

**Department of Transformation and Shared Services**

Governor Asa Hutchinson

Secretary Mitch Rouse

Director Kay Barnhill

November 16, 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 Public Employees Retirement System (APERS) for your review.

APERS requests two (2) new classifications and two (2) positions from the OPM surrender pool established by Arkansas Code Annotated § 21-5-225(a)(1). The classifications requested and positions surrendered are listed below:

POSITIONS SURRENDERED

<u>POSITION NUMBER</u>	<u>TITLE</u>	<u>CLASS CODE</u>	<u>GRADE</u>	<u>SALARY RANGE</u>	<u>LAST DATE VACATED</u>
22094613	Administrative Specialist II	C073C	GS03	\$26,034 - \$37,749	8/20/2022
22094614	Administrative Specialist II	C073C	GS03	\$26,034 - \$37,749	10/19/2020
22094616	Administrative Specialist II	C073C	Gs03	\$26,034 - \$37,749	10/01/2022

CLASSIFICATION REQUESTED

<u>CLASS CODE</u>	<u>TITLE</u>	<u>GRADE</u>	<u>SALARY RANGE</u>
NEW	APERS Deputy Director of Investment and Finance	SE01	\$108,110 - \$147,200
NEW	APERS Deputy Director of Operations	SE01	\$108,110 - \$147,200

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JUSTIFICATION

APERS has requested the abovementioned classifications and pool positions to support the reorganization of the agency. The first position's responsibilities will include balancing and reconciling their investment portfolio, collaborating with investment consultants, preparing a journal for their internal accounting system, as well as supervising subordinate investment analysts. The second position's responsibilities will include overseeing operations within communications and marketing, human resources, as well as information technology. This second position will additionally be responsible for functioning as a liaison between APERS and other executive branch departments/agencies.

RECOMMENDATION

The Office of Personnel Management has reviewed this request from APERS and **recommends** the establishment of two (2) new classifications and two (2) pool positions. The cost for the two (2) pool positions is approximately \$259,950.60. The agency guarantees our office 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

11/3/22
DATE

KB/ca:1-2



Kay Barnhill
State Personnel Administrator
501 Woodlane Avenue, Suite 205
Little Rock, AR 72201

Re: Request for two growth pool positions

Director Barnhill:

The Arkansas Public Employees' Retirement System (APERS) Board of Directors and the Executive Director request two SE01 positions to support the reorganization of the agency.

APERS has operated with approximately 60-70 positions for decades while the plan has experienced significant growth to that of a \$10-\$11 billion system. When first created, the agency did not have the sophisticated and technical systems that are in use today. Formally there was a high need for lower-graded positions that were used for clerical and data entry needs, but presently different skill sets and levels of education are required to accomplish most of the positions at APERS, which lends to the management levels needed to support the agency and our mission.

We are surrendering all of the unfilled lower-graded positions, and are undergoing a reorganization of the agency to better align and reflect the current needs. The two requested positions are Deputy Director of Investments and Finance; and Deputy Director of Operations.

Our Chief Investment Officer is a GS14 position and this level is not competitive with other public pension plans' salary levels. (See attached salary studies.) Many other public systems offer a more generous base salary in addition to the ability to earn incentives based on the performance of the fund.

The Deputy Director of Operations will focus on the internal operations of APERS such as HR, Communications, and IT, but will also assist the executive director in a vigorous marketing plan to provide statewide outreach to support the members including city and county governments.

We respectfully request your approval of these growth pool positions to fill the immediate needs and continue to elevate the work we are providing to the members of the Arkansas Public Employees' Retirement System.

I appreciate your consideration of this request. Please let me know if you have any questions.

Sincerely,

Amy Fecher

