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

RECEIVED
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By

November 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

Dear Senator Davis and Representative Warren:

The Office of Personnel Management (OPM) respectfully submits a department plan for administering special compensation awards and recruitment incentives. Arkansas Code Annotated § 21-5-227 and § 21-5-228 authorize a department to development its plan and submit it for OPM review and legislative approval. The Arkansas Department of the Military has submitted its plan and OPM is requesting approval of this plan. Your consideration of this request is greatly appreciated.

Sincerely,

Kay Barnhill

Kay Barnhill, Director
Office of Personnel Management

KB/jlh:1

Department of Military
Governor Sarah Huckabee Sanders
The Adjutant General, Brigadier General Olen C. Bridges

July 6, 2026

Ms. Kay Barnhill
Director of Personnel Management
Department of Transformation and Shared Services
Office of Personnel Management
501 Woodlane, Suite 201
Little Rock, Arkansas 72201

Dear Ms. Barnhill:

The Arkansas Department of the Military respectfully submits changes to Policy 22 Special Compensation Awards Program that received approval in November of 2024. The primary revisions to Policy 22 Special Compensation Awards Program Appendix 1 stem directly from Act 103 of 2026, which redefined authorized positions, class codes, and grade structures for the Arkansas Department of the Military. Further changes include reducing the number of eligible positions from one hundred and thirteen (113) down to sixteen (16) positions. Other changes are stylistic and corrections, and the addition of four new positions. The changes include:

- Revised class codes and titles consistent with Act 103 of 2026.
- Removed one hundred and three (103) positions from eligibility
- Updated grade levels aligned with the new compensation structure.
- Revised eligibility determinations based on each classification's current organizational role.
- Added four new positions in data and workforce development.
- Removal or renaming of positions no longer authorized under Act 103 of 2026.
- Minor changes to what compensation awards were available to the twelve (12) positions that previously qualified

Thank you for your consideration of this request and for your continued support of the Arkansas Department of the Military and the Arkansas National Guard.

Respectfully,

Olen C. Bridges

Brigadier General Olen C. Bridges
The Adjutant General
Arkansas Department of the Military

Arkansas Department of the Military
Cabinet Secretary – Brigadier General Olen Chad Bridges,
The Adjutant General

Policy Title: Special Compensation Awards Program

Policy Number: 22

Authority: Ark. Code Ann. § 21-5-227

I. PURPOSE:

The Arkansas Department of the Military (DOTM) Special Compensation Awards Program is designed to motivate state employees to increase productivity, creativity, and to achieve greater efficiency, economy, and improvement of operations. It provides a method for rewarding those whose job performance is substantially above normal job requirements and performance standards. The DOTM Special Compensation Awards Program will be administered entirely based on merit without regard to gender (to include sexual harassment and pregnancy), age, race, color, religion, national origin, marital status, physical or mental handicap, disability, veteran status, or any other protected status.

II. DOTM SPECIAL COMPENSATION AWARDS COMMITTEE:

The Adjutant General will appoint a DOTM Special Compensation Awards Committee. The Committee membership will include state, federal, and military employees. The scope and level of review of the Committee is established to effectively manage the DOTM Special Compensation Awards Program. Responsibilities of the Committee include the following:

a. Assisting DOTM HR Director and supervisors of state employees in planning the DOTM Special Compensation Awards Program and providing program promotion to create and maintain interest in the DOTM Special Compensation Awards Program.

b. Reviewing and making recommendations to The Adjutant General, or designee, on nominations for monetary awards not to exceed five thousand dollars ($5,000) per award.

c. Reviewing and making recommendations to The Adjutant General, or designee, on the recommendation to award a recruitment incentive for individual prospective employees and certain classifications of positions.

d. Validate funding availability for special compensation awards with a financial impact.

e. Assisting the DOTM HR Director and supervisors of state employees to review requests for reconsideration of disapproved suggestions.

f. Evaluating the effectiveness of the program by reviewing participation and performance awards granted.

g. Considering a supervisor's effective use of the DOTM Special Compensation Awards Program.

h. Reviewing program results to ensure that all awards are granted equitably and based on merit.

i. Ensuring state employees serving on the DOTM Special Compensation Awards Committee are not involved with any DOTM Special Compensation Award related to themselves.

j. Ensure all requests under the DOTM Special Compensation Awards Program meet all requirements established in Arkansas law or policy.

The Adjutant General is the approving official for the recommendations of the DOTM Special Compensation Awards Committee. The Adjutant General may delegate authority for approval to the Deputy Adjutant General or the DOTM Chief of Staff. The DOTM HR Director will be provided with a copy of the written delegation of authority.

III. INCENTIVE LEAVE AWARD PROGRAM:

The following provides guidance for the administration of the DOTM Incentive Leave Award Program (ILAP). Incentive leave awards are intended to excuse a state employee from duty without loss of pay or charge to any other type of leave in recognition of superior accomplishment of a major project or assuming duties outside their normal job duties.

DEFINITION:

Incentive leave is an excused absence granted to an employee for recognition of superior accomplishment of a major project or assuming duties outside their normal job duties. Incentive leave is a means of recognizing the superior accomplishments or contributions of employees as an alternative to a monetary award.

ELIGIBILITY:

All full-time state employees who are not in a probationary period or performance improvement plan are eligible to receive incentive leave. A list of the classifications eligible for recommendation for the ILAP is listed in Appendix 1.

CRITERIA:

a. Performance by the state employee of a high quality, which:

1) Displayed outstanding performance in successfully completing a significant project,

job assignment, or completing a major project milestone. Outstanding performance includes but is not limited:

i. Displaying special initiative and skill in completing an assignment.

ii. Performance of assigned duties involved overcoming unusual difficulties.

iii. Making improvements in a product, activity, program, or service.

2) Included assumption of temporary job responsibilities for a period not to exceed six (6) months that were beyond the scope of work typically performed by the employee and produced measurable results that enhance the mission and goals of the agency.

b. Supervisors will take into consideration the benefits realized by the agency from the employee's contribution.

PROCEDURES:

a. Incentive leave time-off may be granted for a minimum of twenty (20) hours or a maximum of forty (40) hours for a single contribution.

b. An employee may be granted no more than forty (40) hours of incentive leave during any one calendar leave year (Jan-Dec). An employee shall not receive more than two (2) incentive leave awards in a state biennium.

c. The recommendation for an award will be initiated by the immediate supervisor on a DOTM Form 32-A and supported by appropriate written justification. A table for the number of hours to award in correlation with the value to the organization is provided in Appendix 2 as a guide; it is not all-inclusive. The DOTM Form 32-A will be submitted to the 2nd line supervisor for concurrence and signature.

1) The 2nd line supervisor has the authority to approve an incentive award up to twenty (20) hours; however, incentive awards of twenty (20) hours or less will still need to be routed through DOTM HR for review, to include the justification, and processing before the time can be taken by the state employee.

1) If the ILAP recommendation is for more than twenty (20) hours, the 2nd line supervisor can recommend approval by endorsing and forwarding the form to one of the appropriate Approving Officials. The Approving Officials for the DOTM are The Adjutant General, Deputy Adjutant General, and the DOTM Chief of Staff.

d. The effective date is the date of endorsement by the 2nd line supervisor or higher level, as appropriate for the number of hours recommended. The DOTM Form 32-A must be forwarded to the DOTM HR within three (3) days after final approval. The documentation will be reviewed for regulatory compliance prior to implementation.

e. Supervisors should verify the incentive leave has been awarded via EASE prior to granting/approving the state employee for time off. Failure to comply with published guidelines could result in unauthorized leave granted. Use of unauthorized time-off will be converted to another type of leave for the employee in the following order: Annual Leave, Compensatory Time, and Leave Without Pay. The first line supervisor will ensure that unauthorized time off is properly recorded on the state employee's time sheet.

f. Incentive leave granted must be scheduled and used by the end of the calendar year following the calendar year in which the award of incentive leave was made. No waivers are authorized beyond this period, and incentive leave will not carry forward to the subsequent calendar year. The use of time off granted under this authority is subject to approval by the immediate supervisor. An employee shall not receive a special compensation award under this section more than two (2) times in a biennium.

g. Incentive leave will not be liquidated by a lump-sum payment to an employee under any condition. Unused incentive leave hours remaining after the period outlined in subparagraph f above will be forfeited without further compensation to the state employee. Incentive which has been granted to an employee and not used before the time the employee transfers to another state agency shall be forfeited. The incentive leave balance cannot be transferred to another state agency, nor may the employee be compensated for the unused balance. Unused incentive leave will be forfeited if an employee resigns or is terminated from employment. To ensure awarded incentive leave hours are not forfeited, it is recommended that the supervisor and employee both keep a record of the incentive leave awarded and used.

h. Incentive leave awards shall not be granted to create the effect of a holiday or treated as administrative excusals or leave. Though incentive leave awards may not have an immediate budget consequence, supervisors and managers shall fully consider wage costs and productivity loss and shall ensure that the incentive leave granted as an award is commensurate with the individual's contribution and accomplishment.

i. The use of incentive leave awards will be reported through EASE, utilizing the processes established in that system.

j. Incentive leave awards will be documented and reported by the DOTM HR as required by all applicable polices and state law. Incentive lease awards will not be granted prior to DOTM HR staff review of justification and approval.

k. The approved ILAP award will be processed and reported utilizing procedures established by the Arkansas Department of Transformation and Shared Services, Office of Personnel Management

SUPERVISOR RESPONSIBILITIES

Supervisors and managers are responsible for reviewing and approving subordinate time reporting

records and leave requests promptly. Any issues or discrepancies must be discussed with the employee and DOTM payroll representative when necessary.

Any changes in an employee's work schedule must be reported to the DOTM human resources liaison at least 2 (two) weeks in advance.

IV. LUMP-SUM PAYMENT OF ANNUAL LEAVE:

The following provides guidance for the administration of the DOTM Lump-Sum Payment of Annual Leave Program (LPAL). This program will be used to enable high-performing employees to receive a lump-sum payment for up to forty (40) hours of annual leave.

DEFINITION:

LPAL is an alternate means of recognizing the superior accomplishments of employees by recommending that an employee be allowed to receive a payout of up to forty (40) hours of annual leave.

ELIGIBILITY:

All full-time state employees who are not in a probationary period or performance improvement plan with a combined annual leave, holiday leave, and birthday leave balance of over eighty (80) hours are eligible for the LPAL. A list of the classifications eligible for recommendation for the LPAL is listed in Appendix 1.

CRITERIA:

a. The state employee must have a combined balance of annual leave, holiday leave, and birthday leave over eighty (80) hours.

b. Performance by the state employee of a high quality, which:

1) Displayed outstanding performance in successfully completing a significant project, job assignment, or completing a major project milestone. Outstanding performance includes but is not limited:

i. Displaying special initiative and skill in completing an assignment.

ii. Performance of assigned duties involved overcoming unusual difficulties.

iii. Making improvements in a product, activity, program, or service.

2) Included assumption of temporary job responsibilities for a period not to exceed six (6) months that were beyond the scope of work typically performed by the employee and produced measurable results that enhance the mission and goals of the agency.

c. Supervisors will take into consideration the benefits realized by the state government from the employee's contribution.

PROCEDURES:

b. An employee may be granted the ability to receive a payout of up to forty (40) hours of annual leave at the employee's hourly rate. However, the employee's combined balance of the employee's annual leave, holiday leave, and birthday leave may not be reduced to less than eighty (80) hours total with the lump sum payment during any one calendar leave year (Jan-Dec). An employee shall not receive more than two (2) lump-sum payments of annual leave awards in a state biennium.

c. The recommendation for an LPAL award will be initiated by the immediate supervisor on an DOTM Form 32-A and supported by appropriate written justification. The DOTM 32-A will be submitted to the 2nd line supervisor for concurrence and signature.

1) The 2nd line supervisor has the authority to approve an LPAL up to twenty (20) hours; however, LPAL awards of twenty (20) hours or less will still need to be routed through DOTM HR for review, to include the justification and processing.

2) If the LPAL recommendation is for more than twenty (20) hours, the 2nd line supervisor can recommend approval by endorsing and forwarding the form to one of the appropriate Approving Officials. The Approving Officials for the DOTM are The Adjutant General, the Deputy Adjutant General, and the DOTM Chief of Staff.

l. The effective date is the date of endorsement by the 2nd line supervisor or higher level, as appropriate for the number of hours recommended. The DOTM Form 32-A must be forwarded to the DOTM HR within three (3) days after final approval. The documentation will be reviewed for regulatory compliance prior to implementation.

d. Supervisors should verify that leave hours paid out under the LPAL have been deducted via EASE. Failure to comply with published guidelines could result in unauthorized leave granted. Use of unauthorized time-off will be converted to another type of leave for the employee in the following order: Annual Leave, Compensatory Time, and Leave Without Pay. The first line supervisor will ensure that unauthorized time off is properly recorded on the state employee's time sheet.

e. The approved LPAL award will be processed and reported utilizing procedures established by the Arkansas Department of Transformation and Shared Services, Office of Personnel Management.

V. LUMP-SUM BONUS PAYMENT PROGRAM:

The following provides guidance for the administration of the DOTM Sustained Superior Performance Lump-Sum Bonus Payment Program (SSP). This program will be used as a means of

rewarding outstanding performance and improving workforce motivation and effectiveness.

DEFINITION:

A SSP is a monetary award not to exceed five thousand dollars ($5,000) per award for a DOTM state employee in recognition of superior accomplishment of a major project or assuming duties outside their normal job duties.

ELIGIBILITY:

All full-time state employees who have been with DOTM for over one year and are not on a performance improvement plan are eligible to receive a lump-sum bonus payment. A list of the classifications eligible for recommendation for the SPP is listed in Appendix 1.

An SSP is not authorized if a state employee has received a promotion within the six (6) month period prior to the end of the normal appraisal period beginning 1 July and ending 30 June.

The state employee's most recent overall performance appraisal must be "Meets Expectations", score of 3.5, or higher. Sustained superior performance on which the award is based must have been maintained for at least six (6) months and in the same job and grade level. A change of position, after being recommended for an award, will not affect eligibility for an award earned during a previous time and position.

A state employee may not have received another SSP within the same appraisal period. SSPs in consecutive appraisal periods may be considered by the DOTM State Employee Awards Committee.

CRITERIA:

a. Performance by the state employee of a high quality, which:

1) Displayed outstanding performance in successfully completing a significant project, job assignment, or completing a major project milestone. Outstanding performance includes but is not limited to:

iv. Displaying special initiative and skill in completing an assignment.

v. Performance of assigned duties involved overcoming unusual difficulties.

vi. Making improvements in a product, activity, program, or service.

2) Included the assumption of temporary job responsibilities for a period not to exceed six (6) months that were beyond the scope of work typically performed by the employee and produced measurable results that enhance the mission and goals of the agency.

b. Supervisors will take into consideration the benefits realized by the state government from

the employee's contribution.

c. Supervisors will confirm availability of funding in writing prior to recommending an award.

d. Examples of utilization of lump sum bonus payment include, but are not limited to:

1) Recognize outstanding performance in assuming supervisory duties or supervision of additional employees due to turnover or inability to fill supervisory positions.

2) Recognize outstanding performance related to major projects such as significant military training events, domestic state active-duty operations, streamlining and improving state business practices, and major construction or maintenance projects.

PROCEDURES:

a. Supervisor responsibilities:

1) The immediate supervisor is responsible for initiating the nomination for an SSP award by completing a DOTM Form 32-A and forwarding it with the most recent appraisal through channels to DOTM HR. Justification for an SSP award will be documented as described on the DOTM Form 32-A. The nomination will include a written certification from the National Guard Bureau Cooperative Agreement Appendix Manger stating federal funding is available for the award. For awards that are not one hundred percent federally funded, the nomination will include a second written certification from the DOTM Chief Financial Officer stating state funding is available for the award.

2) Supervisors may recommend a percentage of annual basic pay on the DOTM Form 32-A. The percentage recommended will be reviewed by the DOTM Special Compensation Awards Committee prior to forwarding to the Adjutant General or designee. The dollar value of the percentage cannot exceed five thousand dollars ($5,000) per award. An employee shall not receive more than two (2) lump sum bonus payment awards in a state biennium.

b. The DOTM Special Compensation Awards Committee will:

1) Consider a supervisor's effective use of the DOTM Special Compensation Awards Program.

2) Review justification, fair and equitable allocation, and, by a majority vote, recommend approval or disapproval to the Adjutant General, or designee, based on the criteria outlined in this policy and applicable state policies and law.

3) Ensure federal and/or state funds are available and obligated consistent with Army or Air National Guard financial management controls, and the amount of an SSP award is determined in a fair and equitable manner.

c. The DOTM HR Director will:

1) Review recommendations for administrative accuracy and verification of eligibility.

2) Forward eligible recommendations to the Awards Committee for review.

3) Upon approval of the recommendations by The Adjutant General, or a designee, supervisors will be notified, and payments processed. If disapproved, documentation of the recommendation will be returned through supervisory channels to the nominating official. When a nomination is disapproved, the state employee must begin a new waiting period beginning the day following the period the recommendation was based upon (12 months from the previous period of service). Employees may not appeal a decision to disapprove an award.

4) Generate applicable documents and reports to implement the approved award.

5) Ensure the approved SPP award is processed and reported utilizing procedures established by the Arkansas Department of Transformation and Shared Services, Office of Personnel Management.

VI. RECRUITMENT INCENTIVE PROGRAM:

The following provides guidance for the administration of the DOTM Recruitment Incentive Program (RIP). This program will be used to recruit highly qualified candidates who would otherwise seek employment outside of state government for similar positions in the federal, private, non-profit, and academic sectors. The use of recruiting incentives is not to be used as a substitute for traditional recruiting efforts, which could yield a competent and qualified employee without the use of such incentives. In determining whether to recommend the use of these incentives, supervisors should thoroughly weigh the financial costs associated with the approval of these incentives against the actual benefits.

DEFINITION:

A recruitment bonus payment is a monetary award not to exceed five thousand dollars ($5,000) for a prospective employee with an offer of employment from the DOTM.

Recruitment incentive leave is an excused absence granted to an employee not to exceed forty (40) hours for a prospective employee with an offer of employment from the DOTM.

ELIGIBILITY:

Recruitment incentives are only available to prospective employees with an offer of employment if it has been determined that the **position** is critical to the mission of the organization, and in the absence of the incentive, it would be difficult to fill the position with a **highly qualified employee** from either the government or private sector. A list of the classifications eligible for recommendation for the RIP is listed in Appendix 1.

CRITERIA:

The decision to award a recruitment incentive and the amount to be paid for any bonus payment must be justified, in writing, and approved by the DOTM Special Compensation Awards Committee. Recruitment incentives for highly qualified candidates must be submitted in writing and approved by the DOTM Special Compensation Awards Committee prior to the prospective employee accepting an offer of employment. The determination to pay a recruitment incentive must be based on factors including, but not limited to:

a. The qualifications of the prospective employee that establish a level of highly qualified.

b. The success (or lack thereof) of recent efforts to recruit candidates for similar positions, using indicators such as job offer acceptance rates, the proportion of positions filled, the length of time required to fill similar positions, and the probable cost of renewed recruitment efforts.

c. Recent turnover in similar positions. For purposes of recruitment incentives approval, positions are considered similar if they have the same duties and responsibilities and have the same level of responsibility.

d. Supervisors will confirm availability of funding in writing prior to submitting a RIP recommendation.

PROCEDURES:

a. Hiring Official responsibilities:

1) The hiring official is responsible for initiating the nomination for an RIP award by completing a DOTM Form 32-B and forwarding it through channels to DOTM HR. Justification for a RIP award will be documented as described on the DOTM Form 32-A. The nomination will include a written certification from the National Guard Bureau Cooperative Agreement Appendix Manager stating federal funding is available for the award. For awards that are not 100% federally funded, the nomination will include a second written certification from the DOTM Chief Financial Officer confirming that state funding is available for the award. Recommendations for recruitment incentive leave do not require written certification related to funding.

2) Hiring officials may recommend a recruiting lump-sum payment, recruitment incentive leave, or both. Hiring officials may recommend a percentage of annual basic pay for the position in the DOTM Form 32-B. The percentage recommended will be reviewed by the DOTM Special Compensation Awards Committee prior to forwarding to the Adjutant General or designee. The dollar value of the percentage cannot exceed five thousand dollars ($5,000) per award.

b. The DOTM Special Compensation Awards Committee will:

1) Consider a hiring official's effective use of the Recruiting Incentive Program for recruiting highly qualified individuals and hard-to-fill positions.

2) Review justification and, by a majority vote, recommend approval or disapproval to the Adjutant General, or designee.

3) Ensure federal and/or state funds are available and obligated consistent with Army or Air National Guard financial management controls, and the amount of an RIP award is determined in a fair and equitable manner.

c. The DOTM HR Director will:

1) Review recommendations for administrative accuracy and verification of eligibility.

2) Forward eligible recommendations to the DOTM Special Compensation Awards Committee for review.

3) Upon approval of the recommendations by The Adjutant General, or a designee, notify the hiring official.

4) Generate applicable documents and reports to implement the approved award.

5) Ensure the approved RIP award is processed and reported utilizing procedures established by the Arkansas Department of Transformation and Shared Services, Office of Personnel Management.

d. Recruitment incentive leave shall use the same procedures outlined in incentive leave procedures in Section III, paragraph "PROCEDURES," procedures subparagraph e. through j. above.

e. An employee receiving a recruitment incentive shall be required to be employed with the DOTM for a period of one (1) year. If the employee receives a recruitment incentive under this section and voluntarily resigns or is terminated from employment with the state agency before completing the one-year period, the employee shall pay back the entire amount received as a recruitment incentive bonus. Regarding recruitment incentive leave, the same procedures outlined in the incentive leave procedures subparagraph g above shall apply.

f. An employee shall not receive more than two (2) recruitment incentive awards in a state biennium.

g. A person employed by the executive branch at the time of the offer of employment is not eligible for a recruitment incentive under this section.

Appendix 1 – DOTM Classified Positions Eligible for Special Compensation Awards

Class Code	Title	Grade	Recruitment Incentive	Incentive Leave	Lump-Sum - Annual Leave	Lump-Sum - Bonus Payme
SLE01C	POLICE CHIEF	LES03	Yes	Yes	Yes	Yes
SFI01C	DEPUTY FIRE CHIEF	SGS07	Yes	Yes	Yes	Yes
SFI04P	FIREFIGHTER SUPERVISOR/EXPERT	SGS07	Yes	No	Yes	Yes
SLE02P	POLICE OFFICER	LES01	Yes	Yes	Yes	Yes
TST02	LICENSED TRADESMAN	SGS076	Yes	Yes	Yes	Yes
SIA13P	DISPATCHER SUPERVISOR/EXPERT	SGS06	Yes	Yes	Yes	Yes
SSE01P	SECURITY GUARD	SGS03	Yes	No	Yes	Yes
SFI03P	FIREFIGHTER II	SGS06	Yes	No	Yes	Yes
TSTO2P	SKILLED TRADESMAN	SGS06	Yes	Yes	Yes	Yes
SFI02P	FIREFIGHTER I	SGS05	Yes	No	Yes	Yes
IDA02C	DATA ENGINEER	IST12	Yes	Yes	Yes	Yes
IDN03P	DATA SCIENTIST	IST08	Yes	Yes	Yes	Yes
IDN01P	DATA ANALYST	IST07	Yes	Yes	Yes	Yes
SLE03P	POLICE OFFICER SUPERVISOR/EXPERT	LES02	Yes	Yes	Yes	Yes
SSE03P	SECURITY SUPERVISOR/EXPERT	SGS06	Yes	Yes	Yes	Yes
PWD04P	WORKFORCE DEVELOPMENT SUPERVISOR/EXPERT	SPC06	Yes	Yes	Yes	Yes

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Appendix 2 –
DOTM Incentive Leave Scale for a Single Contribution

Value to Organization	Number of Hours
Substantial: (1) An important contribution to the value of a product, activity, program, or service to the public. (2) Significant change or modification of operating principles or procedures.	20 to 24
High: (1) A highly significant contribution to the value of a product, activity, program, or service to the public. (2) Complete revision of operating principles or procedures, with considerable impact.	25 to 30
Exceptional: (1) A superior contribution to the quality of a critical product, activity, program, or service to the public. (2) Initiation of a new principle or major procedure, with significant impact.	31 to 40

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