



Department of Transformation and Shared Services

Governor Sarah Huckabee Sanders

Secretary Joseph Wood

Director Kay Barnhill

August 23, 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 Arkansas Department of Human Services (DHS) to exceed the maximum of the pay grade for the previously approved 2% Labor Market Rate increase in order to compensate employees for losing shift differential pay while on leave. In accordance with the Uniform Classification and Compensation Act, Ark. Code Ann. §21-5-209 (g)(2)(iii) which states:

*“Salaries established by this section may exceed the maximum pay level for the grade assigned to the classification by no more than twenty-five percent (25%) for no more than ten percent (10%) of the positions authorized in the state agency's appropriation act.”*

DHS has 1,681 employees that will be impacted by the loss on shift pay while on leave, and one hundred fifty-six (156) of those employees will receive less than 2% or nothing as they are already at the maximum pay for their grade. Of the positions affected, one hundred (100) are within DDS, three (3) are within DYS, and fifty-three (53) are within DAABH. DHS states that the projected cost is approximately \$142,827 and has sufficient funding to pay for this request.

The Office of Personnel Management has reviewed the submitted documentation by DHS and recommends approval of this request.

Your consideration of this request is appreciated.

*Kay K. Barnhill*

STATE PERSONNEL DIRECTOR

*8/14/23*

DATE

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Office of Personnel Management

501 Woodlane Street, Suite 205 \* Little Rock, AR 72201 \* 501.682.1753

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ARKANSAS  
DEPARTMENT OF  
**HUMAN  
SERVICES**

**DHS Secretary Kristi Putnam  
Office of the Secretary**

P.O. Box 1437, Slot S201, Little Rock, AR 72203-1437  
P: 501.682.8650 F: 501.682.6836 TDD: 501.682.8820

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July 27, 2023

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

RE: Shift differential – 2% LMR request

Dear Ms. Barnhill:

This letter is to request a salary above the maximum pay level for those employees who were capped at the maximum due to the 2% Labor Market Rate (LMR) that was approved at Personnel Committee last month. The Office of Personnel Management (OPM) previously submitted this request to establish a LMR up to 2%, and not over maximum, for employees who will be impacted by the loss of shift differential pay when they are on paid leave. The Department of Human Services (DHS) has approximately one thousand, six hundred, and eighty-one (1,681) of those employees. One hundred fifty-six (156) of those employees at DHS will either not receive the full 2% or will receive nothing because they are at the maximum of the grade.

These employees are our entry- and lower-level staff in grades GS01 – GS08 working at our Human Development Centers, the Arkansas State Hospital, the Arkansas Health Center, and the Civilian Student Training Program. These are some of our long-term employees who have been at our facilities caring for the state's most venerable populations.

Arkansas Code Annotated § 21-5-209 (g)(2)(iii) states, "Salaries established by this section may exceed the maximum pay level for the grade assigned to the classification by no more than twenty-five percent (25%) for no more than ten (10%) of the positions authorized in the state agency's appropriation act." This request requires Arkansas Legislative Council approval. DHS believes the right action is to ensure all employees are compensated in the same manner to help offset the financial loss of shift differential during leave. This would be a one-time adjustment of \$142,826.90, which can be absorbed by the agency.

Your consideration and approval are greatly appreciated.

Very respectfully,

A handwritten signature in blue ink, appearing to read "Kristi Putnam".

Kristi Putnam, Secretary  
Arkansas Department of Human Services