

**INSTITUTIONS OF HIGHER EDUCATION
REFERENCE GUIDE**

for

**THE UNIFORM PERSONNEL CLASSIFICATION AND
COMPENSATION PLAN COMMITTEE**

of the

ARKANSAS LEGISLATIVE COUNCIL



2019-2021

CONSTITUTIONAL AUTHORITY

Article 16, Section 4 of the Arkansas Constitution, gives the Legislature the authority to establish the maximum number of state employees and officials and to set their maximum annual salaries. It states:

“Salaries and fees of state officers.

The General Assembly shall fix the salaries and fees of all officers in the State, and no greater salary or fee than that fixed by law shall be paid to any officer, employee or other person, or at any rate other than par value; and the number and salaries of the clerks and employees of the different departments of the State shall be fixed by law.”

LEGISLATIVE COUNCIL – DUTIES (Arkansas Code § 21-5-206)

The statute text reads:

“In order to assist the General Assembly in more efficiently performing its constitutional duty, that being “. . . the number and salaries of the clerks and employees of the different departments of the state shall be fixed by law.”, the Legislative Council shall:

(1) Review the establishment and implementation of any new classification titles proposed between legislative sessions due to program changes;

(2) Review the staffing levels of all agencies and institutions covered by the provisions of this subchapter and submit to the General Assembly, when in regular session, fiscal session or special session, recommendations for revisions, modifications, or additions thereto;

(3) Conduct, when necessary, salary surveys of the private and public sector of jobs comparable to those contained in § 21-5-208 for purposes of establishing equitable and competitive rates of compensation for employees occupying positions affected by this subchapter;

(4) Periodically review and recommend any changes found necessary in the job evaluation system used to set salary grade levels for all classifications affected by the provisions of this section and forward the recommendations to the Office of Personnel Management of the Management Division of the Dept of Finance and Administration; and

(5) Prepare and submit recommendations for revisions in this subchapter to the General Assembly when in session.”

UNIFORM PERSONNEL CLASSIFICATION AND COMPENSATION PLAN COMMITTEE

The Uniform Personnel Classification and Compensation Plan Committee (commonly known as the Personnel Committee), is a standing subcommittee of the Legislative Council. It assists the General Assembly in performing its constitutional responsibility to establish the maximum number of state employees and officials, and to set their maximum annual salaries.

The jurisdiction of the Uniform Personnel Classification and Compensation Plan Committee is set forth in Section 5(a)(5) of the Rules of the Legislative Council, which states the following:

“To this Committee shall be referred matters pertaining to the State Uniform Personnel Classification and Compensation Plan; matters pertaining to the adequacy of position classification and pay schedule of state agencies and institutions; consideration of matters which require Legislative Council advice in regard to the administration of the State Personnel Classification and Compensation Plan; other matters pertaining to the duties of the General Assembly to establish the maximum number of employees, and the maximum annual salaries of all officials and employees of state government.”

COMMITTEE JURISDICTION OVERVIEW

The committee:

1. Reviews issues that relate to the Higher Education Uniform Classification and Compensation Plan and matters pertaining to the adequacy of position classification and pay schedule of institutions.

The plan is set out by the Higher Education Uniform Classification and Compensation Act (Arkansas Code § 21-5-1401, *et seq.*), originally established by Act 599 of 2017.

The Act establishes classification titles, line item maximums and grades for institutions of higher education that are covered by its provisions.

The Act also establishes for institutions covered by the provisions of the Act a compensation plan for the setting of salaries and salary increases of all employees serving in positions covered by the Act.

The pay plan has 30 Career Service grades each with five pay levels established by law.

This Uniform Classification and Compensation Act only applies to State Institutions of Higher Education.

2. Reviews matters concerning the administration of the Classification and Compensation Plan which by law require Council advice, including the following types of personnel requests and reports.

- special entry rates of compensation, both for Labor Market conditions and for Exceptionally Well Qualified applicants;
- certification increases for employees who have met the requirements specified in special language in agency/institution appropriation acts;
- continuation of salary due to reduction in force, elimination of funding, or other program curtailment;
- central growth pool position authorization;
- provisional position authorization;
- labor market adjustments, and movements of incumbents to those rates, to avoid salary inequities caused by labor market rates;
- various required reports from the Director of the Department of Higher Education.

- the development and implementation of the policies, rules, regulations, and procedures necessary for the maintenance of the Uniform Classification and Compensation Act.

3. Reviews the establishment and implementation of any new classification titles and grades proposed between legislative sessions due to program changes, as well as any proposed changes to existing job descriptions.

4. Conduct salary surveys, when necessary, of the private and public sector jobs that are comparable to state classifications in order to establish equitable and competitive rates of compensation for the employees occupying those positions.

5. Periodically reviews and recommends any changes found necessary in the job evaluation system that is used to set the salary grade levels for all classifications.

Department of Higher Education Duties

The Department of Higher Education has the overall responsibility of administering the state's personnel system and establishing necessary policies, procedures and regulations to ensure system uniformity in accordance with state and federal law as it relates to institutions.

Acting under the authority granted in the Uniform Classification and Compensation Act, and subject to the direction of the Director of DHE, it is their duty to perform the following administrative responsibilities with respect to the state Classification and Compensation: classifying positions, evaluating jobs, developing classification standards and specifications, assigning pay grades to classifications, collecting salary data, developing and administering pay plan policies and procedures, developing and administering performance evaluation procedures, and providing professional assistance and guidance related to personnel management. DHE analyzes all institution of higher education biennial personal services budget requests and prepares appropriate recommendations to the Governor and the Legislature prior to and during the Legislative session.

In order to ensure and provide for the accuracy and efficiency of the Uniform Classification and Compensation Plan, and to provide for an efficient and equitable system of personnel management, DHE, with the review of the Legislative Council, is directed to:

- study on a continuing basis and modify or revise, when necessary, the current classifications, class specifications, and minimum requirements;
- create when necessary, new classifications at an appropriate grade level which will accurately describe those positions for which no appropriate classification exists;
- determine positions which are improperly classified and reclassify those positions to the appropriate classification subject to the provisions of this subchapter; and
- develop and implement the policies, rules, regulations, and procedures necessary for the establishment and maintenance of the Uniform Classification and Compensation Act.

TERMS AND PROVISIONS

All items are found in the Uniform Classification and Compensation Act (Arkansas Code § 21-5-1402, *et seq.*)

ADDITIONAL POSITIONS

“Additional positions” are those that are in addition to the positions established in appropriation acts for state agencies and institutions. Additional positions may be established through the use of the Central Pool in Arkansas Code § 21-5-1414 or Provisional Pool in Arkansas Code § 6-63-305. DHE assigns any additional classified positions to an appropriate class for the work to be performed. For these positions to continue from one fiscal year to the next, they must be requested to continue during the interim, and be requested again as new during the next legislative session so as to be added to the institutions appropriation act permanently.

INSTITUTION OF HIGHER EDUCATION

For purposes of the Uniform Classification and Compensation Act, “institution of higher education” means all public institutions of higher education supported in whole or in part by the appropriation of state funds.

HEAD OF THE INSTITUTION

For purposes of the Uniform Classification and Compensation Act, “Head of the Institution” means the executive head of an institution of higher education.

CAREER SERVICE RECOGNITION PAYMENTS (Arkansas Code § 21-5-106)

Non-faculty employees of institutions of higher education become eligible for annual career service recognition payments upon completion of ten (10) or more years of service (either continuous or cumulative). Service must have been in regular full-time, classified positions. Periods of authorized leave without pay does not negate eligibility for the payment, nor does leave of absence for military service when veterans' reemployment rights are exercised, provided all other eligibility requirements are met.

DHE is responsible for the establishment and publication of policies and procedures for the administration of career service recognition payments to employees upon a determination by the Director of DHE State that sufficient funds are available for such purpose.

An employee who meets eligibility requirements become eligible for annual career service recognition payments on the anniversary date of the completion of such service according to the following schedule:

Years of Service	Annual Payment
10 through 14 years of state service	\$800
15 through 19 years of state service	\$1,000
20 through 24 years of state service	\$1,200
25 or more years of state service	\$1,500

Note: These amounts were increased by Act 914 of the 92nd General Assembly in 2019.

CLASS (or CLASSIFICATION)

A “class” is a group of positions that are sufficiently similar in the duties performed, scope of discretion and responsibility, minimum requirements of training and experience or skill, the same test of fitness, and the same scale of compensation have been, or may be, applied to each position in the group.

The Uniform Classification and Compensation Act establishes classifications, titles, and grades for use in the classification plan.

Each position within an institution, which is not specifically exempted by a line-item entry in the institution appropriation act, must be allocated to a class in the classification plan. Additional classified positions, approved for use by an institution but not included in the respective appropriation act, will be allocated to a class by the Department of Higher Education. Each class in the classification system will be described by a class specification.

CLASS CODE

A “class code” is a four character, alpha-numeric designation that is assigned to each class title authorized by the Classification and Compensation Act. The initial alpha character for a class code represents the appropriate Occupational Group designation based on the job duties.

Occupational Group Code	Occupational Group Description
A	Accounting-Fiscal
B	Agriculture-Applied Science-Engineering
C	Administrative-Office Services-Records Management
D	IT-Communications
E	Education-Instruction
G	Legal-Planning-Grants-Program Management
L	Health Related
M	Human Services
N	Executive Management
P	Information-Arts-Publicity
Q	Constitutional
R	Human Resources-Budget
S	Institutional Operational Services
T	Public Safety-Correction
U	Non Uniform Classification & Compensation Act
V	Procurement-Warehouse
X	Regulation-Inspection-Investigation

CLASS SPECIFICATION

A “class specification” is a written document which identifies a group of positions that have the same type of work and responsibility and which states the general components by providing a class title, class code, distinguishing features and examples of work, knowledge, skills, and abilities, as well as the necessary minimum education and experience requirements to perform the assigned duties. DHE is responsible for developing and maintaining job descriptions for all classified titles. When changes are needed in the class specification of a classification to ensure the accuracy of the description of the assigned duties and the minimum requirements necessary to perform those duties, DHE may make revisions with the review of the Legislative Council.

A class specification is not a description of a specific job. A specific job is captured by an individual job description (see [Job Description](#)).

COMPENSATION PLAN (Arkansas Code § 21-5-1407)

The Compensation Plan is set out by the Uniform Classification and Compensation Act, originally established by Act 599 of 2017. The Compensation Plan is established for institutions that are covered by the provisions of the Uniform Classification and Compensation Act. The Compensation Plan sets salaries and provides for salary increases, where deserved, of all employees serving in positions covered by the Act.

The Code states that:

The following grades and pay levels shall be the authorized career service pay plan, effective July 1, 2019, and thereafter, for the state service for all classified positions of institutions covered by this subchapter to which a classification title and career service salary grade have been assigned in accordance with this subchapter and the appropriation act of the institutions:

CAREER SERVICE PAY PLAN

PAY GRADE	MINIMUM	15% ABOVE MINIMUM	MIDPOINT	30% ABOVE MINIMUM	MAXIMUM
C101	\$20,800	\$23,920	\$26,520	\$27,040	\$32,240
C102	\$21,127	\$24,295	\$27,328	\$27,464	\$33,530
C103	\$21,453	\$24,671	\$28,162	\$27,889	\$34,871
C104	\$21,780	\$25,046	\$29,023	\$28,313	\$36,266
C105	\$22,106	\$25,422	\$29,911	\$28,738	\$37,716
C106	\$22,433	\$25,797	\$30,829	\$29,162	\$39,225
C107	\$22,759	\$26,173	\$31,776	\$29,587	\$40,794
C108	\$23,086	\$26,548	\$32,756	\$30,011	\$42,426
C109	\$23,412	\$26,924	\$33,767	\$30,436	\$44,123
C110	\$23,739	\$27,299	\$34,813	\$30,860	\$45,888
C111	\$24,065	\$27,675	\$35,894	\$31,285	\$47,723
C112	\$25,268	\$29,058	\$37,450	\$32,848	\$49,632
C113	\$26,531	\$30,511	\$39,074	\$34,490	\$51,617
C114	\$27,858	\$32,037	\$40,770	\$36,215	\$53,682
C115	\$29,251	\$33,639	\$42,540	\$38,026	\$55,829
C116	\$30,713	\$35,320	\$44,388	\$39,927	\$58,062
C117	\$32,249	\$37,086	\$46,317	\$41,924	\$60,385
C118	\$33,861	\$38,940	\$48,331	\$44,019	\$62,800
C119	\$35,554	\$40,887	\$50,433	\$46,220	\$65,312
C120	\$37,332	\$42,932	\$52,628	\$48,532	\$67,925
C121	\$39,199	\$45,079	\$54,920	\$50,959	\$70,642
C122	\$41,159	\$47,333	\$57,313	\$53,507	\$73,467
C123	\$43,217	\$49,700	\$59,812	\$56,182	\$76,406
C124	\$45,377	\$52,184	\$62,420	\$58,990	\$79,462
C125	\$47,646	\$54,793	\$65,143	\$61,940	\$82,641
C126	\$50,029	\$57,533	\$67,988	\$65,038	\$85,947
C127	\$52,530	\$60,410	\$70,957	\$68,289	\$89,384
C128	\$55,156	\$63,429	\$74,058	\$71,703	\$92,960
C129	\$57,914	\$66,601	\$77,296	\$75,288	\$96,678
C130	\$60,810	\$69,932	\$80,678	\$79,053	\$100,545

Per A.C.A 21-5-1407 Salaries established by this section may exceed the maximum pay level for the grade assigned to the classification by no more than twenty-five percent (25%) for no more than ten percent (10%) of the positions authorized in the state agency's appropriation act.

PAY PLAN IMPLEMENTATION (Arkansas Code § 21-5-1409)

The Department of Higher Education has administrative responsibility for enforcing compliance by institutions of higher education affected by this subchapter in implementing classification and grade changes.

The maximum annual salary for which an employee covered by this subchapter is eligible on July 1, 2019, shall be determined by increasing the salary of the employee as it existed on June 30, 2019 by 1%. An employee whose salary does not meet the minimum of the established grade after the 1% increase shall be brought up to the minimum salary for the grade.

Additionally, institutions are may provide an additional increase, up to two percent (2%) with written approval by the Director of the Department of Higher Education; or more than two percent (2%) only with written approval of director after review by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

COMPENSATION DIFFERENTIALS (Arkansas Code § 21-5-1412)

To address specific employee compensation needs not otherwise provided for in this subchapter, an institution may pay additional compensation for current employees in specific positions or for classifications of positions assigned to a compensation plan authorized by the General Assembly for one (1) or more compensation differentials.

Authorization for one (1) or more compensation differentials may be approved if the:

- (A) Institution has documented the need for a compensation differential for specified positions or classifications;
- (B) Institution submits a plan of the terms and conditions for eligibility that must directly address the needs of the targeted positions or classifications for any requested compensation differential;
- (C) Cost of implementing and maintaining a compensation differential is within the institution's existing appropriation and shall not be implemented using funds specifically set aside for other programs within the institution; and
- (D) Compensation differential plan has been approved by the DHE after review by the Personnel Committee of the Legislative Council of in session, Joint Budget Committee.

Any compensation differential authorized under this section shall be renewed each fiscal year.

The cumulative total of any compensation differentials paid to an employee shall not exceed twenty-five percent (25%) of the employee's base salary.

Additional compensation may be paid for the following areas:

- 1. Hazardous Duty
- 2. Additional Certification or Education Differential
- 3. Geographic Differential

4. Second Language
5. On Call Duty

CROSSGRADE

A "crossgrade" is a temporary reclassification of a position. The Department of Higher Education may change the classification of a position as authorized in an appropriation act between legislative sessions to assure correct classification, with the following restrictions:

- a position cannot be reclassified to a classification with a higher grade than the grade authorized by the General Assembly;
- a position may not be allocated to a class having a higher grade than the position as initially authorized in the appropriation act;
- positions having a line item maximum salary may not be reclassified from line item status; and
- positions crossgraded for an extended period of time will be permanently reclassified to the used title during the next legislative session through an Out of Family Reclass
- The Department of Higher Education may restore a crossgrade to the original authorized classification upon review of the department.

EMERGENCY ACTION (Legislative Council Rule 16)

(a) **State Agency Request for Emergency Action.** Whenever a matter that requires Legislative Council review, approval, or advice is filed with the Legislative Council office for consideration at the next regular meeting of the Legislative Council, or the subcommittee to which the matter is normally referred, and the Chief Fiscal Officer of the State states, in writing, that the matter requires immediate action, the Co-Chairs of the Legislative Council may institute "Emergency Action Procedures" for the consideration of the matter, if they determine that it is in the best interest of the agency, or that immediate action is essential to enable the agency to perform essential services.

(b) **Executive Subcommittee Request for Emergency Action.** Whenever a matter is decided by the Executive Subcommittee of the Legislative Council that requires final review or approval of the Legislative Council, and it is determined by the members of the Executive Subcommittee that the matter requires immediate action, the Co-Chairs of the Legislative Council may institute "Emergency Action Procedures" for the consideration of the matter, if they determine that delaying the matter until the next regularly scheduled meeting of the Legislative Council would be detrimental to the entity(ies) involved in the matter being decided.

(c) "Emergency Action Procedures" shall consist of:

(1) The Co-Chairs of the Legislative Council determining that there is sufficient justification to consider the matter by Emergency Action Procedures;

(2)(A) Consideration of the matter by the Co-Chairs of the Legislative Council, and the co-chairs of the subcommittee to which the matter is normally presented for review.

(B) If one (1) or more of the Co-chairs of the Legislative Council or the co-chairs of the subcommittee recuse from the emergency action or are otherwise unavailable to be consulted regarding the emergency action, the recused or unavailable co-chair's corresponding vice-chair shall act in the co-chair's place regarding the request for emergency action; and

(3) The co-chairs of the affected subcommittee and the Co-Chairs of the Legislative Council are unanimous in their evaluation that emergency review, approval, or advice is advisable, then the House of Representatives Co-Chair and Senate Co-Chair may

act on behalf of the Legislative Council in regard thereto.

(d) All matters considered under the emergency procedures shall be reported in writing to the Legislative Council at its next regular meeting.

EMPLOYEE

An "employee" is a person who is regularly appointed or employed in a position of state service by an institution of higher education for which he or she is compensated on a full-time basis and for which a class title and pay grade is established in the appropriation act for such institution in accordance with the Classification and Compensation Plan.

ENTRY LEVEL SALARY

Classified employees entering service for the first time are paid at the Minimum level of the of the grade assigned to the classification hired into, unless a special entry rate has been approved prior to the hire date.

EXTRA HELP

A position authorized as "Extra Help" by the General Assembly is to be used for payment of all salaries and compensation of part-time or temporary employees, as authorized by law, who are employed 1500 hours per year or less.

The number and rates of pay for Extra Help employees cannot exceed, at any one time, those established by law for regular salaries for comparable services for the institution having such appropriation for extra help. This provision is in force unless specifically provided for by the institutions's appropriation act.

Institutions must assign a valid class code to all Extra Help positions occupied by an employee. Class codes assigned to Extra Help positions must correspond to the codes authorized for the institutions regular positions and be consistent with the job duties assigned to the employee in that position. Rates of pay for Extra Help employees must not exceed those provided in the Uniform Classification and Compensation Act for the appropriate classification.

An employee transferring from an Extra-Help to a regular position must be placed at the minimum rate of pay for the assigned classification with the following exceptions:

- the classification has a current labor market special entry rate;
- the applicant has been approved for an exceptionally well-qualified special entry rate;
- the applicant's adjustment is based on prior state service in a regular position; and
- the Department of Higher Education has granted an exception due to special circumstance

GRADE

Each "grade" is a pay range having a Minimum and Maximum rate of pay. There are 30 grades on the Career Service pay plan. The grade structure also includes 15% above minimum, midpoint, and 30% above minimum as benchmarks when providing increased pay through Special Rates of Pay.

PROVISIONAL POSITIONS (Arkansas Code § 6-63-305)

Institutions of Higher Education may request additional positions when the following circumstances occur:

- if additional federal funds, grants, gifts, or collections become available to an institution that were not authorized or contemplated at the time of the passage of the fiscal year appropriation act for operations for each institution;
- if such new funds make it possible for the recipient institution to engage in educational projects that would be of benefit to the State of Arkansas; and
- if those projects would make it necessary to employ additional personnel

The president of the recipient institution may establish additional positions, as necessary, of the requested classifications or of the maximum annual salaries set out in dollars upon authorization by the appropriate board of trustees and after review and approval by the Department of Higher Education and the Legislative Council.

The source of funding for positions established must be reported to the Department of Higher Education and the Legislative Council by the institution at the time of the request.

ADDITIONAL COMPENSATION FOR ADDITIONAL DUTIES (Arkansas Code § 6-63-306)

The state-supported institutions of higher education may pay additional compensation to classified employees for the performance of additional duties assigned to them at non-job-related institution-sanctioned events, provided that those additional duties are performed at times other than normal working hours.

ACADEMIC PERSONNEL RECRUITMENT – EXCEPTIONS TO MAXIMUM SALARY LEVELS (Arkansas Code § 6-63-309)

In order to recruit and retain exceptionally well-qualified academic personnel, each state-supported institution of higher education may exceed the maximum salary levels by no more than twenty-five percent (25%). This is limited to no more than ten percent (10%) of the positions authorized in its biennial operations appropriation act as:

- | | |
|-------------------------|------------------------------------|
| President | Assistant Professor |
| Chancellor | Instructor |
| Academic Dean | Extension Specialist IV |
| Division Head or Chair | Extension Specialist III |
| Department Chair | Extension Specialist II |
| Distinguished Professor | Extension Specialist I |
| University Professor | County Extension Agent-Chairman II |
| Professor | County Extension Agent-Chairman I |
| Associate Professor | |

Within the ten percent (10%) limitation, the University of Arkansas for Medical Sciences (UAMS) may include no more than one (1) Area Health Education Center Executive Director, six (6) Area Health Education Center Area Directors, six (6) Family Practice Coordinators, six (6) Associate Family Practice Coordinators, and six (6) Assistant Family Practice Coordinators.

INFORMATION TECHNOLOGY LABOR MARKET RATES

After review by committee DHE may establish labor market rates for specific Information Technology classifications as needed for the institutions.

INSTITUTION OF HIGHER EDUCATION (or INSTITUTION)

For purposes of the Uniform Classification and Compensation Act, "Institution" means all public institutions of higher education supported in whole or in part by appropriation of State funds and covered by the Act.

JOB DESCRIPTION

A "Job Description" or "Functional Job Description" is a written document which identifies the duties and responsibilities of a specific position. A job description is not a class specification, but rather describes the tasks involved in a single position. A class specification covers all positions assigned to that classification (see Class Specification).

JOB FAMILY

A "Job Family" is a grouping of jobs within an occupational group of similar work, embracing a hierarchy of classes and/or class series. An example is the accounting services job family which includes accounting/finance managers and supervisors, accountants, and accounting clerks.

JOB SHARING

"Job Sharing" is a form of employment in which the hours of work of two (2) or more persons are arranged to cover a single regular full-time, or extra help salary position. The Department of Higher Education may authorize job sharing for all regular full-time or extra help salary positions, whether permanent or temporary. Any regular full-time or extra help salary position may be job shared. The number of hours worked between the two part-time employees cannot exceed the number of hours a full-time employee would work in the same position.

MERIT INCREASE PAY SYSTEM

The Department of Higher Education may develop and implement a merit increase pay system in accordance with the performance evaluation process under § 21-5-1417 for the employees of all institutions covered by the Higher Education Classification and Compensation Act.

Employees are eligible for a merit increase to be paid as a salary increase or a lump sum payment as determined by the employees institution.

CENTRAL GROWTH POOL POSITIONS (Arkansas Code § 21-5-1415).

"Pool Positions" are positions authorized to enable institutions to meet unanticipated needs during the interim between sessions of the General Assembly.

Arkansas Code 21-5-1415 establishes a pool of four hundred (400) positions assigned to the Department of Higher Education. These positions are to be used to when an institution does not have sufficient positions available to meet unanticipated enrollment growth, industry training demands and mandated responsibilities.

POSITION

A "Position" is an office or employment in an institution of higher education, occupied or vacant, involving duties requiring the services of one (1) or two (2) persons. The maximum number of positions for each institution is established by the respective appropriation acts.

REGULAR SALARY PROCEDURES AND RESTRICTIONS ACT (Arkansas Code § 21-5-1403)

The Arkansas Constitution, Article 16, Section 4, provides: "The General Assembly shall fix the salaries and fees of all officers in the state, and no greater salary or fee than that fixed by law shall be paid to any officer, employee or other person, or at any rate other than par value; and the number and salaries of the clerks; and employees of the different departments of the State shall be fixed by law."

The following provisions are applicable to all authorized regular salary positions in appropriation acts unless specific exception is made otherwise by law:

- the number of employees of the different departments of the State shall be fixed by law;
- for any position authorized by the General Assembly for the benefit of any institution, or program for which the provisions of the Uniform Classification and Compensation Act are to be applicable, the Act governs with respect to the entrance salary rate, the frequency with which salary increases may be granted, and the maximum annual salary that may be paid for the grade assigned each employee;
- for any position authorized by the General Assembly for the benefit of any institution, or program for which a maximum annual salary is set out in dollars, such position is to be paid at a rate of pay not to exceed the allowable maximum during any one fiscal year;
- the administrative head of any institution, or program shall take into consideration ability of the employee and length of service when determining their annual salaries; and
- no employee can be paid any additional cash allowances unless such allowances are specifically established by law. And such law must also determine which employees are eligible to receive the allowance and the maximum amount of each allowance. This must be shown for each employee or class of employees eligible to receive the allowances. Cash allowances include, but are not limited to, uniform allowance, clothing allowance, motor vehicle depreciation, or replacement allowance, fixed transportation allowance, meals and lodging allowance other than for reimbursement for costs actually incurred.

SALARY ADMINISTRATION GRIDS (Arkansas Code §21-5-1413)

An institution may request that a salary administration grid be approved for specific classifications of positions assigned to the career service compensation plan. The terms and conditions of the proposed grid must address the needs of the targeted positions. Grids must be approved by the Director of DHE and reviewed by the Personnel Committee before implementation.

The cost of implementing and maintaining a salary administration grid must be within the institution's existing appropriation and the implementation does not use funds specifically set aside for other programs within the institution.

An approved salary administration grid shall be used for establishing a starting salary for an employee in an individual position and a person hired above the entry pay level shall meet or exceed the minimum qualifications for the job classification.

A plan of implementation and salary progression must be approved by the Department of Higher Education on a biennial basis.

SHIFT DIFFERENTIAL (Arkansas Code § 21-5-1411).

Agencies and institutions which routinely schedule more than one work shift per day may pay employees a "Shift Differential", an additional amount added to the base rate of pay for working non-standard hours. Unless Special Language in an institution's appropriation act permits otherwise, the following rules and restrictions govern the payment of Shift Differential:

Shift Rate: Employees may be paid up to 12% above the normal rate of pay for which they are eligible. If an employee is paid at Maximum for their grade as regular compensation, an additional percentage, not to exceed 12%, may be allowed and will not be considered as exceeding the maximum allowable rate for the grade.

Weekend Rate: A person employed in areas providing critical support, custody, and care to designated client service units at state-operated inpatient hospital facilities, at state-operated human development centers, and at maximum security units at correctional facilities during weekend hours is eligible to receive up to twenty percent (20%) of the hourly rate for which he or she is eligible under this subchapter paid as a shift or weekend differential.

Designated weekend hours begin no earlier than 2:30 p.m. on Friday and end no later than 8:00 a.m. on the following Monday.

Removal from Shift: When an employee has been on the late shift and has been receiving the shift differential pay and is removed from shift work or reassigned to a normal shift, the employee's salary will revert to the former rate of pay on the day of the change.

SPECIAL RATES OF PAY

Normally, the salary of a new employee is set at Entry Level. Special rates of pay may be authorized to attract employees to state service where it has been demonstrated that market conditions make it difficult to recruit at the normal entry rate, or where the applicant has exceptional qualifications.

There are two provisions for increasing the starting salary above Entry Level of a given grade.

The first is the establishment of a **Labor Market** Special Entry Rate. This type rate is authorized when prevailing market rates of compensation for a specific classification title are such that the institution is unable to competitively recruit at the entry level for the salary grade assigned to that classification. It also applies when an acute shortage of qualified applicants for a specific classification exists. All employees (current or prospective) in the classification for which a market rate is established are eligible for the rate.

The Director of DHE may approve special entry rates up to Midpoint. Arkansas Legislative Council, may approve special entry rates up to the maximum Pay Level of the grade. Institutions must follow the procedures established by the Department of Higher Education before requesting labor market special entry rates.

The second kind of rate is for an **Exceptionally Well Qualified** applicant for employment. It may be requested in those instances where an applicant's background and experience qualifies him/her to perform the job with very little or substantially less orientation and training than other qualified applicants. The Department of Higher Education may recommend and the Director of DHE may approve special entry rates up to Midpoint. The Department of Higher Education, with the review of the Arkansas Legislative Council, may approve special entry rates up to Max or Career Level. Requests by institutions for special rates of compensation based on an exceptional level of qualifications held by a prospective employee may be approved only after the institution has met the following conditions:

- when it has been documented to the satisfaction of the Director of DHE that no current employee of the affected institution could have been considered for promotion as an equivalent alternative to the exceptionally well-qualified applicant. The Director of DHE will, upon request, supply any documentation to the Legislative Council; and
- when the prospective employee possesses a level of experience or educational credentials that would permit him or her to perform the duties and responsibilities of the position for which the special rate is being requested with significantly less training and orientation than all other qualified applicants.

Current employees within the institution are eligible for special entry rates when the institution desires to obtain the services of an exceptionally well-qualified applicant.

Moving Current Employees To An Approved Labor Market Special Entry Rate - Institutions of Higher Education

Provided funds are available, the Department of Higher Education may recommend and the Director of DHE may approve movement of current employees of state agencies and institutions of higher education to an approved labor market special entry rate up to Midpoint. The Department of Higher Education, with the review of the Arkansas Legislative Council, may approve movement of current employees at institutions of higher education to an approved labor market special entry rate up to the Max or Career levels. A current employee who is promoted or demoted without prejudice to a classification with a labor market special entry rate must first be adjusted into the new grade following normal procedures. If this adjustment places the employee at a rate of pay lower than the rate provided for by the special entry rate, the institution may move the employee to the special entry rate.