



Department of Transformation and Shared Services
 Governor Asa Hutchinson
 Secretary Mitch Rouse
 Director Kay Barnhill

September 14, 2022

The Honorable David Wallace, Co-Chairperson
 The Honorable David Hillman, Co-Chairperson
 Uniform Personnel Classification and
 Compensation Plan Subcommittee
 Joint Budget Committee
 State Capitol Building, Room 315
 Little Rock, Arkansas 72201

Dear Senator Wallace and Representative Hillman:

The Office of Personnel Management (OPM) submits a request from the Arkansas Department of Commerce (ACOM), the Arkansas State Bank Department (ASBD) for your review.

ASBD is requesting one (1) position from the OPM surrender pool established by Arkansas Code Annotated § 21-5-225(a)(1). The classification requested and position surrendered is listed below:

CLASSIFICATION SURRENDERED

<u>CLASS CODE</u>	<u>TITLE</u>	<u>POSITION</u>	<u>GRADE</u>	<u>SALARY RANGE</u>
D022C	Systems Specialist	22088707	IT06	\$57,755 - \$83,745

CLASSIFICATION REQUESTED

<u>CLASS CODE</u>	<u>TITLE</u>	<u>GRADE</u>	<u>SALARY RANGE</u>
D012C	Database Specialist	IT08	\$71,704 - \$103,970

JUSTIFICATION

ASBD currently has four (4) positions within its internal IT section: one (1) position is authorized as D013C, ACOM Bank IT Administrator, one (1) position is authorized as D012C, Database Specialist, and two (2) positions is authorized as D022C, Systems Specialist. This requested position's responsibilities would include performing system analysis to designing data solutions using structured query language (SQL) database tables and queries, creating web interfaces and drafting technical documentation related

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to function, communication and security. Other duties will include performing analysis and diagnostics to isolate the source of network, hardware, and software malfunctions and then developing data solutions.

RECOMMENDATION

The Office of Personnel Management has reviewed this request from ASBD and **recommends** the approval of one (1) pool position authorized as D012C, Database Specialist. The cost for this one (1) pool position is approximately \$94,196. The agency guarantees that it possesses sufficient funding to support this pool position request.

Your consideration of this request is greatly appreciated.

Sincerely,



Kay Barnhill, Director
Office of Personnel Management

  

SECRETARY OF TRANSFORMATION & SHARED SERVICES **DATE**

KB/jlh:1-2



Arkansas State
Bank Department

1519



Michael Preston
Secretary of Commerce
Susannah T. Marshall
Bank Commissioner
Arkansas State Bank Department

July 29, 2022

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



The mission of the Arkansas State Bank Department (ASBD), a Division of the Arkansas Department of Commerce, is to maintain 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 ASBD is fully funded by assessments paid by its supervised institutions; we receive no General Revenue funding from the State.

Although the ASBD has operated with only a slight increase in staffing since FY14 (when we had 72 authorized positions) to FY22 (when we utilized the OPM Growth Pool to increase to 78 authorized positions by adding five (5) GS13 Certified Bank Senior Examiner positions and one (1) IT08 Database Specialist position), the financial institutions that the ASBD regulates have almost tripled their size during this same time (from \$49 billion in FY14 to almost \$138 billion as of March 31, 2022). In addition, there were two large bank merger applications that were approved and consummated during the current quarter that will increase total assets under supervision by almost \$10 billion. Despite the phenomenal growth in assets under supervision, the ASBD has worked diligently to ensure the effective use of its current budget and adhere to the Governor’s shared goal of operating more efficiently.

The banking sector of the economy continues to evolve into a vastly more complex industry, and despite the level and trend of industry consolidation, total assets of Arkansas state-chartered banks have continued to flourish and grow. As of March 31, 2022, the ASBD is the chartering agency responsible for the regulation of 73 commercial banks headquartered in Arkansas, in addition to supervising the bank holding companies of Arkansas state-chartered banks; one (1) state-chartered trust company; one (1) regional and county industrial development corporation; and one (1) capital development company. The growth and expansion in Arkansas financial institutions has led to more frequent and complex examinations.

In addition to the Bank Commissioner and two Deputy Commissioner positions, the ASBD’s 78 total authorized positions include 60 bank examiner positions and only 14 program support positions including legal, accounting, IT, and administrative support staff. The ASBD filled eight (8) examiner positions in 2022, which leaves us with only four (4) currently vacant positions: one (1) IT08 Database Specialist position established via Growth Pool in June 2022 that is currently being filled, one (1) IT06 Systems Specialist position that was vacated due to retirement in July 2022 and two (2) bank examiner positions that will be filled in the coming months.

As the banking industry has evolved into a more complex business sector, the technology that supports our industry has also increased in complexity. The IT skillsets necessary to support the field of bank examination have become significantly specialized and the vast amount of processes and procedures require a well-developed and highly experienced staff. It is vitally essential for the ASBD to develop and maintain the IT

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staff necessary to provide strong oversight and ensure secure operability for the ASBD and the larger banking industry.

The ASBD has supported the same organizational structure in our IT division for over 30+ years with three IT positions including two IT06 Systems Specialist positions that are directly supervised by one IT08 Bank IT Administrator. Unfortunately, both of our current IT06 Systems Specialist positions (each having more than 25 years with the ASBD) recently retired from state government, and we have been faced with the challenge of replacing both positions simultaneously. As we began preparing to backfill these positions, we quickly realized that for the ASBD to be able to continue providing the IT support necessary to our examination staff, it is critical that we reorganize our IT program. In June 2022, we received Legislative approval to increase our staffing by utilizing the OPM Growth Pool to add one (1) IT08 Database position that will require a specific skillset that includes implementing and maintaining database systems.

With this letter, the ASBD seeks approval to utilize the OPM Surrender Pool to trade in the remaining IT06 Systems Specialist position (position 22088707) in exchange for one (1) additional IT08 Database Specialist position to support our IT Department during FY23. Although this reclassification was originally expected to be included in the ASBD's 2023-2025 Biennial Budget request, I have since decided that the ASBD simply cannot wait until July 2024 to fill the position at the IT08 level. It is therefore necessary to request this reclassification during FY23 by using the OPM Surrender Pool.

This IT08 Database Specialist position will work with our existing IT staff to assist in user related data problems, identify data processing needs and provide data solutions. The position will design and integrate data solutions using SQL database tables and queries and will perform system analysis to determine the needs of information system development. The primary duties will include analyzing current systems as we migrate to new and emerging technologies, building web interfaces for user interaction with connections to back-end systems and preparing web interface connections to back-end SQL databases and file repositories. The position will perform analysis and diagnostics to isolate the source of network, hardware and or software malfunctions and will analyze the user's current information flow requirements to determine the feasibility of design approach for diverse and large-scale application systems. The position will also draft technical documentation related to function, communication and security and support users with hardware and operating system support. This position will be responsible for completing very complex tasks requiring a high level of professional judgement and will make decisions carrying a high degree of responsibility.

The ASBD has the necessary budget and available funding to support this request both now and in future years, and our 2023-2025 Biennial Budget request should reflect the continuation of this position into the new biennium. If additional information is needed, please contact Bank Chief Examiner, Jessica Wallace at 501-683-3214.

Sincerely,



Susannah Marshall
Bank Commissioner



Department of Transformation and Shared Services
 Office of Personnel Management
 Request for Pool Position

Business Area	Department Name / Agency Name	Date
0405	Department of Commerce / Bank Department	07-29-2022

Position(s) to be Surrendered

Position/Item Number	Classification Title	Pay Grade	Class Code
22088707	Systems Specialist	IT06	D022C

Classification(s) Requested

Classification Title	Pay Grade	Class Code
Database Specialist	IT08	D012C

I hereby certify that:

- A. The position requested is critical to the operation of this Agency and a detailed justification for this request is attached. (Justification should be detailed and not less than one typed page in length.)
- B. Sufficient funds are available to fund this position at the requested grade.
- C. This is a full-time position that will not be used for any other purpose than that which is outlined in the attached narrative.
- D. The position to be surrendered is the highest grade position available and the loss of this position will not adversely affect the operation of this Agency.
- E. No current employee will be displaced by this action.

Jessica Wallace
 HR Administrator's Signature

07-29-2022
 Date

Michael Preston
 Department Secretary's Signature

07-29-2022
 Date

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Susannah Marshall
Bank Commissioner