

**Department of Transformation and Shared Services**

Governor Sarah Huckabee Sanders

Secretary Leslie Fisk

Director Kay Barnhill

November 15, 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 Department of Finance and Administration (DFA), Revenue Services Division for your review.

DFA is requesting one (1) position from the OPM surrender pool established by Arkansas Code Annotated § 21-5-225(a)(1) along with one (1) position from the OPM growth pool established by Arkansas Code Annotated § 21-5-225(b)(1). The classifications requested and position being surrendered are listed below:

POSITION SURRENDERED

| <u>POSITION NUMBER</u> | <u>TITLE</u> | <u>CLASS CODE</u> | <u>GRADE</u> | <u>SALARY RANGE</u> | <u>LAST DATE VACATED</u> |
|-----------------------------------|---------------------|------------------------------|---------------------|----------------------------|---|
| 22180211 | Attorney Specialist | G047C | GS11 | \$62,531 - \$90,669 | Never Filled |

CLASSIFICATIONS REQUESTED

| <u>CLASS CODE</u> | <u>TITLE</u> | <u>GRADE</u> | <u># REQUESTED</u> | <u>SALARY RANGE</u> |
|------------------------------|---------------------|---------------------|---------------------------|----------------------------|
| G004C | Managing Attorney | GS13 | 1 | \$77,862 - \$112,899 |

GROWTH POOL POSITION REQUESTED

| <u>CLASS CODE</u> | <u>TITLE</u> | <u>GRADE</u> | <u># REQUESTED</u> | <u>SALARY RANGE</u> | <u>CLASS CODE</u> |
|------------------------------|-------------------------------------|---------------------|-------------------------------|----------------------------|------------------------------|
| A006C | DFA Revenue Tax Division Manager | GS13 | 1 | \$77,862 - \$112,899 | A006C |

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
November 15, 2023
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JUSTIFICATION

DFA is requesting the above positions in order to meet the needs of the department. The requested Managing Attorney, G004C, grade GS13, position will be assigned to the DFA Office of Field Audit which is responsible for performing audits in order to determine compliance with Arkansas tax laws as well as collecting delinquent tax debts and fees. This position will serve as a senior legal position supervising attorneys and support staff to ensure the accuracy of all legal work, policy development and case management. The requested DFA Revenue Tax Division Manager, A006C, grade GS13, position will be located in the DFA Office of Income Tax which is responsible for overseeing the activities of the Individual Income Tax Section, Corporation Income Tax Section and Tax Processing and Technology Section. This position will be responsible for overseeing a group of employees, providing guidance regarding compliance, case management and taxpayer support as well as assisting with complex case management issues. Approval of this request will result in an anticipated total cost of approximately \$260,466 including matching. This amount consists of \$126,933 for the surrender pool position and \$133,533 for the growth pool position.

RECOMMENDATION

The Office of Personnel Management has reviewed the request and **recommends** the approval of one (1) surrender pool position as well as one (1) growth pool position. Your consideration of this request is greatly appreciated.



STATE PERSONNEL DIRECTOR

11/2/23

DATE

KB/ca:1-2

| Positions Requested | | | | | | | |
|---|----------------|------------|-------------------|-------|-----------------------|-----------------|---------------------|
| Business Area | # of Positions | Class Code | Title | Grade | Salary Range | *Estimated Cost | Funding Source(s) % |
| 0630 | 1 | G004C | Managing Attorney | GS13 | \$77,862 to \$112,899 | \$ 133,533.40 | SCS 100% |
| Total Estimated Cost of the New Positions including 40% match | | | | | | \$ | 133,533.40 |
| Total Cost to General Revenue | | | | | | \$ | 133,533.40 |

| Positions Surrendered | | | | | | | | |
|--------------------------------------|-----------------|------------|---------------------|-------|--------------|-----------------------|---------------------|---------------------|
| Business Area | Position Number | Class Code | Title | Grade | Date Vacated | Position Budgeted Y/N | **Estimated Savings | Funding Source(s) % |
| 0630 | 22180211 | G047C | Attorney Specialist | GS11 | NA | Yes | \$ 6,600.00 | SCS 100% |
| Total Estimated Savings | | | | | | | \$ | 6,600.00 |
| Estimated Savings to General Revenue | | | | | | | \$ | 6,600.00 |

| | | | | | | | |
|---|--|--|--|--|--|----|------------|
| Total Estimated Cost to the Agency | | | | | | \$ | 126,933.40 |
| Total Estimated Cost to General Revenue | | | | | | \$ | 126,933.00 |
| Total Authorized Position Adjustment | | | | | | | 0 |

* The Estimated Cost calculation is based upon the Midpoint of the salary range, plus 40% matching.

** The Estimated Savings calculation is based upon the exit salary plus 40% match, only if a position has been vacant less than 1 year from the date of the request. Otherwise, savings is solely based on \$6,600 provided to EBD for all budgeted positions.

| Positions Requested | | | | | | | |
|---|----------------|------------|----------------------------------|-------|-----------------------|-----------------|---------------------|
| Business Area | # of Positions | Class Code | Title | Grade | Salary Range | *Estimated Cost | Funding Source(s) % |
| 0630 | 1 | A006C | DFA Revenue Tax Division Manager | GS13 | \$77,862 to \$112,899 | \$ 133,533.40 | SCS 100% |
| | | | | | | | |
| Total Estimated Cost of the New Positions including 40% match | | | | | | \$ | 133,533.40 |
| Total Cost to General Revenue | | | | | | \$ | 133,533.40 |

| Positions Surrendered | | | | | | | | |
|--------------------------------------|-----------------|------------|-------|-------|--------------|-----------------------|---------------------|---------------------|
| Business Area | Position Number | Class Code | Title | Grade | Date Vacated | Position Budgeted Y/N | **Estimated Savings | Funding Source(s) % |
| | | | | | | | | |
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| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total Estimated Savings | | | | | | | \$ | - |
| Estimated Savings to General Revenue | | | | | | | | |

| | | |
|---|----|------------|
| Total Estimated Cost to the Agency | \$ | 133,533.40 |
| Total Estimated Cost to General Revenue | \$ | 133,533.40 |
| Total Authorized Position Adjustment | | 1 |

* The Estimated Cost calculation is based upon the Midpoint of the salary range, plus 40% matching.

** The Estimated Savings calculation is based upon the exit salary plus 40% match, only if a position has been vacant less than 1 year from the date of the request. Otherwise, savings is solely based on \$6,600 provided to EBD for all budgeted positions.



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE SECRETARY
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October 27, 2023

Re: Pool Position Request

Leslie Fiskien, Secretary
Arkansas Department of Transformation and Shared Services
501 Woodlane Little Rock, AR 72201

Dear Secretary Fiskien:

The Department of Finance and Administration –Division of Revenue Services – Office of Field Audit-respectfully requests to surrender one (1) vacant position in exchange for one (1) new position from the OPM Surrender Pool. Additionally, the Office of Income Tax is requesting one (1) position from the OPM Growth Pool.

The DFA Office of Field Audit and DFA Office of Income Tax work diligently to successfully enforce statutory responsibilities. These offices perform complex tasks including Tax Policy Analysis, Taxpayer Dispute Resolution, Industry-Specific audit analysis, and legislative compliance. These tasks require a combination of legal knowledge, investigative skills, communication abilities, and the ability to navigate complex regulatory frameworks.

The DFA Office of Field Audit struggles to recruit top talent required to successfully operate a multifaceted taxation oversight department. This new position will help DFA be more effective in delinquent debt collection, which includes garnishments and liens. The new work will advance into collecting debt from out of state. It is critical to the division to ensure accurate legal expertise, compliance oversight, policy development, taxpayer support and education, and complex case management, as well as to contribute to strategic planning for the department.

A. POSITION TO SURRENDER

| CLASS CODE | POSITION GRADE &NUMBER | POSITION TITLE | SALARY RANGE |
|------------|---------------------------|---------------------|-------------------|
| G047C | GS11 (2218-0211) | Attorney Specialist | \$62,531-\$90,669 |

B. POSITIONS REQUESTED

| CLASS CODE | POSITION GRADE | POSITION TITLE | SALARY RANGE |
|------------|----------------|------------------------------|--------------------|
| G004C | GS13 | Managing Attorney | \$77,862-\$112,899 |
| A006C | GS13 | DFA Revenue Tax Division Mgr | \$77,862-\$112,899 |

Managing Attorney: DFA Office of Field Audit senior legal position. This position oversees the Garnishment Division which includes, attorneys and support staff. This position is also responsible for

assisting four audit districts that oversee the entire state. This oversight includes not only ensuring accurate legal expertise but also policy development and complex case management, which leads to accurate auditing. This office experiences difficulty recruiting and attracting qualified candidates who would be able to meet the requirements of the position.

DFA Revenue Tax Division Manager: DFA Office of Income Tax senior tax auditor manager. This position is necessary to ensure the Department is focused on continuous improvement and keeping up with changing times around state taxation of large multi-state businesses. It will oversee 7 employees. This oversight includes not only compliance oversight, but also policy development, complex case management, and taxpayer support and education.

Digitization surrounding the economy is having a significant effect on the way things are done across America. While goods and services used to be delivered physically; they are now being delivered electronically. Companies not headquartered in Arkansas that are doing business in the state need to be able to properly report and remit Corporate Income Tax in ways they haven't done in the past. There is a much larger footprint than in the past. Companies used to have a smaller piece of the market but through digitization, now have a much larger portion. This makes corporate compliance much more important to make sure that Arkansas gets its fair share of taxes. One of the ways we are accomplishing this is by negotiating agreements with corporations nationwide. This allows us to gain alignment going backward as well as going forward. There have also been several complicated pieces of legislation to deal with. These include the implementation of the Pass-Through Entity Tax, the gradual repeal of the Throwback Rule, and raising the Arkansas depreciation deduction limitation for the expensing of certain property from \$25,000 to \$1 million.

The surrender of this vacant position in exchange for two (2) new positions will increase DFA's net positions by one but will not require any additional appropriation.

These positions receive funding from State Central Services.

Sincerely,

A handwritten signature in black ink, appearing to be 'JH' with a stylized flourish extending to the right.

Jim Hudson, Secretary
Arkansas Department of Finance and Administration

cc: Alan McVey
Chief of Staff



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

Business Area
0630

Department Name / Agency Name
DFA - Division of Revenue

Date
10/24/2023

Position(s) to be Surrendered

| Position/Item Number | Classification Title | Pay Grade | Class Code |
|----------------------|----------------------|-----------|------------|
| 2218-0211 | Attorney Specialist | GS11 | G047C |

Classification(s) Requested

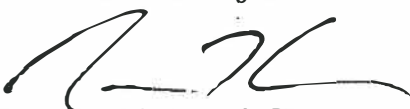
| Classification Title | Pay Grade | Class Code |
|------------------------------|-----------|------------|
| Managing Attorney | GS13 | G004C |
| DFA Revenue Tax Division Mgr | GS13 | A006C |

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.


HR Administrator's Signature

10/25/2023
Date


Department Secretary's Signature

10/25/2023
Date