval of these plans.

Your consideration of this request is greatly appreciated.

Sincerely,

Kay Barnhill, Director
Office of Personnel Management



Sarah Huckabee Sanders
GOVERNOR

Hugh McDonald
SECRETARY OF COMMERCE

February 3, 2026

Ms. Kay Barnhill, Director
Office of Personnel Management
Arkansas Shared Administrative Services
501 Woodlane St., Suite 201
Little Rock, AR 72201

Dear Ms. Barnhill:

Pursuant to Arkansas Code Annotated § 21-5-227, the Department of Commerce (ACOM) submits the following plan for administering special compensation awards from the Department of Commerce, DWS-Reemployment, DWS-Information Technology, ACOM Information Technology, and Office of State Technology (OST) for your review.

Implementation

The Division of Workforce Services – Reemployment (ADWS) and the Office of State Technology (OST) are requesting approval to grant special compensation awards consisting of a lump sum bonus payment not to exceed \$5,000 to recognize outstanding performance in completing a major project or major project milestones, in addition to completing their regularly assigned job duties. Employees must hold full-time, regular positions to be eligible for awards. Success will be evaluated based on demonstrated excellence in communication, accountability, professionalism, agency efficiency, and initiative. This project will have a major impact on streamlining operations and creating efficiencies.

Transitioning the Unemployment Insurance (UI) program away from outdated mainframe technology for Arkansans separated from employment through no fault of their own has been a 25-year effort. The pandemic highlighted the system's inability to scale and meet heightened demand, making the risks of relying on the legacy mainframe technology clear. The legislature recognized the urgent need to modernize the legacy programs, jobs, and integrations that have supported UI programs for more than four decades. The complexity of this effort required dedicated support from many teams over the duration of the project. Our transition to a cloud-based infrastructure was completed in November 2025. This modernization lays the foundation for continued improvements to the UI framework and IT systems, ensuring reliability, scalability, and responsiveness for the future.

Costs associated with running the UI Modernization programs fluctuate monthly based on the number of transactions and volume of data, but early projections indicate an estimated savings



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of approximately \$300,000 per month or \$3.6 million annually over the cost of running those same programs on the mainframe.

Eligibility

Employees must have participated and had a significant impact on the UI Modernization effort to end the Unemployment Program’s dependency on the mainframe to receive a special compensation award. The dedication required to complete this project was demonstrated, as staff consistently worked long days, nights, weekends, and holidays to meet deadlines. Their commitment ensured uninterrupted payments and maintained continuity of UI operations while the project progressed in parallel. While maintenance on this effort continues, the considerable effort to transition the process to the updated cloud environment has been completed as of November 2025.

<u>Department</u>	<u>Eligible Project</u>
ACOM-DWS Reemployment	UI Modernization
ACOM-DWS Information Technology	UI Modernization
ACOM-Information Technology	UI Modernization
OST	UI Modernization

The following classifications are eligible for special compensation awards within the specified department:

<u>Department</u>	<u>Title</u>	<u>Class Code</u>	<u>Grade</u>
ACOM	Commerce Program Manger	PCO02C	SPC05
ACOM	Commerce Program Specialist	PCO03P	SGS06
ACOM	Commerce Program Supervisor/Expert	PCO04P	SGS08
ACOM	Quality Assurance Manager	PQA02C	SGS09
ACOM	Applications Developer II	IAS05P	IST08
ACOM	IT Administrator	IIA04C	IST12
ACOM	Applications Coordinator	IAS03P	IST09
ACOM	Applications Developer I	IAS04P	IST06
ACOM	IT Administrator	IIA04C	IST12
ACOM	Workforce Director	EEX55A	SPC10
ACOM	Chief Information Officer III	IIA03C	IST14
ACOM	Applications Developer II	IAS05P	IST08



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ACOM	Commerce Program Manager	PCO02C	SPC05
ACOM	Commerce Program Supervisor/Expert	PCO04P	SGS08
OST	IT Infrastructure Coordinator	IIS06P	IST08
OST	IT Infrastructure Architect	IIS05P	IST11
OST	IT Supervisor/Expert	IIS11P	IST09
OST	Database Analyst	IDM02P	IST07
OST	Database Administrator	IDM01P	IST09
OST	IT Infrastructure Analyst	IIS04P	IST06
OST	IT Infrastructure Coordinator	IIS06P	IST08

ACOM anticipates approximately 14 employees being eligible for an award with a cost of approximately \$70,000 (number x \$5,000). OST anticipates approximately 7 employees being eligible for an award with a cost of approximately \$35,000 (number x \$5,000).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Hugh McDonald'.

Hugh McDonald
Secretary



ARKANSAS DEPARTMENT OF VETERANS AFFAIRS

501 Woodlane Street, Suite 401N

Little Rock, AR 72201

SARAH HUCKABEE SANDERS
GOVERNOR

ROBERT A. ATOR II
SECRETARY

February 10, 2026

Kay Barnhill, State Personnel Director
Department of Shared Administrative Services
Office of Personnel Management
501 Woodlane Street, Suite 201
Little Rock, Arkansas 72201

Dear Ms. Barnhill,

The Arkansas Department of Veteran Affairs (ADVA) is requesting the establishment of a Special Compensation Award Incentive Program for the following classification:

Certified Nursing Assistant (CNA) THT01I SGS03

The purpose of the Special Compensation plan is to significantly reduce the reliance on contract agency staffing and increase successful recruiting for our Arkansas State Veterans Homes. The proposed policy is attached.

Your favorable consideration of this request is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert A. Ator II".

Robert A. Ator II
Col (USAF Ret)
Secretary

ARKANSAS DEPARTMENT OF VETERANS AFFAIRS
Special Compensation Award Incentive Program
(Award Program) For Certified Nursing Assistants

I. PURPOSE

Pursuant to Arkansas Code § 21-5-227 and § 21-5-228, this policy establishes the Arkansas Department of Veterans Affairs (ADVA) Special Compensation Award Program (Award Program) for Certified Nursing Assistants (CNA). The Award Program is designed to significantly reduce the reliance on contract Certified Nursing Assistants (CNA), increase successful recruiting, and for better retention of current eligible employees at Arkansas State Veterans Homes (ASVH) by providing a one-time special compensation award.

II. SCOPE

This policy applies to:

1. Current Certified Nursing Assistant (CNA) employees occupying regular direct care positions on a full-time basis at ASVH; and
2. Newly hired Certified Nursing Assistant (CNA) employees who will occupy regular direct care positions on a full-time basis at an ASVH

III. AWARD PROGRAM ADMINISTRATION

The Award Program will be administered without regard to race, color, religion, sex, national origin, age, disability, genetic information, or any other protected status.

Eligibility:

Current employees occupying a full-time direct care CNA position at an ASVH and new hires into a full-time direct care CNA position at an ASVH will be eligible to receive a one-time award in order to retain current employees and to serve as a recruitment incentive for new employees.

Criteria:

All current full-time employees meeting the above eligibility requirement will automatically meet the criteria required to receive the two-thousand-dollar (\$2,000) Special Compensation Award. This will result in the following approximate costs for each of the facilities: Arkansas State Veterans Home-Fayetteville: \$36,000 and Arkansas State Veterans Home-North Little Rock: \$64,000.

Current and newly hired employees into eligible positions will receive their \$2,000 Special Compensation Award over time as detailed below.

Current and newly hired employees may receive only one award (i.e. if a qualifying employee resigns and later returns or is promoted into another eligible position, they would not be eligible to receive a second Special Compensation Award).

Procedures:

1. A qualifying current employee's Special Compensation Award will be processed following final approval from the Office of Personnel Management (OPM). The employee will receive one-half of the award (\$1,000) on the first pay period following OPM approval. The second half of the award (\$1,000) will be paid out on the first pay period following the one-year anniversary of the first payment.

If the employee voluntarily resigns or is terminated from employment prior to the completion of one full calendar year beyond the initial payment date, the following conditions shall apply:

- Will repay ADVA any payment received before the date that the employee resigns or is terminated from employment; and
- Will not receive the value of any installment payments scheduled on or after the date of resignation or termination.

2. A newly hired employee into a qualifying position will receive one-half of the award (\$1,000) on the first pay period following OPM approval. The second half of the award (\$1,000) will be paid out on the first pay period following the employee's one-year career service date. If the employee voluntarily resigns or is terminated from employment prior to completion of the required period of employment the following shall apply:

- Will repay ADVA any installment payments received before the date that the employee resigns or is terminated from employment; and
- Will not receive the value of any installment payments scheduled on or after the date of resignation or termination.

If the employee fails to repay within one hundred eighty (180) days from the date of resignation or termination, the Revenue Division of the Department of Finance and Administration may offset any refunds due the employee from the division by the sum certified by the Office of Personnel Management as due and owing under § 26-36-301 et. seq.

Miscellaneous:

The following terms apply to the Award Program:

1. An employee shall not receive more than one (1) Special Compensation Award type per qualifying event.
2. A lump-sum Special Compensation Award payment is subject to withholding of all state and federal taxes.
3. A lump-sum Special Compensation Award payment is included by retirement systems in determining retirement benefits.
4. A Special Compensation Award may allow an employee's salary to exceed the maximum pay level.
5. An employee may receive a Special Compensation Award, and a merit increase in the same fiscal year, if the employee is otherwise eligible for a merit increase.
6. Existing department funding will be used to cover the costs associated with any Special Compensation Award.