



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

OFFICE OF PERSONNEL MANAGEMENT
Administrator's Office
1509 West Seventh Street, Suite 201
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Little Rock, Arkansas 72203-3278
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www.dfa.arkansas.gov

January 23, 2017

Senator Bart Hester, Co-Chairperson
Representative Les Eaves, 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 Insurance Department (AID) for your review.

The AID is requesting to establish a labor market rate of \$89,085, which is maximum of grade C130, for the classification of Certified Financial Examiner, A004C, **position 22088211 only**, and to move one existing incumbent, Mr. Steven Kilgore, to the new rate.

JUSTIFICATION:

The AID is requesting movement of the following employee to the labor market rate listed above:

<u>POSITION</u>	<u>EMPLOYEE</u>	<u>CURRENT SALARY</u>	<u>REQUESTED SALARY</u>
22088211	Steven Kilgore	\$81,250	\$89,085

Statewide, there are six employees within the classification of Certified Financial Examiner with an average salary of \$76,170 and 12.97 average years of state service. All of these positions are located at the AID. The Office of Personnel Management (OPM) compared this classification to similar classifications in the Arkansas labor market using CompAnalyst data. Incumbents in comparable classifications in the Arkansas labor market average approximately \$109,100 annually. Mr. Kilgore has been in this position since May 1, 2007. There has been zero turnover for this classification in the past year.

The AID is requesting this Labor Market Rate movement in order to retain an existing employee that has taken on additional responsibilities in order for the AID to maintain compliance with National Association of Insurance Commissioners (NAIC) accreditation standards. These additional duties include, but are not limited to: ensuring the agency passes NAIC reviews, serving as an assistant manager, and acting as the subject matter expert regarding statutory accounting and reporting. Also, the agency would like to reward this incumbent for completing and passing the Certified Public Accountant (CPA) examination which will assist the agency in keeping with NAIC standards. The agency attests that approval of this special entry rate will not create an inequity within the agency.

Senator Bart Hester, Co-Chairperson
Representative Les Eaves, Co-Chairperson
January 23, 2017
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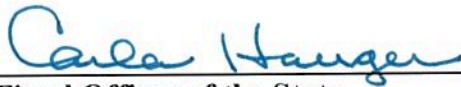
Based on salary analysis and the applicant's education and previous experience, the Office of Personnel Management **recommends** approval of the requested labor market rate of \$89,085, which is maximum of grade C130, for the classification of Certified Financial Examiner, A004C, **position 22088211 only**, and movement of the current incumbent. This will result in a \$7,835, or 9.64%, increase in the current incumbent's annual salary.

Your approval of this request is greatly appreciated.

Sincerely,



Kay Barnhill
State Personnel Administrator



Chief Fiscal Officer of the State

JAN 25 2017

Date

KB/ca:1-2

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

January 19, 2017

Kay Barnhill
Administrator
DFA, Office of Personnel Management
P.O. Box 3278
Little Rock, AR 72203-3278

Dear Ms. Barnhill:

Please accept this letter as my request for a labor market rate increase of 10% to \$89,085.00 for Steven Kilgore (22088211, C130, A004C) to reflect his recent completion of the CPA examination and to more fairly compensate him for the increased level of duties and responsibilities that have been necessary for AID to maintain compliance with NAIC accreditation standards.

Steven Kilgore has worked for the Arkansas Insurance Department since 1997. He has served as Assistant Manager of Financial Analysis since May 1, 2007. Since that time, Mr. Kilgore has performed at an exceptional level in this position, assisting the Arkansas Insurance Department in meeting rigorous national accreditation standards and successfully passing periodic NAIC accreditation reviews. Mr. Kilgore's work demonstrates excellent skill and quality. He excels as an assistant manager, and the substance of his work reflects his level of education, experience and analytical skill. He is considered by his peers to be an expert in statutory accounting and reporting.

Mr. Kilgore is a tremendous asset to the AID Finance Division and has achieved "exceeds standards" ratings on employee evaluations for over 10 years. Due to the specific nature of his duties as Assistant Manager of Financial Analysis and the demands of national accreditation standards, Mr. Kilgore has, in many ways, more rigorous responsibilities than some employees receiving higher levels of compensation. As NAIC accreditation standards have progressed over the past decade, the duties and responsibilities of his position have increased to keep pace with the scope of regulatory requirements.

Mr. Kilgore holds Masters Degrees in Economics and Business Administration. He obtained the Certified Financial Examiner designation in 2007. During 2016, he also passed the Certified Public Accountant (CPA) examination and is expected to be awarded an Arkansas CPA license.

Sincerely,

A handwritten signature in black ink that reads "Russ Galbraith".

Russ Galbraith
Chief Deputy Commissioner



DEPARTMENT OF FINANCE AND ADMINISTRATION
Office of Personnel Management
Special Entry Rate Request - Labor Market Conditions

Agency Name Arkansas Insurance Department						
Class Title CERTIFIED FINANCIAL EXAMINER		Grade C130		Class Code A004C		
Current Entry Salary/Pay Level	Requested Entry Salary/Pay Level	Institutions Only Number of Positions			Agencies Only Number of Positions	
		Authorized	Budgeted	Filled	Authorized	Filled
\$81,250.00	\$89,085.00					

If current employee is to be moved to the requested rate attach OPM form 095.

Filled Positions by Pay Level				
Entry	Base	Mid-Point	Maximum	Career

Agency/Institution Personnel Representative Russ Galbraith	Date 01/09/2017
Agency/Institution Head	Date

OFFICE OF PERSONNEL MANAGEMENT - ACTION

Attach Salary Survey:	
Reviewed by:	Reviewed by:
OPM Personnel Representative	Date
Classification and Compensation Manager	Date