



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

**OFFICE OF PERSONNEL MANAGEMENT
 Administrator's Office**
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September 23, 2015

Senator Uvalde Lindsey, Co-Chairperson
 Representative Lanny Fite, Co-Chairperson
 Uniform Personnel Classification and
 Compensation Plan Subcommittee
 Arkansas Legislative Council
 State Capitol Building, Room 315
 Little Rock, Arkansas 72201

Dear Co-Chairs:

The Office of Personnel Management (OPM) submits a request from the Arkansas Development Finance Authority (ADFA) for your review.

The ADFA is requesting one position from the OPM growth pool established by Arkansas Code Annotated §21-5-225(b)(1). ADFA request to establish a new position that will report directly to the ADFA President. The position will be responsible for overseeing the bond issue relationship between ADFA and state agencies and other entities that use ADFA as an issuer of their debt obligations. The agency believes that better service will be provided in the State of Arkansas by utilizing this approach:

CLASSIFICATION REQUESTED

<u>TITLE</u>	<u>GRADE</u>
ADFA Public Finance Officer	N905

Although it is not required, the agency has agreed they will not fill the following three positions for the remainder of the biennium, nor request continuation of these positions during the next budget cycle:

<u>POSITIONS</u>	<u>TITLE</u>	<u>CLASS CODE</u>	<u>GRADE</u>
2209-4235	Administrative Specialist III	C056C	C112
2209-4239	Administrative Specialist III	C056C	C112
2209-4224	ADFA Program Coordinator	G173C	C118

JUSTIFICATION

This position will be crucial to ensure efficiency of ADFA's role as issuer of state agency bond issues and as conduit issuer on behalf of non-governmental entities such as nonprofit organizations and educational facilities.

The ADFA Public Finance Officer position requires a high level of expertise in public finance, federal rules and regulations, innovative financing structure options and the securities market. Services currently outsourced could be performed internally at a lower cost. This includes fund management services for the Arkansas Institutional Fund (AIF) and portfolio review services for various programs of the ADFA housing department. Creating this position to handle the bond issues, the agency estimates savings of at least \$250,000. The AIF currently pays approximately \$350,000 per year for a third party fund manager. Certain housing programs require the recipient of funds, at their cost, to obtain a portfolio review that is currently performed by a third party. The ADFA can perform the portfolio review services internally and collect those fees, which amount to approximately \$250,000 per year. The ADFA has sufficient funds appropriated and in actual cash to fund this position.

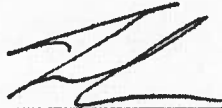
The Office of Personnel Management has reviewed this request and **recommends** the approval of the pool position for the classification of ADFA Public Finance Officer, grade N905.

Your approval of this request is greatly appreciated.

Sincerely,



Kay Barnhill
State Personnel Administrator



Chief Fiscal Officer of the State

SEP 10 2015

Date



RECEIVED

SEP 09 2015

**OFFICE OF PERSONNEL MGMT
CLASS & COMP**

September 9, 2015

Mrs. Kay Terry
DFA Office of Personnel Management
401 DFA Building
Little Rock, AR 72201

RE: Request for position on Professional & Executive Pay Plan Grade N905

Arkansas Development Finance Authority (ADFA) is seeking a new position on the Professional & Executive Pay Plan for a Grade N905, ADFA Public Finance Officer. The ADFA Public Finance Officer position will report directly to the ADFA President and will be responsible for overseeing the bond issue relationship between ADFA and state agencies and other entities that use ADFA as an issuer of their debt obligations.

This position is crucial to ensure the efficacy and efficiency of ADFA's role as issuer of state agency bond issues and as conduit issuer on behalf of non-governmental entities such as nonprofit organizations and educational facilities. The ADFA operates in an increasingly complex environment and must be able to attract and retain highly qualified and motivated employees to carry out its mission. The ADFA Public Finance Officer position requires a high level of expertise in public finance, federal rules and regulations, innovative financing structure options, and the securities market.

The ADFA is going through an extensive reorganization. As part of the reorganization, we are analyzing the services that are currently outsourced to determine if we could perform those functions internally at a lower cost. We have determined that two services could be performed internally: fund management services for the Arkansas Institutional Fund (AIF), for which the ADFA is administrator, and portfolio review services for various programs of the ADFA housing department.

The AIF currently pays approximately \$350,000 per year for a third-party fund manager. The Vice President for Development Finance is currently charged with oversight of the state agency and conduit bond issues and oversight of the AIF, among many other duties not relevant to this explanation. By creating this new position to handle the bond issuances, the Vice President for Development Finance can perform and oversee the fund management services for the AIF. We estimate savings of at least \$250,000, which will more than offset any additional costs incurred by creating this new position.

Certain housing programs require the recipient of funds, at their cost, to obtain a portfolio review that is currently performed by a third-party. The ADFA can perform the portfolio review services internally and collect those fees, which amount to approximately \$250,000 per year. These increased revenues will further offset any additional costs incurred by creating this new position. It is possible that the ADFA Public Finance Officer would assist with these services, if needed.

The ADFA has sufficient funds appropriated and in actual cash to fund this position at the requested grade.

This position is a full time position that will not be used for any other purpose than that which is outlined in the attached narrative.

The ADFA is surrendering the following positions, in order to obtain the new position: position number 2209-4224 which is a C118 pay grade, position number 2209-4235 which is a C112 pay grade, and position number 2209-4239 which is a C112 pay grade. The loss of these positions will not adversely affect the operation of the ADFA.

Please see attached job description that will explain more in detail the job functions and how they relate to ADFA.

It is important to note that ADFA is a cash fund Agency and receives no State funding for operations.

Sincerely,



Cheryl Schluterman
ADFA Vice President for
Finance & Administration