



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 Department of Commerce (ACOM), Development Finance Authority (ADFA) for your review.

ADFA requests two (2) new classifications and three (3) positions from the OPM surrender pool established by Arkansas Code Annotated § 21-5-225(a)(1). The classifications requested and positions requested for surrender 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>
22094238	Administrative Analyst	C037C	GS06	\$36,155 - \$52,425	05-29-2021
22094230	ACOM Finance Authority Specialist	A080C	GS06	\$36,155 - \$52,425	10-02-2022
22094257	ACOM Finance Authority Specialist	A080C	GS06	\$36,155 - \$52,425	09-03-2022
22094255	ACOM Chief of Communications & Legislative Affairs	N066N	GS14	\$86,887 - \$125,986	05-19-2021

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CLASSIFICATIONS REQUESTED

<u>CLASS CODE</u>	<u>TITLE</u>	<u>GRADE</u>	<u>SALARY RANGE</u>
G027N	ACOM ADFA Program Officer	GS12	\$69,776 – \$101,175
NEW	ACOM ADFA Legal Counsel	GS15	\$96,960 – \$140,592
NEW	ACOM ADFA Business Finance Director	GS15	\$96,960 – \$140,592

JUSTIFICATION

ADFA currently has neither a dedicated legal section nor positions that require a legal background. The ACOM, ADFA Legal Counsel will meet that need by providing legal advice, compliance direction, and underwriting input on three (3) federally funded programs they are administering. Due to the complex legal terms and nature of several contracts, grants, and funding guidelines this position is needed to ensure that all federal guidelines are maintained. The responsibilities for this position are outside of the normal responsibilities of the ACOM Chief Legal Counsel.

ADFA currently has nine (9) positions authorized as G027C, ACOM ADFA Program Officer. The agency needs a tenth position responsible for managing three (3) ARPA programs. Its responsibilities will include establishing program guidelines, coordinating financial operations for each program, evaluating financial activity of each program, preparing the capital stack, as well as supervising subordinate personnel.

ADFA needs a new classification of ACOM ADFA Business Finance Director. The general responsibilities of this position will be managing their single-family mortgage programs and serving as their public finance officer on all bond issues. Its supplemental responsibilities will include directing operations within their ARPA programs, managing their business development team, providing site selection services for corporate clients and business consultants, as well as maintaining constructive relationships with existing businesses.

RECOMMENDATION

The Office of Personnel Management has reviewed this request from ADFA and recommends the establishment of two (2) new classifications and three (3) positions authorized as the abovementioned classifications. The cost for these three (3) positions is approximately \$318,346.08. The agency guarantees our office that it possesses sufficient funding to support this pool position request.

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Your consideration of this request is greatly appreciated.

Sincerely,



Kay Barnhill, Director
Office of Personnel Management



11/4/22

SECRETARY OF TRANSFORMATION & SHARED SERVICES

DATE

KB/jlh:1-3

#1628



Asa Hutchinson
GOVERNOR

Michael Preston
SECRETARY OF COMMERCE

November 8, 2022

Kay Barnhill, Administrator
Department of Transformation & Shared Services
Office of Personnel Management
501 Woodlane Street
Suite #205
Little Rock, AR 72201

RE: AR Development Finance Authority (ADFA) – Growth and Surrender Request

Dear Ms. Barnhill:

As a result of additional responsibilities being undertaken by the Arkansas Development Finance Authority (ADFA) due to new federal programs, the Arkansas Department of Commerce (ACOM) is challenged with the task of maintaining exceptional service delivery. Leadership has strategically evaluated the current and future needs of ADFA. As a result of new funding sources and requirements associated with recently obtained grants, it has been determined that additional positions are needed. Included with this letter are growth and surrender requests.

ADFA administers several federal programs and is reimbursed by the federal government for the administrative expenses incurred to oversee these programs. Salaries are one such authorized expense. For record-keeping purposes, personnel activities reports (PARS) and timesheets will be completed each month and allocated based on the time and services performed between federal and non-federal programs. For the fiscal year 2022, ADFA was reimbursed \$1,062,592 in salary expenses for administering federal programs. This amount represents 36% of ADFA's salary expense and 27% of salaries and benefits. The amount will increase significantly in the future, due to managing the American Rescue Plan Act (ARPA) programs. ADFA is a cash-funded agency and does not receive any general or special revenue.

Your consideration of this request is appreciated.

Sincerely,

Michael Preston
Secretary

Department of Commerce – ADFA Growth and Surrender Request

The requests below are pivotal to the ongoing success of the Arkansas Development Finance Authority (ADFA). The overall objective is to ensure the successful execution of federal programs and to meet the current and future goals of ADFA. Achievement of set goals will require experience, continued growth, training, focused learning, and development.

Over the next several years, the staff at ADFA will work to achieve the goals and realize the expected outcomes of the division. This plan will provide direction for meeting the challenges faced by the division, the State of Arkansas, and its citizens. The result is a more defined functioning business model. The following modifications are requested:

Growth and Swap/Surrender Position request - ADFA request the following actions:

- N061N - ACOM AEDC BUSINESS FINANCE DIRECTOR – GS15

(Due to the need and new funding obligation special permission is requested to use the above AEDC title for this ADFA request).

- G302C – ACOM Chief Legal Counsel - GS15
- G027C - ACOM ADFA PROGRAM OFFICER - GS12

Please see the required forms attached

GS15 Position Request

Due to new grant funding and responsibilities, ADFA requests N061N - ACOM AEDC Business Finance Director GS15 position. This position will manage the single-family mortgage programs, along with being the public finance officer on all bond issuances. The position will supervise six direct reports. In addition, the position will manage one of the three American Rescue Plan Act (ARPA) programs ADFA is administering on behalf of the State of Arkansas. ADFA is reimbursed approximately 29% of the position salary by the federal government each month the ARPA program is administered. We believe this program will extend between two and three years in the future. The federal government also reimburses ADFA 10% of the assigned position salary for the percentage of time spent administering the down-payment assistance program for first-time homebuyers-federal funds are used for this program.

GS15 Position Request

Due to new grant funding and responsibilities, ADFA requests G302C – ACOM Chief Legal Counsel. This position will function as the Chief Legal Counsel. The salaries and workplace flexibility for attorneys and other professionals have increased significantly over the past two and half years and most attorneys are currently compensated at the GS15 grade or above. This position will be required to work with the accounting department to manage the agency budget. The Lead General Counsel position will be required to provide legal advice, compliance direction, and underwriting input on the three American Rescue Plan Act programs the agency is administering. Due to the complex legal terms and nature of several contracts, grants, and funding guidelines an attorney is needed to ensure that all federal guidelines are maintained. The duties for this position are outside the normal agency responsibilities of the Chief Legal Counsel. ADFA is reimbursed approximately 34% of the staff member's salary by the federal government each month for their work on federal programs.

GS12 Request

Due to new grant funding and responsibilities, ADFA requests G027C - ACOM ADFA Program Officer - GS12 position. This position will oversee three ARPA programs, one of which will extend to 2031 and another which will extend to 2038. The supervision at ADFA is complex and has become more complex over the years. The ongoing need for an accounting/finance position to assist with this federal program is vital. The position requires a person with finance underwriting experience, as well as intermediate accounting knowledge. The program also needs assistance with the preparation of capital stack financial decks and presentations for financing. ADFA will be reimbursed by the federal government for approximately 45% of the salary of this position.



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

Business Area	Department Name / Agency Name	Date
0395	ACOM - ADFA	10/19/2022

Position(s) to be Surrendered

Position/Item Number	Classification Title	Pay Grade	Class Code
22094255	ACOM-Chief Comm & Legislative Affairs	GS14	N066N
22094238	Administrative Analyst	GS06	C037C
22094230	ACOM-Finance Authority Specialist	GS06	A080C
22094257	ACOM-Finance Authority Specialist	GS06	A080C

Classification(s) Requested

Classification Title	Pay Grade	Class Code
ACOM ADFA Business Finance Director	GS15	NEW
ACOM ADFA Legal Counsel	GS15	NEW
ACOM ADFA Program Officer	GS12	G027C

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.

DeCarlia Smith
HR Administrator's Signature

10/19/22
Date

Micheal Preston
Department Secretary's Signature

10/19/22
Date