



ARKANSAS DEPARTMENT OF AGRICULTURE

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Arkansas Department of Agriculture
Special Compensation Awards and Recruitment Incentive Program (Award Program)

Authority: Arkansas Code § 21-5-227 and § 21-5-228

Effective Date: July 29, 2024

PURPOSE

This policy establishes the Arkansas Department of Agriculture (Department) Award Program. The Award Program is designed to encourage state employees to increase productivity, foster innovation, and achieve greater efficiency, economy, and improvement of operations, and to aid in recruiting talent into state government. The Award Program consists of Special Compensation Awards and Recruitment Incentives.

SCOPE

This policy applies to:

1. Current employees occupying regular positions on a full-time or part-time basis; and
2. Prospective employees who will occupy regular positions on a full-time or part-time basis.

AWARD PROGRAM ADMINISTRATION

The Award Program will be administered without regard to race, color, religion, sex, national origin, age, disability, or genetic information.

I. SPECIAL COMPENSATION AWARDS

Special Compensation Awards provide a method to financially reward employees whose job performance or job responsibilities goes substantially above expected performance standards. The following provides guidance for administering Special Compensation Awards:

Eligibility:

Full-time or part-time employees occupying a regular position who have been with the department for at least one (1) year and who are not on a performance improvement plan. The employee's most recent yearly performance evaluation must be satisfactory or higher. All department classifications are eligible to receive Special Compensation Awards.

Criteria:

1. Performance by the employee of a high quality which:
 - a. Displayed outstanding performance in successfully completing a significant project, job assignment, or completing a major project milestone. Outstanding performance includes but is not limited to:
 - i. Displaying special initiative and skill in completing an assignment.
 - ii. Performance of assigned duties involved overcoming unusual difficulties; or
 - iii. Making improvements in a product, activity, program, or service; or
 - b. Included the assumption of temporary job responsibilities for a period not to exceed six (6) months that were beyond the scope of work typically performed by the employee and produced measurable results that enhance the mission and goals of the agency.

Special Compensation Award Options:

1. Lump-sum bonus payment not to exceed five thousand dollars (\$5,000) per award.
2. Up to forty (40) hours of incentive leave as an alternative to a monetary award.
 - a. Once awarded, the employee may request to use this leave to be excused from work without loss of pay;
 - b. An employee may be granted no more than forty (40) hours of incentive leave during any one calendar leave year (Jan-Dec). An employee shall not receive more than two (2) incentive leave awards in a biennium.
 - c. The leave expires if it is not used by the end of the calendar year following the calendar year when the incentive leave was awarded; and
 - d. The leave is not paid out upon termination, retirement, or death of the employee.
3. Lump-sum payment of annual leave up to forty (40) hours.
 - a. The payment cannot reduce the employee's combined balance of annual leave, holiday leave, and birthday leave below eighty (80) hours; and
 - b. The leave is paid at the employee's hourly rate.

Procedures:

1. The recommendation for an award, including the Special Compensation Award type, will be initiated by the employee's immediate supervisor using the department's Special Compensation Awards and Recruitment Incentive Program Request Form (Form) and supported by appropriate written justification.
2. The Form will be submitted to the Division Director for agreement and signature. Supervisors and Division Directors will take into consideration the benefits realized by the department or state government from the employee's contribution.
3. If the Division Director agrees with the recommendation, the request will be submitted to the department's Chief of Staff for approval by the Secretary of Agriculture.
4. The Secretary will:
 - a. Consider a division's effective use of the Awards Program.
 - b. Review justification based on the criteria outlined in this policy and applicable state policies and law; and
 - c. Ensure funding is available and obligated consistent with financial management controls and the type and amount of an award is determined in a fair and equitable manner.
5. A table for the number of hours to award in correlation with the value to the department is provided in Appendix 1 as a guide; however, it is not all inclusive.
6. Prior to granting a Special Compensation Award, the Secretary shall submit the request to the Office of Personnel Management (OPM) for final approval. The effective date of the award is the date approved by OPM.
7. The form must be provided to the department's Human Resources (HR) Manager after final approval by OPM. The HR Manager will:
 - a. Review requests for administrative accuracy and verification of eligibility.
 - b. Generate applicable documents and reports to implement the award.
 - c. Ensure the award is processed and reported utilizing procedures established by OPM.
8. An incentive leave award will be added to the employee's EASE account. Supervisors should verify the incentive leave quota has been created prior to approving the employee's request to use this leave. Division Directors shall fully consider any productivity loss with granting incentive leave and shall ensure that the request for an incentive leave award is commensurate with the employee's

contribution and accomplishment.

9. Supervisors are responsible for reviewing and approving their employee's time reporting records and leave requests promptly. Any issues or discrepancies must be discussed with the employee and the HR Manager, when necessary.
10. Incentive leave must be used by the end of the calendar year following the calendar year in which the award of incentive leave was made. No waivers are authorized beyond this period and incentive leave will not carry forward to the subsequent calendar year. Incentive leave will not be liquidated by a lump-sum payment to an employee under any condition. Unused incentive leave hours remaining after the expiration period outlined above will be forfeited without further compensation to the employee.
11. Unused incentive leave is forfeited if the employee transfers to another state agency. Unused incentive leave will be forfeited if an employee resigns or is terminated from employment. To ensure awarded incentive leave hours are not forfeited, it is recommended that the supervisor and employee both keep track of the incentive leave hours awarded and used.

Miscellaneous:

The following terms apply to the Award Program:

1. An employee shall not receive more than one (1) Special Compensation Award type per qualifying event.
2. An employee is not eligible to receive a Special Compensation Award more than two (2) times in a biennium.
3. The total compensation received from lump-sum bonus payments shall not exceed five thousand dollars (\$5,000) per award or ten thousand dollars (\$10,000) per biennium.
4. A lump-sum Special Compensation Award payment is subject to withholding of all state and federal taxes.
5. A lump-sum Special Compensation Award payment is included by retirement systems in determining retirement benefits.
6. A Special Compensation Award may allow an employee's salary to exceed the maximum pay level.
7. An employee may receive a Special Compensation Award and a merit increase in the same fiscal year, if the employee is otherwise eligible for a merit increase.
8. Existing department funding will be used to cover the costs associated with any Special Compensation Award.

II. RECRUITMENT INCENTIVE AWARDS:

Recruitment Incentive Awards will be used to recruit highly qualified candidates who would otherwise seek employment outside of state government for similar positions in the federal, private, non-profit, or academic sectors. Recruitment Incentive Awards are not to be used as a substitute for traditional recruiting efforts, which could yield a competent and qualified employee without the use of such incentives. In determining whether to recommend the use of these awards, Division Directors should thoroughly weigh the financial costs associated with these incentives with the actual benefit. The following provides guidance for administering Recruitment Incentive Awards:

Eligibility:

Recruitment Incentive Awards are only available to prospective employees with an offer of employment if it has been determined that the position is critical to the mission of the Department, and in the absence of the incentive, it would be difficult to fill the position with a highly qualified employee. A person

employed by the executive branch at the time of the offer of employment is not eligible for a Recruitment Incentive Awards under this section. All Arkansas Department of Agriculture classifications are eligible to receive Recruitment Incentive Awards.

Criteria:

The determination to pay a Recruitment Incentive Award must be based on factors including, but not limited to:

1. The qualifications of the prospective employee that establish a level of highly qualified.
2. The success (or lack thereof) of recent efforts to recruit candidates for similar positions, using indicators such as job offer acceptances rates, the proportion of positions filled, the length of time required to fill similar positions, and the probable cost of renewed recruitment efforts.
3. Recent turnover in similar positions. For purposes of Recruitment Incentives Award approval, positions are considered similar if they have the same duties and responsibilities and have the same level of responsibility.

Recruitment Incentive Options:

1. A recruitment bonus payment is a monetary award not to exceed five thousand dollars (\$5,000) for a prospective employee who has received an offer of employment from the Department or
2. Up to forty (40) hours of recruitment incentive leave for a prospective employee who has received an offer of employment from the Department.

Procedures:

1. The recommendation for an award will be initiated by the Division Director using the form and supported by appropriate written justification. The form will be submitted to the Chief of Staff for approval by the Secretary. The request must include a written certification from the Chief Fiscal Officer (CFO) of Agriculture stating funding is available. Requests for recruitment incentive leave do not require written certification related to funding.
2. The Secretary will:
 - a. Consider a supervisor's effective use of the Awards Program.
 - b. Review justification, fair and equitable allocation, based on the criteria outlined in this policy and applicable state policies and law; and
 - c. Ensure funding is available and obligated consistent with financial management controls and the amount of an award is determined in a fair and equitable manner.
3. Prior to granting a Recruitment Incentive Award, the Secretary shall submit the request to OPM for final approval. The effective date of the award is the date of approval by OPM.
4. The signed Form must be forwarded to the HR Manager within three (3) days after final approval. The HR Manager will:
 - a. Review requests for administrative accuracy and verification of eligibility.
 - b. Generate applicable documents and reports to implement the award; and
 - c. Ensure the award is processed and reported utilizing procedures established by OPM.
5. The recruitment bonus payment may be paid in full or in installments as determined by the Secretary.
6. An employee receiving a Recruitment Incentive Award shall be required to be employed with the department for a period of one (1) year.
 - a. An employee who received a recruitment bonus payment and who voluntarily resigns or is terminated from the department before completing the one-year period shall pay back

the entire amount received as a recruitment incentive bonus. The recruitment bonus payment must be paid back within one hundred eighty (180) days from the employee's termination or resignation.

- b. If the employee fails to pay back the recruitment bonus, the department, with the assistance of OPM and the Department of Finance and Administration, may pursue a set off of any refunds due the employee from their state taxes pursuant to A.C.A. 26-36-301 *et seq.*
 - c. If the recruitment bonus was approved in installments, the employee will not receive the value of an installments payments that are scheduled on or after the termination or resignation date.
7. A recruitment incentive leave award will be added to the employee's EASE account.
- a. Supervisors should verify the recruitment incentive leave quota has been created prior to approving the employee's request to use this leave.
 - b. Supervisors are responsible for reviewing and approving their employee's time reporting records and leave requests promptly. Any issues or discrepancies must be discussed with the employee and the HR Manager, when necessary.
 - c. Incentive leave must be used by the end of the calendar year following the calendar year in which the award of incentive leave was made. No waivers are authorized beyond this period and incentive leave will not carry forward to the subsequent calendar year. Incentive leave will not be liquidated by a lump-sum payment to an employee under any condition. Unused incentive leave hours remaining after the expiration period outlined above will be forfeited without further compensation to the employee.
 - d. Unused incentive leave is forfeited if the employee transfers to another state agency. Unused incentive leave will be forfeited if an employee resigns or is terminated from employment. To ensure awarded incentive leave hours are not forfeited, it is recommended that the supervisor and employee both keep track of the incentive leave hours awarded and used.
8. An employee who received recruitment incentive leave and who voluntarily resigns or is terminated from the department before completing the one-year period shall have the remaining recruitment incentive leave expire and not paid out as a lump-sum.

Miscellaneous:

The following terms apply to the Award Program:

1. A prospective employee may only be offered and receive one (1) Recruitment Incentive Award.
2. The total compensation received from a recruitment bonus payment shall not exceed five thousand dollars (\$5,000).
3. A recruitment bonus payment is subject to withholding of all state and federal taxes.
4. A recruitment bonus payment is included by retirement systems in determining retirement benefits.
5. A Recruitment Incentive Award may allow an employee's salary to exceed the maximum pay level.
6. Existing department funding will be used to cover the costs associated with any Recruitment Incentive Award.

Appendix 1 – Incentive Leave Scale for a Single Contribution

Value to Organization

Number of Hours

Exceptional:

(1) A superior contribution to the quality of a critical product, activity, program, or service to the public.

(2) Initiation of a new principle or major procedure, with significant impact.

up to 40