

**Department of Transformation and Shared Services**

Governor Sarah Huckabee Sanders

Secretary Joseph Wood

Director Kay Barnhill

September 13, 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 Commerce (ACOM), Securities Department for your review.

Arkansas Securities Department (ASD) is requesting one (1) pool position from the OPM surrender pool established by Arkansas Code Annotated § 21-5-225 (a). The classifications requested and surrendered positions are listed below.

CLASSIFICATION REQUESTED

<u>CLASS CODE</u>	<u>TITLE</u>	<u>GRADE</u>	<u>SALARY RANGE</u>
X015C	ACOM Securities Examiner Supervisor	GS11	\$62,531 – \$90,670

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>
22088675	Fiscal Support Specialist	A098C	GS04	\$29,046 – \$42,117	N / A
22088681	Legal Support Specialist	C046C	GS04	\$29,046 – \$42,117	03-31-2023

Office of Personnel Management

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

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JUSTIFICATION

The primary responsibility of the Arkansas Securities Department (ASD) is the implementation of rules and regulations regarding investments in securities, while also protecting consumers and educating investors. Act 475 of the 94th General Assembly transfers administrative functions of the Securities Department to the Bank Department and amends the law concerning the organization of the Securities Department. This provides the opportunity for the Department of Commerce to reorganize ASD's examiner positions, including establishing a fourth position authorized as ACOM Securities Examiner Supervisor. This position will be situated within their Enforcement Division, responsible for supervising subordinate Securities Examiner positions and ensuring compliance with regulatory requirements.

RECOMMENDATION

The Office of Personnel Management (OPM) has reviewed this request from the Arkansas Department of Commerce (ACOM), Securities Department and recommends the establishment of one (1) surrender pool position authorized as X015C, ACOM Securities Examiner Supervisor. The cost for this one (1) surrender pool position is approximately \$19,943.15. The agency guarantees our office that it possesses sufficient funding to support this surrender pool position request.

Your consideration of this request is greatly appreciated.


STATE PERSONNEL DIRECTOR


DATE

KB/jlh:1-3



Arkansas State
Bank Department

1917



Hugh McDonald
Secretary of Commerce
Susannah T. Marshall
Bank Commissioner
Arkansas State Bank Department

August 9, 2023

Kay Barnhill, Director
Office of Personnel Management
501 Woodlane Ave, Ste 205
Little Rock, AR 72201



Dear Ms. Barnhill:

The Arkansas State Bank Department (ASBD) and the Arkansas Securities Department (ASD) are both charged with maintaining the legal and regulatory structure for Arkansas’ financial industry. The primary duty of the ASBD is to perform periodic examinations of state-chartered banks, bank holding companies, trust companies and other entities to determine safety and soundness, and compliance with laws and regulations. The primary duty of the Securities Department is the implementation of rules and regulations regarding investments in securities. Both the ASBD and the ASD are fully funded by special revenues related to fees and/or assessments paid by the regulated industry; neither department receives General Revenue funding from the State.

The 92nd General Assembly enacted Act 910 of 2019, which transferred both the Bank Department and the Securities Department to the newly established Arkansas Department of Commerce. More recently, the 94th General Assembly enacted Act 475 of 2023, which transferred the administrative functions of the ASD to the ASBD and amended the law concerning the organization of the ASD, effective August 1, 2023. Act 475 of 2023 also requires the Securities Commissioner to act in consultation with both the Secretary of Commerce and the Bank Commissioner, and states that the Securities Commissioner shall either be appointed by the Governor and report to the Bank Commissioner, or that the Bank Commissioner may act as the Securities Commissioner. Act 475 of 2023 also amends ACA § 25-43-302 (a)(26) concerning the state entities within the Department of Commerce to define the State Securities Department as an entity “...within the State Bank Department.”

By establishing the ASD as an entity created within the ASBD and assigning the State Bank Commissioner the responsibility to oversee all administrative functions and activities of the ASD, Act 475 of 2023 has provided an opportunity for the Department of Commerce to implement a top-down reorganization that will generate cost saving efficiencies within the ASD.

Commerce Secretary Hugh McDonald recently recommended that (a) the Bank Commissioner shall serve as the Securities Commissioner, which will generate savings of \$156,705, and (b) the recently vacated GS12 Chief Finance Officer for the ASD will not be backfilled, which will generate additional savings of approximately \$138,102. Together, these two position changes alone will generate immediate cost savings of almost \$295,000.

However, it is important to recognize that because these high-level positions will not be backfilled, existing staff within the ASD will be required to take on additional duties.

In recognition of the increased workload that will be assigned to existing positions, as well as the significant cost savings that will be generated from allowing these two executive level positions to remain unfilled, the ASD requests approval to adjust the organization structure of the department by utilizing the OPM Surrender Pool to establish one (1) new GS11 ACOM Securities Examiner Supervisor position in exchange for two (2) GS04 positions, including one (1) Fiscal Support Specialist (Position #22088675) and one (1) Legal Support Specialist position (Position #22088681). The new GS11 position will be responsible for supervising positions in the Department's Enforcement Division.

Utilizing the GS04 salary grid entry rate of \$35,581, the elimination of the two (2) GS04 positions will generate salary related savings of \$71,162 plus related matching. Utilizing the GS11 entry rate \$62,531, the addition of one (1) new GS11 position will increase the budget by approximately \$62,531 plus related matching. This action, therefore, creates a net savings of \$8,631 plus related matching for the ASD.

The State Securities Department has the necessary budget and available funding to support this request.

If additional information is needed, please contact Bank Chief Examiner, Jessica Wallace at 501-683-3214.

Sincerely,



Susannah T. Marshall
Bank Commissioner

STM/jw