

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas  
2 94th General Assembly  
3 Fiscal Session, 2024

# A Bill

SENATE BILL 77

4  
5 By: Senators B. Davis, F. Love  
6 By: Representative Wooten

## For An Act To Be Entitled

9 AN ACT TO AMEND THE UNIFORM CLASSIFICATION AND  
10 COMPENSATION ACT; TO DECLARE AN EMERGENCY; AND FOR  
11 OTHER PURPOSES.

## Subtitle

15 TO AMEND THE UNIFORM CLASSIFICATION AND  
16 COMPENSATION ACT; AND TO DECLARE AN  
17 EMERGENCY.

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19  
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

21  
22 SECTION 1. TEMPORARY LANGUAGE. DO NOT CODIFY. MARKET ADJUSTMENT.

23 (a) An employee under the Uniform Classification and Compensation Act,  
24 § 21-5-201 et seq., may receive a market adjustment to his or her base salary  
25 that shall not exceed three percent (3%) of the employee's base salary.

26 (b) An employee shall not receive more than one (1) market adjustment  
27 under this section.

28 (c) A market adjustment under this section may be awarded to an  
29 employee whether or not the market adjustment would result in the salary for  
30 the employee exceeding the maximum pay level for the grade assigned to the  
31 employee's classification.

32 (d) This section is effective on and after July 1, 2024.

33 (e) This section expires June 30, 2025.

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35 SECTION 2. Arkansas Code § 21-5-209(e), concerning the compensation  
36 plan for state employees, is amended to read as follows:



(e)(1) The following grades and pay levels shall be authorized for the General Salaries pay table effective July 1, ~~2017~~ 2024, and thereafter, for the state service for all positions of state agencies covered by this subchapter to which a classification title and General Salaries salary grade have been assigned in accordance with this subchapter and the appropriation act of the state agency:

GENERAL SALARIES

GS1	<del>\$22,880</del>	<u>\$32,405</u>	<del>\$27,390</del>	<u>\$42,046</u>	<del>\$31,900</del>	<u>\$51,686</u>
GS2	<del>\$23,335</del>	<u>\$32,405</u>	<del>\$28,585</del>	<u>\$42,046</u>	<del>\$33,836</del>	<u>\$51,686</u>
GS3	<del>\$26,034</del>	<u>\$32,405</u>	<del>\$31,892</del>	<u>\$42,046</u>	<del>\$37,749</del>	<u>\$51,686</u>
GS4	<del>\$29,046</del>	<u>\$32,405</u>	<del>\$35,581</del>	<u>\$42,046</u>	<del>\$42,117</del>	<u>\$51,686</u>
GS5	<del>\$32,405</del>	<u>\$32,405</u>	<del>\$39,696</del>	<u>\$42,046</u>	<del>\$46,987</del>	<u>\$51,686</u>
GS6	\$36,155	<del>\$44,290</del>	<u>\$46,912</u>	<del>\$52,425</del>	<u>\$57,668</u>	
GS7	\$40,340	<del>\$49,417</del>	<u>\$52,342</u>	<del>\$58,493</del>	<u>\$64,343</u>	
GS8	\$45,010	<del>\$55,137</del>	<u>\$58,401</u>	<del>\$65,265</del>	<u>\$71,792</u>	
GS9	\$50,222	<del>\$61,522</del>	<u>\$65,164</u>	<del>\$72,822</del>	<u>\$80,105</u>	
GS10	\$56,039	<del>\$68,648</del>	<u>\$72,711</u>	<del>\$81,257</del>	<u>\$89,383</u>	
GS11	\$62,531	<del>\$76,600</del>	<u>\$81,134</u>	<del>\$90,670</del>	<u>\$99,737</u>	
GS12	\$69,776	<del>\$85,476</del>	<u>\$90,535</u>	<del>\$101,175</del>	<u>\$111,293</u>	
GS13	\$77,862	<del>\$95,381</del>	<u>\$101,026</u>	<del>\$112,900</del>	<u>\$124,190</u>	
GS14	\$86,887	<del>\$106,437</del>	<u>\$112,736</u>	<del>\$125,986</del>	<u>\$138,585</u>	
GS15	\$96,960	<del>\$118,776</del>	<u>\$125,806</u>	<del>\$140,592</del>	<u>\$154,652</u>	

(2) The following grades and pay levels shall be authorized for the Information Technology Salaries pay table, effective July 1, ~~2017~~ 2024, and thereafter, for the state service for all positions of state agencies covered by this subchapter to which a classification title and Information Technology Salaries salary grade have been assigned in accordance with this subchapter and the appropriation act of the state agency:

INFORMATION TECHNOLOGY SALARIES

IT1	\$33,403	<del>\$40,919</del>	<u>\$43,340</u>	<del>\$48,434</del>	<u>\$53,278</u>
IT2	\$37,266	<del>\$45,651</del>	<u>\$48,352</u>	<del>\$54,035</del>	<u>\$59,439</u>
IT3	\$41,578	<del>\$50,933</del>	<u>\$53,948</u>	<del>\$60,288</del>	<u>\$66,317</u>
IT4	\$46,391	<del>\$56,829</del>	<u>\$60,193</u>	<del>\$67,267</del>	<u>\$73,994</u>

1	IT5	\$51,762	<del>\$63,408</del>	<u>\$67,161</u>	<del>\$75,054</del>	<u>\$82,560</u>
2	IT6	\$57,755	<del>\$70,750</del>	<u>\$74,938</u>	<del>\$83,745</del>	<u>\$92,120</u>
3	IT7	\$64,445	<del>\$78,945</del>	<u>\$83,617</u>	<del>\$93,445</del>	<u>\$102,790</u>
4	IT8	\$71,704	<del>\$87,837</del>	<u>\$93,035</u>	<del>\$103,970</del>	<u>\$114,367</u>
5	IT9	\$80,242	<del>\$98,297</del>	<u>\$104,115</u>	<del>\$116,351</del>	<u>\$127,987</u>
6	IT10	\$89,541	<del>\$109,688</del>	<u>\$116,180</u>	<del>\$129,835</del>	<u>\$142,819</u>
7	IT11	\$99,920	<del>\$122,402</del>	<u>\$129,647</u>	<del>\$144,884</del>	<u>\$159,373</u>
8	IT12	\$111,504	<del>\$136,592</del>	<u>\$144,677</u>	<del>\$161,681</del>	<u>\$177,850</u>

9  
 10 (3) The following grades and pay levels shall be authorized for  
 11 the Medical Professional Salaries pay table, effective July 1, ~~2017~~ 2024, and  
 12 thereafter, for the state service for all positions of state agencies covered  
 13 by this subchapter to which a classification title and Medical Professional  
 14 Salaries salary grade have been assigned in accordance with this subchapter  
 15 and the appropriation act of the state agency:

16  
 17 MEDICAL PROFESSIONAL SALARIES

18	MP1	\$63,830	<del>\$75,958</del>	<u>\$80,347</u>	<del>\$88,058</del>	<u>\$96,864</u>
19	MP2	\$71,403	<del>\$85,683</del>	<u>\$90,682</u>	<del>\$99,964</del>	<u>\$109,961</u>
20	MP3	\$79,879	<del>\$96,654</del>	<u>\$102,325</u>	<del>\$113,428</del>	<u>\$124,771</u>
21	MP4	\$89,368	<del>\$109,029</del>	<u>\$115,464</u>	<del>\$128,690</del>	<u>\$141,559</u>
22	MP5	\$99,991	<del>\$122,989</del>	<u>\$130,289</u>	<del>\$145,987</del>	<u>\$160,586</u>
23	MP6	\$111,884	<del>\$138,736</del>	<u>\$147,016</u>	<del>\$165,588</del>	<u>\$182,147</u>
24	MP7	\$125,200	<del>\$156,500</del>	<u>\$165,890</u>	<del>\$187,800</del>	<u>\$206,580</u>
25	MP8	\$140,109	<del>\$176,537</del>	<u>\$187,186</u>	<del>\$212,966</del>	<u>\$234,263</u>
26	MP9	\$156,804	<del>\$199,140</del>	<u>\$211,215</u>	<del>\$241,478</del>	<u>\$265,626</u>
27	MP10	\$175,620	<del>\$224,033</del>	<u>\$236,561</u>	<del>\$270,455</del>	<u>\$297,501</u>

28  
 29 (4) The following grades and pay levels shall be authorized for  
 30 the Senior Executive Salaries pay table, effective July 1, ~~2017~~ 2024, and  
 31 thereafter, for the state service for all positions of state agencies covered  
 32 by this subchapter to which a classification title and Senior Executive  
 33 Salaries salary grade have been assigned in accordance with this subchapter  
 34 and the appropriation act of the state agency:

35  
 36 SENIOR EXECUTIVE SALARIES

1	SE1	\$108,110	<del>\$127,655</del>	<u>\$135,015</u>	<del>\$147,200</del>	<u>\$161,920</u>
2	SE2	\$120,543	<del>\$138,822</del>	<u>\$146,677</u>	<del>\$157,100</del>	<u>\$172,810</u>
3	SE3	\$134,406	<del>\$150,703</del>	<u>\$159,053</u>	<del>\$167,000</del>	<u>\$183,700</u>
4	SE4	\$149,862	<del>\$165,681</del>	<u>\$174,756</u>	<del>\$181,500</del>	<u>\$199,650</u>
5	SE5	\$167,096	<del>\$184,398</del>	<u>\$194,483</u>	<del>\$201,700</del>	<u>\$221,870</u>

6

7 SECTION 3. Arkansas Code § 21-5-214(d)(2), concerning compensation  
8 plan provisions, is amended to read as follows:

9 (2)(A) An agency director may approve a special rate of pay under  
10 subdivision (d)(1) of this section up to fifteen percent (15%) above the  
11 entry pay level for the grade assigned to the classification and shall report  
12 all actions under the office’s procedures.

13 (B) The office may approve a special rate of pay under  
14 subdivision (d)(1) of this section above fifteen percent (15%) up to ~~thirty~~  
15 ~~percent (30%)~~ forty percent (40%) above the entry pay level for the grade  
16 assigned to the classification.

17 (C) The office may approve a special rate of pay pursuant to  
18 subdivision (d)(1) of this section above ~~thirty percent (30%)~~ forty percent  
19 (40%) up to the maximum pay level for the grade assigned to the  
20 classification after review by the Legislative Council or, if the General  
21 Assembly is in session, the Joint Budget Committee.

22

23 SECTION 4. Arkansas Code § 21-5-221(e), concerning compensation  
24 differentials, is amended to read as follows:

25 (e) An additional ten percent (10%), but not to exceed a total of  
26 twelve percent (12%), hazardous duty differential may be authorized for  
27 employees occupying positions assigned to a maximum security unit or facility  
28 if the ~~regularly assigned~~ work schedules expose employees ~~at least eighty-~~  
29 ~~five percent (85%) of the work time~~ to clear, direct, and unavoidable hazards  
30 from clients, inmates, or patients who are in units or facilities that are  
31 classified as maximum security.

32

33 SECTION 5. Arkansas Code Title 21, Chapter 5, Subchapter 2, is amended  
34 to add additional sections to read as follows:

35 21-5-227. Special compensation awards.

36 (a)(1) A state agency may provide a special compensation award to an

1 employee:

2 (A) To recognize the employee's outstanding performance in  
3 successfully completing a significant project or job assignment or completing  
4 a major project milestone; or

5 (B) Due to the assignment of temporary additional duties  
6 for a period not to exceed six (6) months that are beyond the scope of work  
7 currently performed by the employee.

8 (2) The state agency shall determine whether to offer a special  
9 compensation award and, if so, the type of special compensation award to  
10 offer.

11 (b) A special compensation award may consist of:

12 (1) A lump-sum bonus payment not to exceed five thousand dollars  
13 (\$5,000) per award;

14 (2)(A) Up to forty (40) hours of incentive leave that shall:

15 (i) Be used by the end of the calendar year  
16 following the calendar year in which the award of incentive leave was made;  
17 and

18 (ii) Not carry forward to the subsequent calendar  
19 year.

20 (B) If an employee receives an award of incentive leave  
21 under subdivision (b)(2)(A) of this section, the incentive leave shall:

22 (i) Expire if the employee resigns or is terminated  
23 from employment before the end of the calendar year following the calendar  
24 year in which the award of incentive leave was made; and

25 (ii) Not be liquidated by a lump-sum payment to the  
26 employee when he or she separates from the state agency; or

27 (3)(A) A lump-sum payment of an employee's annual leave.

28 (B) A lump-sum payment under subdivision (b)(3)(A) of this  
29 section shall:

30 (i) Not exceed forty (40) hours of annual leave;

31 (ii) Be paid at the employee's hourly rate; and

32 (iii) Not reduce the employee's combined balance of  
33 annual leave, holiday leave, and birthday leave to less than eighty (80)  
34 hours.

35 (c)(1)(A) A state agency wishing to provide special compensation  
36 awards to employees shall prepare a written plan for administering special

1 compensation awards.

2 (B) The written plan under this subsection shall include:

3 (i) An explanation of how the special compensation  
4 awards will be implemented;

5 (ii) A list of the classifications eligible for  
6 special compensation awards; and

7 (iii) A description of the special compensation  
8 awards that may be provided to employees.

9 (2) The written plan under this subsection shall be reviewed by  
10 the Office of Personnel Management.

11 (3) When the office has completed its review of the written plan  
12 under subdivision (c)(2) of this section, the office shall refer the written  
13 plan to the Legislative Council or, if the General Assembly is in regular  
14 session, fiscal session, or extraordinary session, the Joint Budget  
15 Committee, for its approval.

16 (4) A state agency shall not provide a special compensation  
17 award before the approval of the state agency's written plan for  
18 administering special compensation awards under subdivision (c)(3) of this  
19 section.

20 (5) If the state agency amends the written plan following its  
21 approval under subdivision (c)(3) of this section, it shall:

22 (A) Submit the amended written plan for review by the  
23 office and approval by Legislative Council or the Joint Budget Committee in  
24 the same manner provided by subdivisions (c)((1)-(3) of this section; and

25 (B) Not provide a special compensation award under the  
26 provisions of the amended written plan before the approval of the state  
27 agency's amended written plan.

28 (d)(1) After a state agency's written plan for administering special  
29 compensation awards has been approved under subdivision (c)(3) of this  
30 section, the state agency may submit a request for a special compensation  
31 award to the office for approval.

32 (2) A request under subdivision (a)(1)(A) of this section shall  
33 include the following:

34 (A) A description of the project or assignment prompting  
35 the special compensation award;

36 (B) A description of the work that was completed as part

1 of the project or assignment;

2 (C) The name or names of the employee or employees who  
3 would receive the special compensation award; and

4 (D) A description of the special compensation award that  
5 would be provided to the employee or employees.

6 (3) A request under subdivision (a)(1)(B) of this section shall  
7 include the following:

8 (A) A list of the regularly assigned job duties of the  
9 employee or employees;

10 (B) A list of the temporary duties assigned to the  
11 employee or employees;

12 (C) The name or names of the employee or employees who  
13 would receive the special compensation award; and

14 (D) A description of the special compensation award that  
15 would be provided to the employee or employees.

16 (4) A request for a special compensation award under this  
17 subsection shall be consistent with the written plan for administering  
18 special compensation awards of the state agency.

19 (5) A state agency shall not provide a special compensation  
20 award before the approval of the special compensation award by the office  
21 under this subsection.

22 (e) A lump-sum special compensation award under this section shall be:

23 (1) Subject to withholding of all applicable state and federal  
24 taxes; and

25 (2) Included by retirement systems in determining retirement  
26 benefits.

27 (f)(1)(A) An employee shall not receive a special compensation award  
28 under this section more than two (2) times in a biennium.

29 (B) The total compensation received from lump-sum bonus  
30 payments under subdivision (b)(1) of this section during a biennium shall not  
31 exceed ten thousand dollars (\$10,000).

32 (2) A special compensation award under this section may be  
33 awarded to an employee whether or not the special compensation award would  
34 result in the salary for the employee exceeding the maximum pay level for the  
35 grade assigned to the employee's classification.

36 (3) An employee may receive a special compensation award and a

1 merit increase under § 21-5-1101 in the same fiscal year.

2 (g)(1) A special compensation award under this section is subject to a  
3 state agency's ability to certify funding for a special compensation award.

4 (2) A state agency shall:

5 (A) Use existing funding for a special compensation award  
6 under this section; and

7 (B) Not access the Performance Fund to provide a special  
8 compensation award under this section.

9 (h) The office shall file monthly reports of special compensation  
10 awards issued under this section with the Legislative Council or, if the  
11 General Assembly is in regular session, fiscal session, or extraordinary  
12 session, the Joint Budget Committee.

13 (i)(1) It is both necessary and appropriate that the General Assembly  
14 maintain oversight by requiring prior approval of the Legislative Council or,  
15 if the General Assembly is in regular session, fiscal session, or  
16 extraordinary session, the Joint Budget Committee, as provided by this  
17 section.

18 (2)(A) The requirement of approval by the Legislative Council or  
19 the Joint Budget Committee under this section is not a severable part of this  
20 section.

21 (B) If the requirement of approval by the Legislative  
22 Council or the Joint Budget Committee under this section is found  
23 unconstitutional by a court of competent jurisdiction, the entire section is  
24 void.

25  
26 21-5-228. Recruitment incentives.

27 (a)(1) A state agency may offer a recruitment incentive in connection  
28 with an offer of employment to a prospective employee to assist with  
29 recruitment efforts.

30 (2) The state agency shall determine whether to offer a  
31 recruitment incentive and, if so, the type of incentive to offer.

32 (b) A recruitment incentive may consist of:

33 (1)(A) A bonus payment not to exceed five thousand dollars  
34 (\$5,000).

35 (B) A bonus payment under subdivision (b)(1)(A) of this  
36 section may be paid:



1 (i) In full to a prospective employee at the  
2 beginning of his or her employment; or

3 (ii) In installments during the prospective  
4 employee's required period of employment under subdivision (d)(1) of this  
5 section; or

6 (2) Up to forty (40) hours of incentive leave that:

7 (A) Shall be used by the end of the calendar year  
8 following the calendar year in which the prospective employee begins  
9 employment with the state agency; and

10 (B) Shall not carry over to the subsequent calendar year.

11 (c) A person employed by the executive branch at the time of the offer  
12 of employment is not eligible for a recruitment incentive under this section.

13 (d)(1) A person receiving a recruitment incentive under this section  
14 shall commit to a required period of employment with the state agency.

15 (2) If the employee receives a recruitment incentive under this  
16 section and voluntarily resigns or is terminated from employment with the  
17 state agency before completing the required period of employment under  
18 subdivision (d)(1) of this section, the following shall apply:

19 (A) If the employee received a bonus payment in full at  
20 the beginning of his or her employment under subdivision (b)(1)(C)(i) of this  
21 section, the employee shall repay the bonus payment to the state agency;

22 (B) If the employee is scheduled to receive a bonus  
23 payment in installments under subdivision (b)(1)(C)(ii) of this section, the  
24 employee shall:

25 (i) Repay to the state agency any installment  
26 payments received before the date that the employee resigns or is terminated  
27 from employment; and

28 (ii) Not receive the value of any installment  
29 payments scheduled on or after the date the employee resigns or is terminated  
30 from employment; and

31 (C) If the employee received an award of incentive leave  
32 under subdivision (b)(2) of this section, the incentive leave shall:

33 (i) Expire when the employee resigns or is  
34 terminated from employment; and

35 (ii) Not be liquidated by a lump-sum payment to the  
36 employee when he or she separates from the state agency.

1           (3) If the employee does not repay a bonus payment under  
2 subdivisions (d)(2)(A) or (d)(2)(B)(i) of this section within one hundred  
3 eighty days (180) from the date the employee resigns or is terminated from  
4 employment, the Revenue Division of the Department of Finance and  
5 Administration may set off any refunds due the employee from the division by  
6 the sum certified by the Office of Personnel Management as due and owing  
7 under § 26-36-301 et seq.

8           (e)(1)(A) A state agency wishing to provide recruitment incentives to  
9 prospective employees shall prepare a written plan for administering  
10 recruitment incentives.

11           (B) The written plan under this subsection shall include:

12                   (i) An explanation of how the recruitment incentives  
13 will be implemented;

14                   (ii) A list of the classifications eligible for  
15 recruitment incentives; and

16                   (iii) A description of the recruitment incentives  
17 that may be provided to prospective employees.

18           (2) The written plan under this subsection shall be reviewed by  
19 the office.

20           (3) When the office has completed its review of the written plan  
21 under subdivision (e)(2) of this section, the office shall refer the written  
22 plan to the Legislative Council or, if the General Assembly is in regular  
23 session, fiscal session, or extraordinary session, the Joint Budget  
24 Committee, for its approval.

25           (4) A state agency shall not provide a recruitment incentive  
26 under this section before the approval of the state agency's written plan for  
27 administering recruitment incentives under subdivision (e)(3) of this  
28 section.

29           (5) If the state agency amends the written plan following its  
30 approval under subdivision (e)(3) of this section, it shall:

31                   (A) Submit the amended written plan for review by the  
32 office and approval by Legislative Council or the Joint Budget Committee in  
33 the same manner provided by subdivisions (e)((1)-(3) of this section; and

34                   (B) Not provide a recruitment incentive under the  
35 provisions of the amended written plan before the approval of the state  
36 agency's amended written plan.

1           (f)(1) After a state agency's written plan for administering  
2 recruitment incentives has been approved under subdivision (e)(3) of this  
3 section, the state agency may submit a request for a recruitment incentive to  
4 the office for approval.

5           (2) The request under subdivision (f)(1) of this section shall  
6 include:

7                   (A) The name of the prospective employee;

8                   (B) A description of the position the prospective employee  
9 would fill and his or her qualifications for the position;

10                  (C) A description of the recruitment incentive that would  
11 be provided to the prospective employee; and

12                  (D) A specification of the required period of employment  
13 for the prospective employee to retain the recruitment incentive.

14           (3) A request for a recruitment incentive under this subsection  
15 shall be consistent with the written plan for administering recruitment  
16 incentives of the state agency.

17           (4) A state agency shall not provide a recruitment incentive  
18 before the approval of the recruitment incentive by the office under this  
19 subsection.

20           (g) A bonus payment recruitment incentive under this section shall be:

21                   (1) Subject to withholding of all applicable state and federal  
22 taxes; and

23                   (2) Included by retirement systems in determining retirement  
24 benefits.

25           (h) A recruitment incentive under this section may be awarded to a  
26 prospective employee whether or not the recruitment incentive would result in  
27 the salary for the employee exceeding the maximum pay level for the grade  
28 assigned to the employee's classification.

29           (i)(1) A recruitment incentive under this section is subject to a  
30 state agency's ability to certify funding for a recruitment incentive.

31                   (2) A state agency shall:

32                   (A) Use existing funding for a recruitment incentive under  
33 this section; and

34                   (B) Not access the Performance Fund to provide a  
35 recruitment incentive.

36           (j) The office shall file monthly reports of recruitment incentives

1 provided under this section with the Legislative Council or, if the General  
2 Assembly is in regular session, fiscal session, or extraordinary session, the  
3 Joint Budget Committee.

4 (k)(1) It is both necessary and appropriate that the General Assembly  
5 maintain oversight by requiring prior approval of the Legislative Council or,  
6 if the General Assembly is in regular session, fiscal session, or  
7 extraordinary session, the Joint Budget Committee, as provided by this  
8 section.

9 (2)(A) The requirement of approval by the Legislative Council or  
10 the Joint Budget Committee under this section is not a severable part of this  
11 section.

12 (B) If the requirement of approval by the Legislative  
13 Council or the Joint Budget Committee under this section is found  
14 unconstitutional by a court of competent jurisdiction, the entire section is  
15 void.

16  
17 SECTION 6. Arkansas Code § 21-5-1101 is amended to read as follows:

18 21-5-1101. Merit increase pay system – Definition.

19 (a)(1) The Department of Transformation and Shared Services is  
20 authorized to develop and establish a merit increase pay system in accordance  
21 with the performance evaluation process under § 21-5-1001 et seq. for  
22 employees of all state agencies, boards, and commissions covered by the  
23 Uniform Classification and Compensation Act, § 21-5-201 et seq.

24 (2)(A) The merit increase pay system shall be reviewed by the  
25 Legislative Council or, if the General Assembly is in session, the Joint  
26 Budget Committee.

27 (B) If the department amends the merit increase pay system  
28 following its review under subdivision (a)(2)(A) of this section, it shall  
29 submit the amended merit increase pay system for approval by the Legislative  
30 Council or the Joint Budget Committee in the same manner provided by  
31 subdivision (a)(2)(A) of this section.

32 (C) The department shall not implement an amended merit  
33 increase pay system prior to the approval of the amended merit increase pay  
34 system under subdivision (a)(2)(B) of this section.

35 (b) For the purpose of this subchapter, “merit increase pay system”  
36 means a merit-based pay system that incorporates pay and performance

1 evaluation standards according to § 21-5-1001 et seq. and establishes  
 2 criteria for payments for employees who meet requisite performance  
 3 categories.

4 (c) Merit payments may be awarded to employees who satisfy performance  
 5 evaluation-based criteria developed by agencies in accordance with procedures  
 6 and policies developed and approved by the Office of Personnel Management  
 7 after review by the Legislative Council.

8 (d)~~(1)~~ A merit payment under this section may be awarded to an  
 9 employee whose salary is equal to or above the maximum pay level for the  
 10 grade assigned to the classification, resulting in the salary for the  
 11 employee exceeding the maximum pay level for the grade assigned to the  
 12 classification, if the merit payment resulting in an increase above the  
 13 maximum pay level is approved by the:

14 ~~(A)(1)~~ Legislative Council; or

15 ~~(B)(2)~~ Joint Budget Committee, if the General Assembly is  
 16 in regular, fiscal, or extraordinary session.

17 ~~(2)(A) It is both necessary and appropriate that each time a~~  
 18 ~~merit payment is provided to an employee whose salary is equal to or above~~  
 19 ~~the maximum pay level for the grade assigned to the classification, the~~  
 20 ~~General Assembly shall maintain oversight of those salary increases by~~  
 21 ~~requiring prior approval of the Legislative Council or, if the General~~  
 22 ~~Assembly is in regular, fiscal, or extraordinary session, the Joint Budget~~  
 23 ~~Committee.~~

24 ~~(B) The requirement of approval by the Legislative Council~~  
 25 ~~or the Joint Budget Committee is not a severable part of this subsection.~~

26 ~~(C) If the requirement of approval by the Legislative~~  
 27 ~~Council or the Joint Budget Committee is found unconstitutional by a court of~~  
 28 ~~competent jurisdiction, this subsection shall be void.~~

29 (e)(1) It is both necessary and appropriate that the General Assembly  
 30 maintain oversight by requiring prior approval of the Legislative Council or,  
 31 if the General Assembly is in regular session, fiscal session, or  
 32 extraordinary session, the Joint Budget Committee, as provided by this  
 33 section.

34 (2)(A) The requirement of approval by the Legislative Council or  
 35 the Joint Budget Committee under this section is not a severable part of this  
 36 section.

1                   (B) If the requirement of approval by the Legislative  
2 Council or the Joint Budget Committee under this section is found  
3 unconstitutional by a court of competent jurisdiction, the entire section is  
4 void.

5  
6           SECTION 7. Arkansas Code § 26-36-303(2)(F), concerning the definition  
7 of “debt”, is amended to read as follows:

8                   (F) Money owed to a claimant agency for all costs  
9 resulting from an overpayment of wages or salaries, including without  
10 limitation a lump-sum payment or the repayment of a bonus payment under § 21-  
11 5-228(d)(2)(A) or § 21-5-228(d)(2)(B)(i);

12  
13           SECTION 8. EMERGENCY CLAUSE. It is found and determined by the  
14 General Assembly of the State of Arkansas that employees of the State of  
15 Arkansas provide critical services necessary to preserve the public peace,  
16 health, and safety; that the provisions of this act are necessary to ensure  
17 the continued services and operations of the state and to ensure that  
18 necessary services and operations are provided to the citizens of the state;  
19 that the next fiscal year of the State of Arkansas begins on July 1, 2024,  
20 and operative appropriations will become effective on that date; and that it  
21 is necessary for the continued provision of essential state services and  
22 operations that this act become effective at the beginning of the forthcoming  
23 fiscal year. Therefore, an emergency is declared to exist, and this act  
24 being necessary for the preservation of the public peace, health, and safety  
25 shall become effective on July 1, 2024.