

Arkansas Scholarship Lottery Personnel Committee  
FINAL DRAFT RECORD  
7.28.2011

The Committee meeting was called to order by Commissioner Hammons, Chair, who noted the presence of members Commissioners Faris, and Commissioners Campbell and Shipp by conference call, and also of Commissioner Frazier. Representing the staff were Director Passailaigue by teleconference, Bishop Woosley, Michael Hyde, Valerie Basham, Julie Baldrige, and Patti Vick.

Commissioner Hammons noted that the purpose of the meeting was to follow up on the proposal by Director Passailaigue as follows: hiring of two positions (Security Analyst and Human Resources Generalist); the recent promotion of the Security Analyst to Security Specialist; the proposed creation and filling of the position of Product Manager; and the proposed move of the Chief Legal Counsel from the position of N910 to N912. He recounted the motion to pursue decision-making on personnel matters with advice from the Office of Personnel Management and that it had been approved by the full Commission at the July 13 meeting. He said the OPM review (included in file) was in hand and the positions were therefore up for consideration with that advice.

He began by outlining the broad features of the OPM review: these pay requests are beyond what would be approved for other state agencies, and appear to be above the norm for the Arkansas private sector; and the rationale given for the requests does not conform to the usual equity required of state agencies. Going through the OPM review (included in file) specifically:

**Security Specialist (C120)**—Given OPM review, which approves this change but expresses concern about the similarity of the job description for this position to the next position, Commissioners agreed that the position should be approved.

**Security Analyst (C115)**—Given OPM review, Commissioners agreed that the position should be filled.

**Chief Legal Counsel (N910 to N912)**—Given OPM review and the concern regarding precedent, the position should remain at N910. Commissioner Hammons and Commissioner Shipp expressed agreement with OPM. Commissioner Campbell expressed concern with the process, saying that the Commission should retain its decision-making authority, and spoke in support of the raise. Director Passailaigue said that his goal is to have redundancy and backup, to get another attorney. He said that the resignation of the Chief Financial Officer today points up the importance of having a manager and a deputy to protect the continuing operation of the Lottery. Commissioner Faris said that he agreed there should be backup, but that the hiring of deputies was not, in his opinion, the most prudent way to achieve that goal. Commissioner Campbell said he agreed with Commissioner Faris and endorsed the concept of cross-training. Commissioner Faris quoted the final paragraph in Ms. Terry's letter regarding uniform compensation, looking for resources from within, and cross-training. Commissioner Faris moved to accept the OPM recommendation that the current raise should suffice at this time, with a second by Commissioner Shipp. The motion passed without dissent.

Commissioner Shipp recommended that the Committee not leave the meeting this day without a firm commitment to address the charge to conduct an overall study of the agency so that when the members meet, they all have the breadth and depth of the organization in their grasp and can make informed decisions for the Commission they serve. Commissioner Hammons said this was an excellent recommendation, to which he would return at the end of the meeting.

HR Generalist (C121)—Ms. Middleton explained the position. Commissioner Hammons asked why the OPM would have made the recommendation they did against approval, and she said she thought they may have looked at an old organizational chart. Commissioner Hammons suggested a delay on this position, with a direct conversation with OPM to attain a clear understanding on both sides. Commissioners Faris and Shipp agreed that the delay was desirable.

Marketing and Product Development Director (N909)—Commissioner Faris read the OPM comments into the record. He said that the move in positions and the increase may be needed for the current Director, but that he disagreed with the change if it is to bring someone in at the salary of the existing director. He said he was not certain an administrative assistant might be more pertinent; and that he was also unsure that a \$12,000 raise in the current economic climate was advisable. He said he would like to see justification. Commissioner Shipp said that she understood the rationale for the request but that she did not believe it could be accomplished in these economic times. She also said that more information was needed to understand the request as well as the position that would fill in behind it. Commissioner Campbell said he would like to receive more information in advance that explains the position, how other positions relate to it across the lines.

Director Passailaigue said that 85 to 88 per cent of the \$468 Million annual Lottery business is handled by David Barden and Carolyn Cabell. He said that this expertise is in very high demand in the lottery industry. He said that, given all that Ms. Cabell is responsible for, if she gets another offer there would be no backup for her. He said there would be no answers if she leaves because he didn't think it would be possible to attract anyone from the outside world. He said he didn't think the Commissioner would want a trainee in charge of 85 percent of the Lottery's business, and that the Lottery is in a precarious position. Commissioner Hammons said that there was not sufficient information available to the Commissioners to make these decisions independently. He asked if the rationale just expressed was presented to OPM. He said that Commissioner Shipp was proposing a more comprehensive approach to personnel decisions. Commissioner Faris said that this gets back to cross-training, and while he doesn't disagree that the person is valuable, he doesn't understand why no one has been cross-trained in her work until now. He said \$12,000 was a lot of money and that he was sure she was valuable, but deplored reaching this point in the Lottery without cross-training for these valuable skills. He said he was not sure that the Commission or the administration had done all they could to avoid the situation as the Director described.

Commissioner Hammons said he was in agreement with the other Commissioners and that he could not recommend approval of this proposal. Commissioner Faris recommended passing over the matter until more information is received."

Sales Retail Relations Director (N909)—Commissioner Hammons said this proposal was confusing. Ms. Middleton said she believed what Mr. Barden wanted to accomplish was to create equity among all his Directors, and that since the other Directors were N909's, this would achieve that goal. Commissioner Hammons pointed out that the person in this position is currently an N910 and asked if there would be a decrease in salary. Ms. Middleton said there would not be, because positions within the act cannot be reduced. Commissioner Faris read into the minutes the OPM comments (included in file), which suggested that if the move to the N909 position is approved that the N910 position currently filled be abolished. Commissioner Faris questioned whether this is a demotion. Ms. Middleton said that it was not technically, as he would not lose salary, but that he would go to a lower pay grade. Commissioner Faris asked if his responsibilities would be decreased, and Ms. Middleton said they would not, repeating that Mr. Barden's idea was to place all Directors on the Gaming side in the same grade for equity. Commissioner Faris noted that Mr. Stebbins alone was supervisor of all the marketing and sales representatives in the field. Ms. Middleton said that he had 20 MSRs and 2 Regional Sales Managers. Commissioner Faris said he respectfully disagreed that this was not a demotion, asserting that a reduction in pay grade was a demotion. He said in this case again he would like to have more information. He said this dovetailed with what Commissioners Campbell, Shipp and Hammons had been saying about needing more information and broader information. He noted that these decisions affected people's lives and that, although other recommendations had been increases, this one was for a lower grade, and that he believed it merited a request for additional information. Commissioners Campbell and Shipp agreed, with Commissioner Shipp saying the job would be easier if the Committee members and the entire Commission were given a broader understanding of the agency's positions and operations. She said while a one-on-one telephone conversation could be helpful, in her experience a Committee needed to work through these matters together to gain an understanding of how the agency works and how the employees and the issues at hand interact and affect one another. Commissioner Hammons said it appeared there was a consensus to delay action on this matter.

Commissioner Shipp said that this was not the day and time for the Commission to work through to an understanding of agency personnel structure and operation. She said that all should be in the same room to accomplish this task. Commissioner Faris said that, again, he wanted everyone to know that he wanted OPM involved not to tell the Commission what to do but to give them the benefit of institutional knowledge and common state agency practices so that all could be better informed when making decisions.

Commissioner Faris moved to make official the approval of items 1 and 2, for Security Analyst and Security Specialist, and that the positions should be in full force prior to the next Commission meeting, asking the Director to contact Chairman Lamberth and then proceed to fill these positions as vital to the operations of the Lottery. Commissioner Shipp seconded the motion, which was approved with no dissent.

Commissioner Hammons asked Commissioner Shipp to restate her recommendation for a session to examine the matters discussed above. She said that it was   a matter of everyone finding a time and date to gather in the same room with tools such as reference materials and other information in a lengthy meeting. She said 8/15

that even those who have been on the Commission since its inception still have a clouded view of how the Lottery functions. She said she believed it might be appropriate to include not only Committee members but all Commissioners. She said she understands with the quick startup how the Commission got to this point but that it was time for the Commission to have a good background and knowledge of the inner workings and interactions of the agency so that they can make good decisions as the Commission moves forward. Commissioner Hammons said he would like to have information to study well in advance of the meeting and wanted the administrators to think about what should be in the body of that information. He said that he would like to have OPM present and participating in the discussions. Commissioner Faris said that the Legislature had staff that could provide research. He said that he hoped to see the functions explained not just as they are now but with plans for cross-training and interaction of staff members so that the Lottery would not be damaged by the departure of any one staff member. Commissioner Hammons said he would like to see a thorough organizational chart, with Commissioner Faris adding that the chart should include not just a supervisory structure but also information about what each position is responsible for and in the future would reflect the different areas of cross-training. Commissioner Shipp agreed. Commissioner Hammons brought up scheduling, and Commissioner Shipp said that it should be long enough range that all members have time to clear their calendars and plan to be there for an all-day meeting, maybe even needing to spend a night in Little Rock. Commissioner Faris agreed, saying that he has thought as a new Commissioner he would like to see a retreat with key personnel explaining what they each do, with similar input from Lottery vendors, with an explanation of a long-range plan by the Director. He said with planning, he would put two days aside for such a meeting, because it is important. Commissioner Shipp recommended that this be done at least every two years, as new Commissioners come aboard. Commissioner Hammons said all should work at arranging an appropriate time.

Ms. Middleton distributed a document for the Attorney General's office regarding changes in the law. She said that language in the Employee Manual will be made, and Commissioner Faris said he would like to hear a step-by-step explanation of the changes at an upcoming meeting. Director Passailaigue said that Arkansas 50/50 would be launched around October 1 and asked that the retreat take place after that date.

There being no further business, the meeting was adjourned.