

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

**Act 2198 of the Regular Session**

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

*As Engrossed: H4/7/05*

**A Bill**

HOUSE BILL 2089

5 By: Joint Budget Committee  
6  
7

**For An Act To Be Entitled**

9 AN ACT TO REVISE THE COMPENSATION PLAN UNDER THE  
10 UNIFORM CLASSIFICATION AND COMPENSATION ACT FOR  
11 THE 2005-2007 BIENNIAL PERIOD; AND FOR OTHER  
12 PURPOSES.  
13

**Subtitle**

15 AN ACT TO REVISE THE COMPENSATION PLAN  
16 UNDER THE UNIFORM CLASSIFICATION AND  
17 COMPENSATION ACT FOR THE 2005-2007  
18 BIENNIAL PERIOD.  
19  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 SECTION 1. Arkansas Code § 21-5-209 is amended to read as follows:  
24 21-5-209. Compensation plan.

25 (a) There is established for state agencies and institutions covered  
26 by the provisions of this subchapter a compensation plan for the setting of  
27 salaries and salary increases, where deserved, of all employees serving in  
28 positions covered by this subchapter.

29 (b) No employee shall be paid at a rate of pay higher than the  
30 appropriate rate in the grade assigned to his or her class, and no employee  
31 shall be paid more than the maximum for his or her grade, provided that  
32 employees presently employed in a position who are being paid at a rate in  
33 excess of the maximum for their assigned grade may continue to receive their  
34 rate of pay.

35 (c) It is the specific intent of the General Assembly to authorize, in



1 the enactment of this compensation plan, maximum rates of pay for each of the  
 2 appropriate grades assigned to a class, but it is not the intent that any pay  
 3 increases shall be automatic or that any employee shall have a claim or a  
 4 right thereto unless the department head of the agency or the institution  
 5 shall determine that the employee, by experience, ability, and work  
 6 performance, has earned the increase in pay authorized for the appropriate  
 7 rate.

8 (d)(1) The following grades and pay levels shall be the authorized  
 9 compensation plan, effective ~~July 1, 2003~~ July 1, 2005, for the state service  
 10 for all positions of agencies and institutions covered by this subchapter to  
 11 which a classification title and salary grade have been assigned, in  
 12 accordance with this subchapter and the appropriation act of the agency or  
 13 institution:

PAY LEVEL	I	II	III	IV
GRADE 1	\$11,916	\$11,916	\$11,916	\$12,397
GRADE 2	\$11,916	\$14,334	\$17,058	\$22,686
GRADE 3	\$12,298	\$14,626	\$17,381	\$23,149
GRADE 4	\$12,298	\$14,916	\$17,738	\$23,649
GRADE 5	\$12,298	\$15,208	\$18,096	\$24,047
GRADE 6	\$12,484	\$15,501	\$18,451	\$24,580
GRADE 7	\$12,745	\$15,824	\$18,841	\$25,043
GRADE 8	\$13,004	\$16,148	\$19,198	\$25,575
GRADE 9	\$13,490	\$16,732	\$19,909	\$26,471
GRADE 10	\$14,365	\$17,834	\$21,208	\$28,198
GRADE 11	\$15,306	\$18,970	\$22,570	\$30,058
GRADE 12	\$16,279	\$20,202	\$24,060	\$32,019
GRADE 13	\$17,349	\$21,531	\$25,618	\$34,110
GRADE 14	\$18,485	\$22,926	\$27,272	\$36,336
GRADE 15	\$19,684	\$24,418	\$29,055	\$38,662
GRADE 16	\$20,981	\$26,006	\$30,935	\$41,220
GRADE 17	\$22,148	\$27,694	\$32,947	\$43,876
GRADE 18	\$23,768	\$29,477	\$35,086	\$46,732
GRADE 19	\$25,358	\$31,422	\$37,388	\$49,788
GRADE 20	\$26,979	\$33,466	\$39,822	\$53,077
GRADE 21	\$28,763	\$35,638	\$42,383	\$56,564

1	<del>GRADE 22</del>	<del>\$30,613</del>	<del>\$37,941</del>	<del>\$45,139</del>	<del>\$60,118</del>			
2	<del>GRADE 23</del>	<del>\$32,591</del>	<del>\$40,405</del>	<del>\$48,089</del>	<del>\$64,037</del>			
3	<del>GRADE 24</del>	<del>\$34,730</del>	<del>\$43,030</del>	<del>\$51,203</del>	<del>\$68,189</del>			
4	<del>GRADE 25</del>	<del>\$36,967</del>	<del>\$45,820</del>	<del>\$54,542</del>	<del>\$72,607</del>			
5	<del>GRADE 26</del>	<del>\$39,366</del>	<del>\$48,803</del>	<del>\$58,078</del>	<del>\$77,356</del>			
6								
7	<u>PAY LEVEL</u>	<u>I</u>	<u>IM</u>	<u>II</u>	<u>IIM</u>	<u>III</u>	<u>IIIM</u>	<u>IV</u>
8	<u>Grade 1</u>	<u>\$12,605</u>	<u>\$12,605</u>	<u>\$12,605</u>	<u>\$12,605</u>	<u>\$12,605</u>	<u>\$12,687</u>	<u>\$12,768</u>
9	<u>Grade 2</u>	<u>\$12,605</u>	<u>\$13,685</u>	<u>\$14,764</u>	<u>\$16,167</u>	<u>\$17,570</u>	<u>\$20,468</u>	<u>\$23,367</u>
10	<u>Grade 3</u>	<u>\$13,009</u>	<u>\$14,037</u>	<u>\$15,065</u>	<u>\$16,484</u>	<u>\$17,902</u>	<u>\$20,873</u>	<u>\$23,843</u>
11	<u>Grade 4</u>	<u>\$13,009</u>	<u>\$14,186</u>	<u>\$15,363</u>	<u>\$16,817</u>	<u>\$18,270</u>	<u>\$21,315</u>	<u>\$24,358</u>
12	<u>Grade 5</u>	<u>\$13,009</u>	<u>\$14,337</u>	<u>\$15,664</u>	<u>\$17,152</u>	<u>\$18,639</u>	<u>\$21,704</u>	<u>\$24,768</u>
13	<u>Grade 6</u>	<u>\$13,206</u>	<u>\$14,586</u>	<u>\$15,966</u>	<u>\$17,485</u>	<u>\$19,004</u>	<u>\$22,161</u>	<u>\$25,317</u>
14	<u>Grade 7</u>	<u>\$13,482</u>	<u>\$14,891</u>	<u>\$16,299</u>	<u>\$17,853</u>	<u>\$19,406</u>	<u>\$22,600</u>	<u>\$25,794</u>
15	<u>Grade 8</u>	<u>\$13,756</u>	<u>\$15,195</u>	<u>\$16,632</u>	<u>\$18,203</u>	<u>\$19,774</u>	<u>\$23,058</u>	<u>\$26,342</u>
16	<u>Grade 9</u>	<u>\$14,270</u>	<u>\$15,752</u>	<u>\$17,234</u>	<u>\$18,871</u>	<u>\$20,506</u>	<u>\$23,886</u>	<u>\$27,265</u>
17	<u>Grade 10</u>	<u>\$15,196</u>	<u>\$16,783</u>	<u>\$18,369</u>	<u>\$20,107</u>	<u>\$21,842</u>	<u>\$25,444</u>	<u>\$29,044</u>
18	<u>Grade 11</u>	<u>\$16,191</u>	<u>\$17,865</u>	<u>\$19,539</u>	<u>\$21,393</u>	<u>\$23,246</u>	<u>\$27,103</u>	<u>\$30,960</u>
19	<u>Grade 12</u>	<u>\$17,220</u>	<u>\$19,014</u>	<u>\$20,808</u>	<u>\$22,795</u>	<u>\$24,782</u>	<u>\$28,881</u>	<u>\$32,979</u>
20	<u>Grade 13</u>	<u>\$18,353</u>	<u>\$20,265</u>	<u>\$22,177</u>	<u>\$24,282</u>	<u>\$26,386</u>	<u>\$30,760</u>	<u>\$35,133</u>
21	<u>Grade 14</u>	<u>\$19,554</u>	<u>\$21,584</u>	<u>\$23,614</u>	<u>\$25,852</u>	<u>\$28,090</u>	<u>\$32,758</u>	<u>\$37,426</u>
22	<u>Grade 15</u>	<u>\$20,822</u>	<u>\$22,986</u>	<u>\$25,150</u>	<u>\$27,539</u>	<u>\$29,927</u>	<u>\$34,875</u>	<u>\$39,822</u>
23	<u>Grade 16</u>	<u>\$22,194</u>	<u>\$24,490</u>	<u>\$26,786</u>	<u>\$29,325</u>	<u>\$31,863</u>	<u>\$37,160</u>	<u>\$42,457</u>
24	<u>Grade 17</u>	<u>\$23,428</u>	<u>\$25,977</u>	<u>\$28,525</u>	<u>\$31,231</u>	<u>\$33,935</u>	<u>\$39,564</u>	<u>\$45,192</u>
25	<u>Grade 18</u>	<u>\$25,142</u>	<u>\$27,752</u>	<u>\$30,361</u>	<u>\$33,250</u>	<u>\$36,138</u>	<u>\$42,136</u>	<u>\$48,134</u>
26	<u>Grade 19</u>	<u>\$26,824</u>	<u>\$29,595</u>	<u>\$32,365</u>	<u>\$35,437</u>	<u>\$38,510</u>	<u>\$44,895</u>	<u>\$51,282</u>
27	<u>Grade 20</u>	<u>\$28,538</u>	<u>\$31,504</u>	<u>\$34,470</u>	<u>\$37,743</u>	<u>\$41,016</u>	<u>\$47,843</u>	<u>\$54,669</u>
28	<u>Grade 21</u>	<u>\$30,426</u>	<u>\$33,566</u>	<u>\$36,707</u>	<u>\$40,181</u>	<u>\$43,654</u>	<u>\$50,958</u>	<u>\$58,261</u>
29	<u>Grade 22</u>	<u>\$32,382</u>	<u>\$35,731</u>	<u>\$39,079</u>	<u>\$42,786</u>	<u>\$46,493</u>	<u>\$54,208</u>	<u>\$61,921</u>
30	<u>Grade 23</u>	<u>\$34,475</u>	<u>\$38,046</u>	<u>\$41,617</u>	<u>\$45,574</u>	<u>\$49,532</u>	<u>\$57,745</u>	<u>\$65,958</u>
31	<u>Grade 24</u>	<u>\$36,738</u>	<u>\$40,529</u>	<u>\$44,321</u>	<u>\$48,530</u>	<u>\$52,739</u>	<u>\$61,487</u>	<u>\$70,235</u>
32	<u>Grade 25</u>	<u>\$39,104</u>	<u>\$43,150</u>	<u>\$47,194</u>	<u>\$51,686</u>	<u>\$56,178</u>	<u>\$65,482</u>	<u>\$74,785</u>
33	<u>Grade 26</u>	<u>\$41,642</u>	<u>\$45,954</u>	<u>\$50,267</u>	<u>\$55,044</u>	<u>\$59,820</u>	<u>\$69,749</u>	<u>\$79,676</u>

34

35 (2) The following grades and pay levels shall be the authorized  
 36 compensation plan, effective ~~July 1, 2004~~ July 1, 2006, and thereafter, for

1 the state service for all positions of agencies and institutions covered by  
 2 this subchapter to which a classification title and salary grade have been  
 3 assigned, in accordance with this subchapter and the appropriation act of the  
 4 agency or institution:

5

6	PAY LEVEL	I	II	III	IV
7	GRADE 1	\$12,238	\$12,238	\$12,238	\$12,397
8	GRADE 2	\$12,238	\$14,334	\$17,058	\$22,686
9	GRADE 3	\$12,630	\$14,626	\$17,381	\$23,149
10	GRADE 4	\$12,630	\$14,916	\$17,738	\$23,649
11	GRADE 5	\$12,630	\$15,208	\$18,096	\$24,047
12	GRADE 6	\$12,821	\$15,501	\$18,451	\$24,580
13	GRADE 7	\$13,089	\$15,824	\$18,841	\$25,043
14	GRADE 8	\$13,355	\$16,148	\$19,198	\$25,575
15	GRADE 9	\$13,854	\$16,732	\$19,909	\$26,471
16	GRADE 10	\$14,753	\$17,834	\$21,208	\$28,198
17	GRADE 11	\$15,719	\$18,970	\$22,570	\$30,058
18	GRADE 12	\$16,718	\$20,202	\$24,060	\$32,019
19	GRADE 13	\$17,818	\$21,531	\$25,618	\$34,110
20	GRADE 14	\$18,984	\$22,926	\$27,272	\$36,336
21	GRADE 15	\$20,215	\$24,418	\$29,055	\$38,662
22	GRADE 16	\$21,547	\$26,006	\$30,935	\$41,220
23	GRADE 17	\$22,746	\$27,694	\$32,947	\$43,876
24	GRADE 18	\$24,410	\$29,477	\$35,086	\$46,732
25	GRADE 19	\$26,043	\$31,422	\$37,388	\$49,788
26	GRADE 20	\$27,707	\$33,466	\$39,822	\$53,077
27	GRADE 21	\$29,540	\$35,638	\$42,383	\$56,564
28	GRADE 22	\$31,439	\$37,941	\$45,139	\$60,118
29	GRADE 23	\$33,471	\$40,405	\$48,089	\$64,037
30	GRADE 24	\$35,668	\$43,030	\$51,203	\$68,189
31	GRADE 25	\$37,965	\$45,820	\$54,542	\$72,607
32	GRADE 26	\$40,429	\$48,803	\$58,078	\$77,356

33

34	PAY LEVEL	I	IM	II	IIM	III	IIIM	IV
35	Grade 1	\$12,983	\$12,983	\$12,983	\$12,983	\$12,983	\$13,068	\$13,151
36	Grade 2	\$12,983	\$14,095	\$15,207	\$16,652	\$18,097	\$21,082	\$24,068

1	<u>Grade 3</u>	<u>\$13,399</u>	<u>\$14,458</u>	<u>\$15,517</u>	<u>\$16,979</u>	<u>\$18,439</u>	<u>\$21,499</u>	<u>\$24,559</u>
2	<u>Grade 4</u>	<u>\$13,399</u>	<u>\$14,612</u>	<u>\$15,824</u>	<u>\$17,321</u>	<u>\$18,818</u>	<u>\$21,954</u>	<u>\$25,089</u>
3	<u>Grade 5</u>	<u>\$13,399</u>	<u>\$14,767</u>	<u>\$16,134</u>	<u>\$17,666</u>	<u>\$19,198</u>	<u>\$22,355</u>	<u>\$25,511</u>
4	<u>Grade 6</u>	<u>\$13,602</u>	<u>\$15,023</u>	<u>\$16,445</u>	<u>\$18,010</u>	<u>\$19,574</u>	<u>\$22,826</u>	<u>\$26,077</u>
5	<u>Grade 7</u>	<u>\$13,886</u>	<u>\$15,337</u>	<u>\$16,787</u>	<u>\$18,389</u>	<u>\$19,988</u>	<u>\$23,278</u>	<u>\$26,568</u>
6	<u>Grade 8</u>	<u>\$14,168</u>	<u>\$15,650</u>	<u>\$17,131</u>	<u>\$18,749</u>	<u>\$20,367</u>	<u>\$23,750</u>	<u>\$27,132</u>
7	<u>Grade 9</u>	<u>\$14,698</u>	<u>\$16,224</u>	<u>\$17,751</u>	<u>\$19,437</u>	<u>\$21,121</u>	<u>\$24,602</u>	<u>\$28,083</u>
8	<u>Grade 10</u>	<u>\$15,651</u>	<u>\$17,286</u>	<u>\$18,920</u>	<u>\$20,710</u>	<u>\$22,497</u>	<u>\$26,207</u>	<u>\$29,915</u>
9	<u>Grade 11</u>	<u>\$16,676</u>	<u>\$18,401</u>	<u>\$20,125</u>	<u>\$22,035</u>	<u>\$23,943</u>	<u>\$27,916</u>	<u>\$31,888</u>
10	<u>Grade 12</u>	<u>\$17,736</u>	<u>\$19,584</u>	<u>\$21,432</u>	<u>\$23,479</u>	<u>\$25,525</u>	<u>\$29,747</u>	<u>\$33,969</u>
11	<u>Grade 13</u>	<u>\$18,903</u>	<u>\$20,873</u>	<u>\$22,842</u>	<u>\$25,011</u>	<u>\$27,178</u>	<u>\$31,683</u>	<u>\$36,187</u>
12	<u>Grade 14</u>	<u>\$20,140</u>	<u>\$22,231</u>	<u>\$24,322</u>	<u>\$26,627</u>	<u>\$28,933</u>	<u>\$33,741</u>	<u>\$38,549</u>
13	<u>Grade 15</u>	<u>\$21,446</u>	<u>\$23,676</u>	<u>\$25,905</u>	<u>\$28,365</u>	<u>\$30,824</u>	<u>\$35,921</u>	<u>\$41,017</u>
14	<u>Grade 16</u>	<u>\$22,859</u>	<u>\$25,225</u>	<u>\$27,590</u>	<u>\$30,205</u>	<u>\$32,819</u>	<u>\$38,275</u>	<u>\$43,730</u>
15	<u>Grade 17</u>	<u>\$24,131</u>	<u>\$26,756</u>	<u>\$29,381</u>	<u>\$32,168</u>	<u>\$34,953</u>	<u>\$40,751</u>	<u>\$46,548</u>
16	<u>Grade 18</u>	<u>\$25,897</u>	<u>\$28,585</u>	<u>\$31,272</u>	<u>\$34,248</u>	<u>\$37,223</u>	<u>\$43,400</u>	<u>\$49,578</u>
17	<u>Grade 19</u>	<u>\$27,629</u>	<u>\$30,483</u>	<u>\$33,336</u>	<u>\$36,500</u>	<u>\$39,665</u>	<u>\$46,242</u>	<u>\$52,820</u>
18	<u>Grade 20</u>	<u>\$29,394</u>	<u>\$32,450</u>	<u>\$35,504</u>	<u>\$38,876</u>	<u>\$42,247</u>	<u>\$49,279</u>	<u>\$56,309</u>
19	<u>Grade 21</u>	<u>\$31,339</u>	<u>\$34,573</u>	<u>\$37,808</u>	<u>\$41,387</u>	<u>\$44,964</u>	<u>\$52,487</u>	<u>\$60,009</u>
20	<u>Grade 22</u>	<u>\$33,354</u>	<u>\$36,802</u>	<u>\$40,251</u>	<u>\$44,070</u>	<u>\$47,888</u>	<u>\$55,834</u>	<u>\$63,779</u>
21	<u>Grade 23</u>	<u>\$35,510</u>	<u>\$39,187</u>	<u>\$42,865</u>	<u>\$46,941</u>	<u>\$51,018</u>	<u>\$59,477</u>	<u>\$67,937</u>
22	<u>Grade 24</u>	<u>\$37,840</u>	<u>\$41,745</u>	<u>\$45,651</u>	<u>\$49,986</u>	<u>\$54,321</u>	<u>\$63,331</u>	<u>\$72,342</u>
23	<u>Grade 25</u>	<u>\$40,277</u>	<u>\$44,444</u>	<u>\$48,610</u>	<u>\$53,237</u>	<u>\$57,864</u>	<u>\$67,447</u>	<u>\$77,029</u>
24	<u>Grade 26</u>	<u>\$42,891</u>	<u>\$47,333</u>	<u>\$51,775</u>	<u>\$56,695</u>	<u>\$61,615</u>	<u>\$71,841</u>	<u>\$82,067</u>

25

26 (e) It is the intent of the General Assembly that the compensation  
 27 plan provided for in this section shall be implemented and function in  
 28 compliance with other provisions in this subchapter, the Regular Salary  
 29 Procedures and Restrictions Act, § 21-5-101, and other fiscal control laws of  
 30 this state, where applicable.

31

32 SECTION 2. Arkansas Code § 21-5-211 is amended to read as follows:

33 21-5-211. Implementation procedure for grade changes - Salary  
 34 adjustments.

35 (a) The Office of Personnel Management of the Division of Management  
 36 Services of the Department of Finance and Administration shall have

1 administrative responsibility for enforcing compliance by state agencies and  
2 institutions affected by this subchapter in implementing classification grade  
3 changes.

4 (b) Subject to funds and appropriations being provided, the following  
5 implementation procedures shall apply to state agencies and institutions  
6 covered by the provisions of this subchapter, commencing on July 1 of each  
7 fiscal year:

8 (1) The maximum annual salary rate for which an employee covered  
9 by the provisions of this subchapter shall be eligible for each year of the  
10 biennium shall be determined as follows:

11 (A)(i) For employees whose annual salary rate on June 30  
12 is:

13 (a) ~~Twenty one thousand one hundred twenty-~~  
14 ~~eight dollars (\$21,128) or less, the employee is eligible for an annual~~  
15 ~~increase of five hundred seventy dollars (\$570)~~ Twenty thousand dollars  
16 (\$20,000) or less, the employee is eligible for an annual increase of six  
17 hundred dollars (\$600);

18 (b) ~~Twenty one thousand one hundred twenty-~~  
19 ~~eight dollars (\$21,128) to fifty thousand dollars (\$50,000), the employee is~~  
20 ~~eligible for an annual salary increase of five hundred seventy dollars (\$570)~~  
21 ~~plus two and seven tenths percent (2.7%) of the amount that the employee's~~  
22 ~~June 30 salary exceeds twenty one thousand one hundred twenty-eight dollars~~  
23 ~~(\$21,128)~~ More than twenty thousand dollars (\$20,000) but not more than fifty  
24 thousand dollars (\$50,000), the employee is eligible for an annual salary  
25 increase of six hundred dollars (\$600) plus three percent (3%) of the amount  
26 that the employee's June 30 salary exceeds twenty thousand dollars (\$20,000);

27 (c) ~~Fifty thousand and one dollars (\$50,001)~~  
28 ~~to ninety thousand dollars (\$90,000), the employee is eligible for an annual~~  
29 ~~increase of one thousand three hundred fifty dollars (\$1,350) plus one and~~  
30 ~~nine tenths percent (1.9%) of the amount that the employee's June 30 salary~~  
31 ~~exceeds fifty thousand dollars (\$50,000)~~ More than fifty thousand dollars  
32 (\$50,000) but not more than ninety thousand dollars (\$90,000), the employee  
33 is eligible for an annual salary increase of one thousand five hundred  
34 dollars (\$1,500) plus one and nine tenths percent (1.9%) of the amount that  
35 the employee's June 30 salary exceeds fifty thousand dollars (\$50,000); and

36 (d) ~~Ninety thousand and one dollars (\$90,001)~~

1 ~~and above, the employee is eligible for an annual increase of two thousand~~  
2 ~~one hundred ten dollars (\$2,110) plus one and four tenths percent (1.4%) of~~  
3 ~~the amount that the employee's June 30 salary exceeds ninety thousand dollars~~  
4 ~~(\$90,000). More than ninety thousand dollars (\$90,000), the employee is~~  
5 ~~eligible for an annual salary increase of two thousand two hundred sixty~~  
6 ~~dollars (\$2,260) plus one and five tenths percent (1.5%) of the amount that~~  
7 ~~the employee's June 30 salary exceeds ninety thousand dollars (\$90,000).~~

8 (ii) Employees whose salaries fall below Pay Level I  
9 for the grade assigned to their classification may be adjusted to the entry  
10 level.

11 (iii) All other employees' salaries shall be  
12 adjusted to the appropriate pay level for the grade assigned to their  
13 classification but may not exceed the maximum rate provided for that grade  
14 unless otherwise provided for by this section.

15 (iv) Employees whose June 30 annual salary rate is  
16 at Pay Level IV shall be eligible for the increase provided in subdivisions  
17 (b)(1)(A)(i)(a) - (b)(1)(A)(i)(d) of this section, but the increase shall be  
18 paid as a lump sum on June 30 of the year in which the increase is to occur;

19 (B) Salary adjustments provided for in this section shall  
20 be made for all employees covered by the provisions of this subchapter prior  
21 to all other salary adjustments;

22 (C) When an employee is demoted for cause or voluntarily  
23 solicits a demotion, his or her rate of pay shall be fixed in the lower-  
24 graded position at a rate equal to six percent (6%) less than the employee's  
25 rate of pay at the time of demotion for demotions of one (1) grade and a  
26 maximum of eight percent (8%) less than the employee's rate of pay at the  
27 time of demotion for demotions of two (2) or more grades;

28 (D)(i) Employees covered by the provisions of this  
29 subchapter shall be eligible for an additional two percent (2%) salary  
30 increase each year of the biennium, provided that:

31 (a) The Chief Fiscal Officer of the State  
32 determines that sufficient general revenues become available; and

33 (b) The additional two percent (2%) salary  
34 increase shall not allow an employee's compensation to exceed the amount set  
35 out for Pay Level IV for the position.

36 (ii) Employees compensated at Pay Level IV shall be

1 eligible to receive the two percent (2%) salary increase authorized in this  
2 section during the biennium as lump sum payments, and the payments shall not  
3 be construed as exceeding the maximum salary;

4 (E)(i) An employee who due to legislative enactment is to  
5 be compensated at a higher grade, i.e., an upgrade, than that which was in  
6 effect on June 30 of the previous fiscal year shall be eligible for an  
7 additional six percent (6%) increase in his or her maximum annual salary in  
8 the new grade.

9 (ii) An employee who due to legislative enactment is  
10 to be compensated at a lower grade, i.e., a downgrade, than that which was in  
11 effect on June 30 of the previous year shall not have his or her maximum  
12 salary rate reduced due to the grade reduction, and the employee's salary  
13 shall remain constant until that employee's assigned grade maximum is equal  
14 to or exceeds the employee's established salary; and

15 (F)(i) Any employee whose specific job assignment requires  
16 the skill to communicate in a language other than English, including American  
17 Sign Language, and that skill is required as a secondary minimum  
18 qualification by the classification specification for the position occupied  
19 by the employee, shall be eligible to be paid up to an additional ten percent  
20 (10%) of the employee's annual salary as set by § 21-5-209.

21 (ii) In those instances where the granting of the  
22 additional compensation would have the effect of exceeding the maximum annual  
23 rate for the grade assigned to the employee's classification, the additional  
24 compensation shall not be considered as exceeding the maximum allowable rate  
25 for that grade.

26 (iii) An employee who is receiving additional  
27 compensation under the provisions of this section and who moves into a  
28 position that does not require the skill to communicate in a language other  
29 than English or whose position no longer requires the use of the skill shall  
30 revert on the effective date of the change to the rate of pay for which the  
31 employee would otherwise receive.

32 (iv) Authority to implement the provisions of this  
33 subsection may be approved by the office after review of the Legislative  
34 Council for specific positions identified by agencies and institutions of  
35 higher education;

36 (2)(A) Employees promoted on or after July 1, 1999, shall have

1 the maximum annual salary for which they are eligible established as follows:

2 (i) For a minor promotion, the employee's maximum  
3 rate of pay shall be increased by six percent (6%); and

4 (ii) For a major promotion, the employee's maximum  
5 rate of pay shall be increased by eight percent (8%).

6 (B)(i) An employee who upon promotion is receiving a rate  
7 of pay below Pay Level I for the new grade may be adjusted to the entry level  
8 for that grade. In no event, however, may an employee's rate of pay upon  
9 promotion exceed the amount provided for by Pay Level IV of the grade  
10 assigned to the classification.

11 (ii) An employee's anniversary date shall not change  
12 due to promotion;

13 (3)(A) Any employee who is assigned to a position in a  
14 classification the employee formerly occupied within a twelve-month period  
15 after promotion from the classification shall be eligible for a rate of pay  
16 no greater than that for which the employee would have been eligible had the  
17 employee remained in the lower-graded classification.

18 (B) Any employee who is placed in a lower-graded position  
19 because the original position has expired due to lack of funding, program  
20 changes, or withdrawal of federal grant funds may continue to be paid at the  
21 same rate as the employee was being paid in the higher-graded position upon  
22 approval of the office after seeking the review of the Legislative Council;  
23 and

24 (4)(A)(i) When an employee's position has been approved for  
25 reclassification to a classification title of a higher salary grade, the  
26 employee shall be eligible for an additional six percent (6%) increase in the  
27 new classification.

28 (ii) Upon reclassification, the salary of an  
29 employee who is receiving a rate of pay that is less than the entrance rate  
30 for the new grade may be adjusted to the new entrance rate.

31 (B) When an employee's position has been approved for  
32 reclassification to a classification title of a lower salary grade, the  
33 employee's pay shall be fixed at a rate in the lower grade which does not  
34 exceed the employee's rate of pay in the higher-graded position at the time  
35 of reclassification.

36 (c)(1) In the event that the Chief Fiscal Officer of the State

1 determines that general revenue funds are insufficient to implement the  
2 salary increases authorized in this subchapter or by any other law which  
3 affects salary increases for state employees, the Chief Fiscal Officer of the  
4 State, upon approval of the Governor, may reduce the percentage of all  
5 authorized salary increases for all state employees covered by this  
6 subchapter without regard to whether the employees are compensated from  
7 general or special revenues, federal funds, or trust funds.

8 (2) However, if sufficient general revenues should then become  
9 available at any time during the biennium to provide the maximum additional  
10 salary increases for all state employees without regard to the source of  
11 revenues, salary increases for state employees provided for in this  
12 subchapter or by any other law may then be fully implemented by the Chief  
13 Fiscal Officer of the State.

14 (d) All percentage calculations stipulated in this subchapter or any  
15 other law affecting salaries of state employees may be rounded to the nearest  
16 even dollar amount by the office when making the percentage changes to state  
17 employee salaries.

18  
19 *SECTION 3. Arkansas Code § 21-5-214 is amended to read as follows:*  
20 *21-5-214. New appointments.*

21 *New appointments to positions in a state agency or institution of*  
22 *higher education covered by this subchapter shall not be at greater than Pay*  
23 *Level I unless a special rate is requested and approved as follows:*

24 (1)(A) *State agencies or institutions of higher education may*  
25 *request special rates of compensation for either current or prospective*  
26 *employees within the agency or institution under the following conditions:*

27 (i) *Prevailing market rates of compensation for a*  
28 *specific classification title are such that the agency or institution is*  
29 *unable to competitively recruit at the entry level for the salary grade*  
30 *assigned to that classification;*

31 (ii) *An acute shortage of qualified applicants for a*  
32 *specific classification exists;*

33 (iii) *The agency or institution desires to obtain*  
34 *the services of an exceptionally well-qualified applicant for a specific*  
35 *classification; or*

36 (iv) *To meet any requirements of the Fair Labor*

1 *Standards Act, 29 U.S.C. § 201 et seq.*

2 *(B)(i) State agencies or institutions of higher education*  
3 *may request special rates of compensation for a specific classification due*  
4 *to prevailing market rates of compensation to hire new employees up to a pay*  
5 *level equal to fifty percent (50%) of the range between Pay Level II and Pay*  
6 *Level III of the appropriate grade with the written approval of the Chief*  
7 *Fiscal Officer of the State or above that level only with the approval of the*  
8 *Chief Fiscal Officer of the State after review by the Legislative Council for*  
9 *new appointments where qualified applicants cannot be obtained at Pay Level I*  
10 *of the assigned grade.*

11 *(ii) No special rates of compensation shall be*  
12 *approved under the provisions of this section unless the classification is*  
13 *properly reviewed and approved as a market rate classification and listed on*  
14 *a register of such classifications to be maintained by the Office of*  
15 *Personnel Management of the Division of Management Services of the Department*  
16 *of Finance and Administration.*

17 *(iii) The office shall file a report of all such*  
18 *classifications with the Legislative Council within the month following such*  
19 *approval.*

20 *(C)(i) In all instances where a special rate of*  
21 *compensation has been approved for a specific classification due to*  
22 *prevailing market rates of compensation or an acute shortage of qualified*  
23 *applicants, current employees within the state agency or institution*  
24 *allocated to the affected classifications of Grade 13 and below shall be*  
25 *adjusted to that new rate by the agency or institution if sufficient revenues*  
26 *exist to do so. Current employees within the state agency or institution*  
27 *allocated to affected classifications of Grade 14 and above shall not be*  
28 *adjusted to that new rate by the agency or institution until it has received*  
29 *approval to do so, where justified, by the office after seeking the review of*  
30 *the Legislative Council.*

31 *(ii) Agency or institution requests for special*  
32 *rates of compensation due to prevailing market rates or an acute shortage of*  
33 *qualified applicants for a specific classification may be approved up to the*  
34 *maximum annual rate authorized for the grade assigned to a classification.*

35 *(iii) The office shall file a report of all such*  
36 *classifications with the Legislative Council within the month following such*

1 approval.

2 (D)(i) Agency directors and presidents and chancellors of  
3 institutions of higher education may approve starting salaries for new  
4 employees up to the level equal to fifty percent (50%) of the range between  
5 Pay Level II and Pay Level III of the appropriate grade. For purposes of this  
6 section, "hiring range" means the range of pay rates between Pay Level I and  
7 a pay level equal to fifty percent (50%) of the range between Pay Level II  
8 and Pay Level III of the appropriate grade. The use of the hiring range shall  
9 be in accordance with the guidelines established in this subdivision

10 (1)(D)(i):

11 (a) The hiring range shall be used only for  
12 establishing a starting salary for an employee in an individual position;

13 (b) Any person hired at or above Pay Level I  
14 shall meet or exceed the minimum qualifications for the job classification;

15 (c) Salary determination within the hiring  
16 range shall be based on the applicant's qualifications, competitive  
17 compensation rates, and effect on internal equity within the agency or  
18 institution;

19 (d) The hiring of a new employee under the  
20 provisions of this section shall not affect the salary level or salary  
21 eligibility of any existing employee within the agency or institution;

22 (e) The office shall have the authority to  
23 promulgate rules and regulations regarding the use of the hiring range  
24 subject to the approval of the Legislative Council. Agencies and institutions  
25 shall not utilize the hiring range until authorized to do so by the office.  
26 Authorization for salaries within the hiring range for new appointments  
27 referenced in this subsection shall require the approval of the Chief Fiscal  
28 Officer of the State until such time that the agency or institution is  
29 authorized to do so by the office; and

30 (f) Quarterly audits of the use of the hiring  
31 range by agencies and institutions of higher education shall be performed by  
32 the office. Agencies and institutions of higher education that are not in  
33 compliance with the use of the hiring range authority shall be reported to  
34 the Legislative Council and may have their hiring range authority suspended  
35 or revoked pending further investigation by the office.

36 (ii) A monthly report of new hires above Pay Level I

1 shall be prepared and reviewed by the office. The report shall be presented  
2 to the Legislative Council at its regular monthly meeting;

3 (2)(A) State agencies or institutions may hire a new employee  
4 from a pay level equal to fifty percent (50%) of the range between Pay Level  
5 II and Pay Level III of the appropriate pay grade up to Pay Level IV with the  
6 approval of the Chief Fiscal Officer of the State after review by the  
7 Legislative Council, provided that this provision is intended to be used  
8 exclusively for the hiring of the exceptionally well-qualified employee whose  
9 background and experience qualify the applicant to perform the job with very  
10 little or substantially less orientation and training than would be the case  
11 for a qualified applicant.

12 (B) Requests by state agencies or institutions for special  
13 rates of compensation based on an exceptional level of qualifications held by  
14 a prospective employee may be approved only after the agency or institution  
15 has met the following conditions:

16 (i) The agency or institution has documented to the  
17 satisfaction of the Chief Fiscal Officer of the State that no current  
18 employee of the affected agency or institution applied for promotion and was  
19 determined by the agency to not be an equivalent alternative to the  
20 exceptionally well-qualified applicant. The Chief Fiscal Officer of the State  
21 shall supply, upon request, any documentation to the Legislative Council; and

22 (ii) The prospective employee possesses a level of  
23 experience or educational credentials that would permit him or her to perform  
24 the duties and responsibilities of the position for which the special rate is  
25 being requested with significantly less training and orientation than all  
26 other qualified applicants.

27 (C) The hiring of a new employee under subdivision (2) of  
28 this section shall not affect the salary level or salary eligibility of any  
29 existing employee within the agency or institution.

30 (D)(i) The provisions of this section shall apply to both  
31 current and prospective state employees.

32 (ii) The provisions of this section shall apply to  
33 current employees only in instances where the job has been advertised and the  
34 employee has competitively applied for the promotion by submitting a state  
35 application for consideration for the position. Otherwise, employees  
36 accepting internal promotions shall be compensated in accordance with § 21-5-

1 211(b)(2)(A);

2 (3) In all instances where approval has been granted to a  
3 requesting agency or institution for special rates of compensation in  
4 accordance with the provisions of this section, the Chief Fiscal Officer of  
5 the State shall report all approvals monthly to the Legislative Council;

6 (4)(A) The Office of Personnel Management of the Division of  
7 Management Services of the Department of Finance and Administration may  
8 develop a compensation plan known as "Statewide Nursing Grid" for attracting  
9 and retaining nursing personnel in classified positions subject to review and  
10 approval of the Legislative Council.

11 (B) An agency or institution requesting to use and add  
12 nurses to the grid shall submit requests to the Office of Personnel  
13 Management for review.

14 (C) Agencies and institutions using and adding nurses to  
15 the grid will be subject to review and approval of the Legislative Council.

16 (D) The Office of Personnel Management shall promulgate  
17 rules and regulations regarding the use of the grid with review and approval  
18 of the Personnel Committee of the Legislative Council;

19 ~~(4)(5)~~(A) There shall be established a pool of two hundred (200)  
20 positions at grade 26 assigned to the office to be used to reclassify  
21 positions in state agencies and institutions, when justified, to the proper  
22 classification and grade when the agency or institution does not have a  
23 vacant position available with the appropriate classification and grade.

24 (B) To obtain a position from the pool, an agency or  
25 institution must surrender to the pool the position being reclassified.

26 (C) The office shall review all requests and may grant  
27 approval of the reclassification after seeking the review of the Legislative  
28 Council; and

29 ~~(5)(6)~~ An employee's anniversary date may be changed on approval  
30 of the office with the review of the Legislative Council in the event that an  
31 inequity is created due to the implementation procedures of this subchapter.

32  
33 SECTION 4. Lump Sum Payment

34 (a) If an agency director determines that it is necessary to implement  
35 the state workforce reduction policy due to agency structure change,  
36 budgetary reductions, abolishment of positions or duties, loss of functional

1 responsibility by the agency, or the loss of federal funding, grants, or  
2 other special funds, the agency director may request and upon approval by the  
3 Chief Fiscal Officer of the State the payment of funds on a regular payroll  
4 schedule as severance pay to full-time, part-time, and job sharing classified  
5 and nonclassified employees in regular positions affected by the workforce  
6 reduction on the basis of the following lump sum for completed years of  
7 service including probationary period:

8 1-5 years . . . . . eight hundred dollars (\$800)

9 5-15 years. . . . . twelve hundred dollars (\$1200)

10 over 15 years . . . . . sixteen hundred dollars (\$1600).

11 (b) The payments are in addition to the lump sum payments allowed  
12 pursuant to the Uniform Attendance and Leave Policy Act, § 21-4-201 et seq.

13 (c) The payments shall not be construed as exceeding the maximum  
14 salary.

15 (d) The agency director shall file a notice of the implementation of  
16 the lump sum payment due to the state workforce reduction policy with  
17 Legislative Council or the Joint Budget Committee if the General Assembly is  
18 in session.

19 (e) This section is effective until June 30, 2007.

20  
21 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the  
22 General Assembly of the State of Arkansas that changes in the compensation  
23 plan in the state compensation system have been approved for use by state  
24 agencies; that these changes must go into effect at the beginning of the  
25 fiscal year when the new agency budgets go into effect; and that this act is  
26 necessary on July 1, 2005, because state agencies will not be able to  
27 function properly without this act taking effect on the first day of the new  
28 fiscal year. Therefore, an emergency is declared to exist and this act being  
29 necessary for the preservation of the public peace, health, and safety shall  
30 become effective on July 1, 2005.

31  
32 /s/ Joint Budget Committee

33  
34  
35 APPROVED: 4/13/2005

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