



STATE OF ARKANSAS
**Department of Finance
and Administration**

**OFFICE OF PERSONNEL MANAGEMENT
Administrator's Office**
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June 8, 2012

Senator Michael Lamoureux, Co-Chair
Representative Bryan King, Co-Chair
Uniform Personnel Classification and
Compensation Plan Subcommittee
Arkansas Legislative Council
State Capitol Building, Room 315
Little Rock, Arkansas 72201

Gentlemen:

The Office of Personnel Management submits a request from the Arkansas State Bank Department to continue authorization of their current salary administration grid for your review. This grid provides an opportunity for growth and career movement and allows for more competitive rates due to job market conditions for the banking industry professionals.

The Arkansas State Bank Department has submitted a progression plan pursuant ACA 21-5-221 which states:

A state agency or institution may request that a salary administration grid be approved for specific classifications of positions assigned to the career service compensation plan if the:

(A) State agency or institution has documented the need for a salary administration grid for specified positions or classifications

(B) Terms and conditions of a grid proposed by the agency or institution address the needs of the targeted positions

(C) Cost of implementing and maintaining a salary administration grid is within the agency's or institution's existing appropriation and implementation does not use funds specifically set aside for other programs within the agency or institution; and

(D) Salary administration grid has been approved by the Chief Fiscal Officer of the State after review by the Personnel Committee.

JUSTIFICATION

The salary grid for the agency is based on performance and level of classification. With the implementation of the pay study, the Bank Department lost the special language contained in previous years' appropriation acts that was utilized to retain bank examination staff. The grid provides career paths for examination staff and maintains salary levels comparable to market rates in an attempt to reduce turnover. The grid also provides for a five percent annual retention increase added to the affected employees base salary until the maximum of the grade is attained. The current plan is crucial to the performance of the department's mission and indicative of the

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highly competitive job market for the banking industry. It is requested to continue to provide a framework within the pay plan for the retention of examiners and to ensure that the department has the personnel resources to provide the best services possible to the banking industry and safeguard the general public. The previously approved plan is attached.

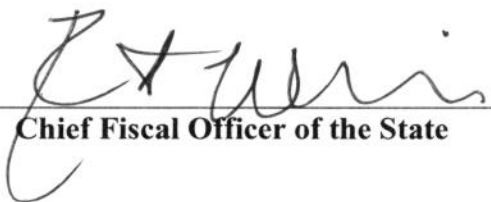
Based on a review of current salary data and the need of the Arkansas Bank Department to retain qualified personnel, the Office of Personnel Management recommends approval of the continuation of this salary structure and administrative plan.

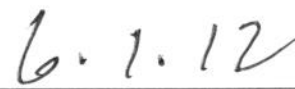
Your approval of this request is greatly appreciated.

Sincerely,



Kay Barnhill Terry
State Personnel Administrator



Chief Fiscal Officer of the State

Date

KBT/glj



Arkansas State Bank Department

Candace A. Franks
Commissioner

Mike Beebe
Governor

April 30, 2012

Kay Terry, Administrator
Office of Personnel Management
1509 W. 7th Street, Suite 201
Little Rock, AR 72201

RECEIVED

APR 30 2012

**OFFICE OF PERSONNEL MGMT
CLASS & COMP**

Dear Kay:

The Arkansas State Bank Department is requesting re-approval of our current salary administration grid on the attached job classifications.

With the implementation of the new pay plan in 2009, the Bank Department lost the special language we had always utilized to retain our bank examination staff. With the approval of the Legislative Personnel Committee we were fortunate to have the attached Salary Grid approved to provide a career path for examination personnel, maintain salary levels comparable to market rates, and help reduce turnover. The salary grid is again being requested to continue to provide a framework within the pay plan for the retention of examiners; and to ensure that the Department has the personnel resources to provide the best services possible to the banking industry and safeguard the general public.

In addition, we are requesting to maintain our Professional Certification Differential on the following classification:

Class Code: A005N Assistant Deputy Bank Commissioner

The employees' years of service, advanced technical and analytical skills and current level of expertise are requirements to obtain certification through CSBS (Conference of State Bank Supervisors). The Department's four (4) Assistant Deputy Bank Commissioners who are currently in Class Code A005N have met CSBS's criteria and received the designation of Certified Examination Manager (CEM) from the Education Foundation. In addition, they are required by the Bank Department to maintain the certification by successfully completing the continuing education units required by CSBS each year.

As you can see from the attached, CSBS Certification is for a three (3) year period and requires that a minimum of sixty-three (63) continuing education hours (CEHs) be completed within that time frame to be re-certified. Attached is a print out from our database which shows that each employee has already met the requirements.

The ability to retain these employees is critical to the Bank Department. Your consideration and approval of this Certification Differential and current Pay Grid would be appreciated.

As Commissioner, I certify that the Bank Department does have the funds and appropriation to support this grid and the certification pay on our four senior employees.

If additional information is needed, please contact me or my Fiscal Division Manager, Gail Green at 324-9019.

Sincerely,



Candace A. Franks
Commissioner

Attachments (3)

BANK DEPARTMENT 2013 PAY GRID

CLASS CODE	PAY GRADE	BEGINNING		MAXIMUM	TITLES
A070C	C119	\$35,554	17.0933	\$60,389	Bank Examiner Trainee
In-House	C119	\$39,110	18.8029	\$60,389	Bank Assistant Examiner
In-House	C119	\$44,976	21.6231	\$60,389	Bank Jr. Examiner
A106C	C123	\$53,971	25.9476	\$69,734	Bank Sr. Examiner
In-House	C123	\$57,209	27.5043	\$69,734	Commissioned Sr. Examiner
A039C	C126	\$62,930	30.2548	\$77,539	Certified Bank Sr. Examiner
G047C	C126	\$62,930	30.2548	\$77,539	Staff Attorney
A107C	C127	\$69,223	33.2803	\$80,301	Bank Exam Manager
A030C	C128	\$76,145	36.6082	\$83,145	Bank Certified Exam Mgr
A018C	C130	\$83,759	40.2688	\$89,085	Bank Chief Examiner

Positions under this pay grid will be paid according to the salaries above. In addition, in keeping with the career path and pay scale of the State Bank Department, the following retention increase will be given annually to those employees who have not reached maximum pay and who are not being promoted to a different level.

RETENTION:

5%

Code of Ethical Conduct

Financial regulatory personnel have ethical responsibilities and obligations that are due to both the public and the profession. It is expected that participants in the EFSBS Certification Program shall:

- Refrain from conduct that is detrimental to the public, the financial regulatory profession and to the Certification Program
- Not knowingly act in a manner that is misleading or fraudulent
- Not violate the confidential nature of the examination process
- Not engage in any activity that may give rise to the charge of conflict of interest or that may impair the independence of their judgment in the exercise of their duties;
- Not engage in misconduct of any kind that leads to a conviction of a felony

Failure to adhere to the Code of Ethical Conduct can result in immediate termination of certification. If any statement set forth in this Code of Ethical Conduct is contrary to the law or public policy of any jurisdiction, such statement shall be void and of no force or effect in such jurisdiction.

Continuing Education Point Structure

- * Every three (3) years, participants will be required to provide evidence of the successful completion of a minimum of sixty-three (63) continuing education hours (CEHs) (forty [40] hours for the CAMLS designation); at least seven (7) continuing education hours must be completed each year. Participants who earn more than the minimum required continuing education hours during a three-year certification period may carry forward up to fourteen (14) of the additional continuing education hours into the following three-year certification period (e.g., a participant earning 77 CEHs may carry forward 14 CEHs into the next three year period).

CSBS Technical Schools and Executive Programs will be awarded 1 CEH for each hour of "in-class" training. "In-class" training is exclusive of breaks and lunches unless there is training provided during the luncheon. Each year of attendance at graduate banking school equals 70 CEHs.

CEHs will be awarded for equivalent types of training by federal regulatory agencies. When submitting a request for CEH credit for an equivalent course/seminar that is not by CSBS, FDIC, FRB, or FFIEC, please document the request with a syllabus and/or description of the course/seminar including timeframes. Equivalent courses/seminars will be evaluated on a case by case basis. Other professional development programs and activities must have relevancy to the participant's employment.