

"AN ACT TO PROVIDE THAT A STATE AGENCY OR INSTITUTION WHICH, DURING THE 1987-88 FISCAL YEAR, EFFECTS A SAVINGS IN SALARY AND EMPLOYEE MATCHING FUNDS EQUAL TO FIVE PERCENT (5%) OF THE FUNDS EXPENDED DURING THE 1986-87 FISCAL YEAR, MAY, DURING THE 1988-89 FISCAL YEAR, GRANT PERFORMANCE INCREASES OF UP TO TWO-AND-ONE-HALF PERCENT (2 1/2%), BASED ON THE EMPLOYEE'S 1986-87 PERFORMANCE EVALUATION RATING OF 'SATISFACTORY' OR BETTER; AND FOR OTHER PURPOSES."

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

SECTION 1. Any State agency or institutions whose employees received a three percent (3%) or smaller salary increase for the 1986-87 fiscal year and which can, during the 1987-88 fiscal year, through reduction in staff or otherwise, effect savings in salary and employee matching funds equal to five percent (5%) or more of the funds expended for salaries and employee matching during the 1986-87 fiscal year, is hereby authorized to grant salary increases on October 1, 1988 up to but not to exceed two and one-half percent (2 1/2%) for those employees who were rated as "satisfactory" or better on their evaluation during the 1986-87 fiscal year under the State performance evaluation system established under Act 199 of 1969, as amended by Act 981 of 1985. In no event, however, may more than fifty percent (50%) of the regular salary funds and matching generated by an agency or institution in complying with the provisions of this Section be used in granting performance based salary increases.

Savings in employee matching funds generated by any form of early retirement incentive programs, the discontinuation of any federally or state funded programs during the 1987-88 fiscal year, or reductions resulting from the Revenue Stabilization Act may not be included in the calculation of the five percent (5%) factor referenced in this Section.

It is the specific intent of this Act to restore only those merit-based pay increases for qualified employees of agencies or institutions which would have been granted during the 1986-87 fiscal year and were not awarded. Eligibility for increases granted under the provisions of this Act shall not be affected or restricted by any other merit-based adjustments otherwise provided for by law.

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: April 8, 1987

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