

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

SENATE BILL 926

5 By: Senator M. Lamoureux
6 By: Representative Lindsey
7

For An Act To Be Entitled

9 AN ACT TO REVISE THE COMPENSATION PLAN UNDER THE
10 UNIFORM CLASSIFICATION AND COMPENSATION ACT FOR THE
11 2011-2013 BIENNIAL PERIOD; AND FOR OTHER PURPOSES.
12
13

Subtitle

15 TO REVISE THE COMPENSATION PLAN UNDER THE
16 UNIFORM CLASSIFICATION AND COMPENSATION
17 ACT FOR THE 2011-2013 BIENNIAL PERIOD.
18
19

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

22 SECTION 1. Arkansas Code § 21-5-203(14)(A)(i), concerning the
23 definition of "job sharing" under the Uniform Compensation and Classification
24 Act, is amended to read as follows:

25 (14)(A)(i) "Job sharing" means a form of employment in which the
26 hours of work of two (2) or more persons are arranged in such a way as to
27 cover a single, regular full-time position.
28

29 SECTION 2. Arkansas Code § 21-5-208(b), concerning the classification
30 of state salaries, is amended to read as follows:

31 (b) The following classification titles with grades indicated are
32 approved for the state classification plan, subject to the appropriation acts
33 for the various state agencies and various institutions affected by this
34 subchapter:

<u>Class</u>			
<u>Code</u>	<u>Title</u>		<u>Grade</u>



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2
3 SECTION 3. Arkansas Code § 21-5-211 is amended to read as follows:

4 21-5-211. Implementing procedure for grade changes – Salary
5 adjustments.

6 (a) The Office of Personnel Management shall have administrative
7 responsibility for enforcing compliance by state agencies and institutions
8 affected by this subchapter in implementing classification and grade changes.

9 ~~(b) Subject to funds and appropriations being provided as determined~~
10 ~~in subsection (c) of this section, the following implementation procedures~~
11 ~~shall apply to state agencies and institutions covered by this subchapter,~~
12 ~~commencing on July 1 of each fiscal year:~~

13 ~~(1) The maximum annual salary rate for which an employee covered~~
14 ~~by this subchapter shall be eligible on July 1, 2009, is determined by~~
15 ~~increasing the employee's salary as of June 30, 2009, as follows:~~

16 ~~(A) One percent (1%) for an employee with less than two~~
17 ~~(2) years of cumulative service;~~

18 ~~(B) One and one half percent (1.5%) for an employee with~~
19 ~~more than two (2) years of cumulative service and up to five (5) years of~~
20 ~~eumulative service;~~

21 ~~(C) Two percent (2%) for an employee with more than five~~
22 ~~(5) years of cumulative service and up to ten (10) years of cumulative~~
23 ~~service;~~

24 ~~(D) Two and one half percent (2.5%) for an employee with~~
25 ~~more than ten (10) years of cumulative service and up to fifteen (15) years~~
26 ~~of eumulative service;~~

27 ~~(E) Three percent (3%) for an employee with more than~~
28 ~~fifteen (15) years of cumulative service and up to twenty (20) years of~~
29 ~~eumulative service;~~

30 ~~(F) Three and one half percent (3.5%) for an employee with~~
31 ~~more than twenty (20) years of cumulative service and up to twenty-five (25)~~
32 ~~years of eumulative service;~~

33 ~~(G) Four percent (4%) for an employee with more than~~
34 ~~twenty-five (25) years of cumulative service and up to thirty (30) years of~~
35 ~~eumulative service;~~

36 ~~(H) Four and one half percent (4.5%) for an employee with~~

1 ~~more than thirty (30) years of cumulative service and up to thirty five (35)~~
2 ~~years of cumulative service; and~~

3 ~~(1) Five percent (5%) for employees with more than thirty-~~
4 ~~five (35) years of cumulative service;~~

5 ~~(2) An employee whose classification and grade assignment are on~~
6 ~~the career service compensation plan may have his or her salary eligibility~~
7 ~~further adjusted as follows:~~

8 ~~(A) An employee whose adjusted annual salary falls below~~
9 ~~the entry pay level for the grade assigned to his or her classification may~~
10 ~~be further adjusted to the entry pay level;~~

11 ~~(B) An employee whose adjusted annual salary falls above~~
12 ~~the entry pay level and below the base pay level for the grade assigned to~~
13 ~~his or her classification may be further adjusted to the base pay level if~~
14 ~~the employee has at least two (2) years of cumulative full-time employment;~~

15 ~~(C) The salary for an employee whose June 30, 2009,~~
16 ~~unadjusted annual salary rate is at or above the maximum pay level for his or~~
17 ~~her grade may be further adjusted up to the career pay level;~~

18 ~~(D) An employee whose June 30, 2009, unadjusted annual~~
19 ~~salary exceeds the career pay level for the grade to which assigned shall be~~
20 ~~eligible for the increase provided in subdivision (b)(1) of this section, but~~
21 ~~the increase shall be paid as a lump sum on the last pay period of the fiscal~~
22 ~~year of the year in which the increase is to occur; or~~

23 ~~(E) An employee whose June 30, 2009, unadjusted annual~~
24 ~~salary exceeds the career pay level for the grade to which assigned shall not~~
25 ~~have his or her salary reduced, and the employee's salary shall remain~~
26 ~~constant until the employee's salary rate falls below the highest rate in the~~
27 ~~grade, at which time the salary may be adjusted to that level, if the~~
28 ~~employee is otherwise qualified;~~

29 ~~(3) An employee whose classification and grade assignment are on~~
30 ~~the professional and executive pay plan may have his or her salary~~
31 ~~eligibility further adjusted as follows:~~

32 ~~(A) An employee whose adjusted annual salary falls below~~
33 ~~the base pay level for the grade assigned to his or her classification may be~~
34 ~~further adjusted to the base pay level;~~

35 ~~(B) An employee whose June 30, 2009, unadjusted annual~~
36 ~~salary rate is at or above the maximum level rate of pay authorized for the~~

1 ~~grade assigned to his or her classification shall be eligible for the~~
 2 ~~increase provided in subdivision (b)(1) of this section, but the increase is~~
 3 ~~paid as a lump sum on the last pay period of the fiscal year of the year in~~
 4 ~~which the increase is to occur; or~~

5 ~~(C) An employee whose June 30, 2009, unadjusted annual~~
 6 ~~salary exceeds the maximum pay level for the grade to which assigned shall~~
 7 ~~not have his or her salary reduced, and the employee's salary shall remain~~
 8 ~~constant until the employee's salary rate falls below the highest rate in the~~
 9 ~~grade, at which time the salary may be adjusted to that level, if the~~
 10 ~~employee is otherwise qualified; and~~

11 ~~(4) All other employees' salaries shall be adjusted within the~~
 12 ~~salary levels of the grade assigned to their classification but may not~~
 13 ~~exceed the maximum rate provided for that grade unless otherwise provided in~~
 14 ~~this section.~~

15 ~~(e)(1)(b)(1)(A)~~ The maximum annual rate of compensation for which an
 16 employee is eligible on July 1, ~~2010~~ 2011, shall be determined by increasing
 17 the employee's June 30, ~~2010~~ 2011, salary by ~~two and three tenths percent~~
 18 ~~(2.3%)~~ one and eighty-six hundredths percent (1.86%).

19 (B) The maximum annual rate of compensation for which an
 20 employee is eligible on July 1, 2012, shall be determined by increasing the
 21 employee's June 30, 2012, salary by two and thirty-eight hundredths percent
 22 (2.38%).

23 (2) The additional salary increase of ~~two and three tenths~~
 24 ~~percent (2.3%)~~ one and eighty-six hundredths percent (1.86%) on July 1, 2011,
 25 and the additional salary increase of two and thirty-eight hundredths percent
 26 (2.38%) on July 1, 2012, shall not allow an employee's compensation to exceed
 27 the maximum pay level amount set out for the position unless the employee is
 28 eligible for the career pay level as established in § 21-5-214.

29 (3) If an employee does not meet the service requirements in §
 30 21-5-214(a), the increase shall be paid as a lump sum on the last pay period
 31 of the fiscal year of the year in which the increase is to occur.

32 (4)(A) An employee compensated at the highest pay level rate
 33 authorized for the grade assigned to his or her classification may receive
 34 the July 1, 2011, salary increase of ~~two and three tenths percent (2.3%)~~one
 35 and eighty-six hundredths percent (1.86%) and the July 1, 2012, salary
 36 increase of two and thirty-eight hundredths percent (2.38%) authorized in

1 this section as a lump-sum payment.

2 (B) However, the increase shall be paid as a lump sum on
3 the last pay period of the fiscal year of the year in which the increase is
4 to occur, and the payment shall not be construed as exceeding the maximum
5 salary.

6 ~~(d)(1)(c)(1)~~ An employee covered by this subchapter is eligible for an
7 additional salary increase of two percent (2%) each fiscal year upon approval
8 by the Governor if:

9 (A) The Chief Fiscal Officer of the State determines that
10 sufficient general revenues become available; and

11 (B) The additional salary increase of two percent (2%)
12 does not result in an employee's compensation exceeding the maximum pay level
13 amount set out for the position unless the employee is eligible for the
14 career pay level on the career service pay plan as established in § 21-5-214.

15 (2)(A) An employee compensated at the highest pay level rate
16 authorized for the grade assigned to his or her classification is eligible to
17 receive the salary increase of two percent (2%) authorized in this section as
18 a lump-sum payment.

19 (B) However, the increase shall be paid as a lump sum on
20 the last pay period of the fiscal year of the year in which the increase is
21 to occur, and the payment shall not be construed as exceeding the maximum
22 salary.

23 ~~(e)(1)(d)(1)~~ If the Chief Fiscal Officer of the State determines that
24 general revenue funds are insufficient to implement the salary increases
25 authorized in this subchapter or by any other law that affects salary
26 increases for state employees, the Chief Fiscal Officer of the State upon
27 approval by the Governor may reduce the percentage of all authorized salary
28 increases for all state employees covered by this subchapter without regard
29 to whether or not the employees are compensated from general or special
30 revenues, federal funds, or trust funds.

31 (2) However, if sufficient general revenues should then become
32 available at any time during the year to provide the maximum additional
33 salary increases for all state employees without regard to the source of
34 revenues, salary increases for state employees provided for in this
35 subchapter or by any other law may be fully implemented by the Chief Fiscal
36 Officer of the State.

1 (3) Any salary adjustments made by the Chief Fiscal Officer of
2 the State in accordance with this subsection shall be reported to the
3 Personnel ~~Committee~~ Subcommittee of the Legislative Council.

4 ~~(f)~~(e) All percentage calculations stipulated in this subchapter or
5 any other law affecting salaries of state employees may be rounded to the
6 nearest even-dollar amount by the office when making the percentage changes
7 to state employee salaries.

8
9 SECTION 4. Arkansas Code § 21-5-213 is repealed.

10 ~~21-5-213. Employees working late shifts.~~

11 ~~(a) Subject to the approval of the agency director or the president or~~
12 ~~chancellor of the institution of higher education, employees whose working~~
13 ~~hours do not conform to normal state business hours and shall be eligible for~~
14 ~~additional compensation not to exceed five and one half percent (5.5%) above~~
15 ~~that for which they are eligible under this subchapter, provided:~~

16 ~~(1) The agency or institution or any sections thereof routinely~~
17 ~~schedules more than one (1) work shift per day;~~

18 ~~(2) The shift to which the employee is assigned is a full work~~
19 ~~shift beginning not earlier than 2:30 p.m. and ending not later than 8:00~~
20 ~~a.m. the next day; and~~

21 ~~(3) An employee is regularly assigned to the late shift or is~~
22 ~~assigned to the shift on a regularly scheduled rotating basis.~~

23 ~~(b)(1) Employees at or near the maximum authorized salary level for~~
24 ~~the grade assigned to their classification may be compensated at an~~
25 ~~additional rate not to exceed five and one half percent (5.5%) of their~~
26 ~~eligible salary under the provisions of this subchapter.~~

27 ~~(2) In those instances where the granting of such additional~~
28 ~~compensation would have the effect of temporarily exceeding the maximum~~
29 ~~annual rate for the grade assigned to the employee's classification, the~~
30 ~~additional compensation shall not be considered as exceeding the maximum~~
31 ~~allowable rate for that grade.~~

32 ~~(c) An employee who is receiving additional compensation under the~~
33 ~~provisions of this section and then is reassigned to a normal shift shall~~
34 ~~revert, on the day of the reassignment, to the rate of pay for which he or~~
35 ~~she is eligible under the provisions of this subchapter.~~

36

1 SECTION 5. Arkansas Code § 21-5-214(f)(1)(B), concerning the rate of
2 pay of an employee demoted voluntarily or involuntarily, is amended to read
3 as follows:

4 (B) At a rate equal to twelve percent (12%) less than the
5 employee's rate of pay at the time of demotion for demotions of one (1) or
6 more grades ~~on the professional and executive pay plan or~~ from a position on
7 the professional and executive pay plan to a position on the career service
8 pay plan.

9
10 SECTION 6. Arkansas Code § 21-5-219 is amended to read as follows:

11 21-5-219. Nonclassified employees.

12 ~~(a) An employee compensated with a maximum annual salary rate as set~~
13 ~~out in dollars by law enacted by the General Assembly for a department,~~
14 ~~board, commission, and state agency shall be eligible to receive an annual~~
15 ~~rate of pay that shall be determined by increasing the employee's June 30,~~
16 ~~2009, salary as follows:~~

17 ~~(1) One percent (1%) for an employee with less than two (2)~~
18 ~~years of cumulative service;~~

19 ~~(2) One and one half percent (1.5%) for an employee with two (2)~~
20 ~~years or more and up to five (5) years of cumulative service;~~

21 ~~(3) Two percent (2%) for an employee with more than five (5)~~
22 ~~years and up to ten (10) years of cumulative service;~~

23 ~~(4) Two and one half percent (2.5%) for an employee with more~~
24 ~~than ten (10) years and up to fifteen (15) years of cumulative service;~~

25 ~~(5) Three percent (3%) for an employee with more than fifteen~~
26 ~~(15) years and up to (20) years of cumulative service;~~

27 ~~(6) Three and one half percent (3.5%) for an employee with more~~
28 ~~than twenty (20) years and up to twenty five (25) years of cumulative~~
29 ~~service;~~

30 ~~(7) Four percent (4%) for an employee with more than twenty five~~
31 ~~(25) years and up to thirty (30) years of cumulative service;~~

32 ~~(8) Four and one half percent (4.5%) for an employee with more~~
33 ~~than thirty (30) years and up to thirty five (35) years of cumulative~~
34 ~~service; and~~

35 ~~(9) Five percent (5%) for an employee with more than thirty five~~
36 ~~(35) years of cumulative service.~~

1 which he or she is eligible under this subchapter.

2 (3) An employee assigned to a night shift ~~may~~ shall not receive
3 additional compensation that exceeds twelve percent (12%) above that for
4 which he or she is eligible under this subchapter.

5 (4)(A) An employee at or near the maximum authorized salary level
6 for the grade assigned to his or her classification may be compensated at an
7 additional rate not to exceed twelve percent (12%) of his or her eligible
8 salary under this subchapter.

9 (B) In those instances in which the granting of the
10 additional compensation has the effect of temporarily exceeding the maximum
11 annual rate for the grade assigned to the employee's classification, the
12 additional compensation shall not be considered as exceeding the maximum
13 allowable rate for that grade.

14 (b)(1) A person employed in areas providing critical support, custody,
15 and care to designated client service units at state-operated inpatient
16 hospital facilities, at state-operated human development centers, and at
17 maximum security units at correctional facilities during weekend hours is
18 eligible to receive up to twenty percent (20%) of the hourly rate for which
19 he or she is eligible under this subchapter paid as a shift or weekend
20 differential.

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

23 (c)(1) If a facility uses shifts other than traditional eight-hour
24 shifts, a shift differential may be paid for those shifts exceeding the
25 normal day shift of the facility.

26 (2) If shift and weekend differentials are provided to an
27 employee, the total compensation may exceed the maximum annual rate for the
28 assigned pay grade for those positions included in this subchapter.

29 (3)(A) The agency or institution shall identify the shifts, job
30 classifications, and positions to be eligible for the shift differential and
31 the differential percentage for which each classification is eligible within
32 each shift.

33 (B) The shift schedule, job classifications, positions, and
34 the percentage of shift differential for which the job titles will be
35 eligible shall be submitted to the office for approval by the Chief Fiscal
36 Officer of the State.

1 (C) Subsequent changes to the shift schedule, job
 2 classifications, positions, and shift differential percentages shall receive
 3 prior approval by the Chief Fiscal Officer of the State.

4 (d) An employee who is receiving additional compensation under this
 5 section and then is reassigned to a normal shift shall revert on the day of
 6 the reassignment to the rate of pay for which he or she is eligible under
 7 this subchapter.

8 (e) The office shall report all shift differential approvals to the
 9 Personnel ~~Committee~~ Subcommittee of the Legislative Council.

10
 11 SECTION 8. Arkansas Code § 21-5-224(a)(1), concerning extra help
 12 positions, is amended to read as follows:

13 (a)(1) A position authorized as extra help in an agency or institution
 14 shall be assigned an authorized career service classification or a
 15 professional and executive classification by the agency or institution, and
 16 any person hired in an extra help position shall meet the minimum
 17 qualifications and any other requirements set by the official class
 18 specification of the classification assigned to the position.

19
 20 SECTION 9. Arkansas Code § 21-5-225(d), concerning temporary position
 21 pools, is repealed.

22 ~~(d)(1) There is established a temporary pool of two hundred fifty (250)~~
 23 ~~career service positions at grade G130 and one hundred fifty (150)~~
 24 ~~professional and executive positions at grade N922 assigned to the office to~~
 25 ~~be used to reclassify positions in state agencies and institutions when the~~
 26 ~~office has determined that the reclassification is necessary to address a~~
 27 ~~classification or grade issue related to the implementation of the~~
 28 ~~classification and compensation plan study required by Acts 2007, No. 868.~~

29 ~~(2) A position classification title and grade established under~~
 30 ~~this section shall be reviewed by the Personnel Committee of the Legislative~~
 31 ~~Council.~~

32 ~~(3) To obtain a position from the pool, a state agency or~~
 33 ~~institution must surrender to the pool the position being reclassified.~~

34 ~~(4) This subsection shall expire on June 30, 2010.~~

35
 36 SECTION 10. Arkansas Code § 21-5-1101 is amended to read as follows:

1 21-5-1101. Merit increase pay system.

2 (a) The Department of Finance and Administration is authorized to
3 develop and implement a merit increase pay system in accordance with the
4 performance evaluation process under § 21-5-1001 et seq. for the following
5 employees:

6 (1) Employees of all state agencies, boards, commissions, and
7 institutions covered by the Uniform Classification and Compensation Act, §
8 21-5-201 et seq.; and

9 (2) Employees in nonclassified positions of all state agencies,
10 boards, and commissions, excluding institutions.

11 (b)(1) Except as provided in subdivision (b)(2) of this section, to be
12 eligible to be evaluated under the merit increase pay system an employee
13 shall have continuous employment with the state in a regular full-time
14 position for twelve (12) months.

15 (2) A part-time employee in a regular salary position who has had
16 continuous part-time employment with the state for twelve (12) months shall
17 be eligible to be evaluated for a pay increase under the merit increase pay
18 system and to receive the merit pay increase on a pro rata basis.

19 (c) For the purpose of this subchapter, "merit increase pay system"
20 means a merit-based pay system that incorporates pay and performance
21 evaluation standards according to § 21-5-1001 et seq. and establishes
22 criteria for ~~salary adjustments or~~ lump-sum payments for employees who meet
23 requisite performance categories.

24 (d) Merit payments may be awarded to employees who satisfy performance
25 evaluation-based criteria developed by agencies and institutions in
26 accordance with rules and policies developed and approved by the Office of
27 Personnel Management after review by the Legislative Council.

28 (e) Effective July 1, ~~2009~~ 2011:

29 (1) Employees who receive an overall satisfactory rating under an
30 approved performance evaluation system shall be eligible for a one and five-
31 tenths percent (1.5%) merit increase;

32 (2) Employees who receive an overall above average rating under
33 an approved performance evaluation system shall be eligible for a three
34 percent (3.0%) merit increase; and

35 (3) Employees who receive an overall exceeds standards rating
36 under an approved performance evaluation system shall be eligible for a four

1 and five-tenths percent (4.5%) merit increase.

2 (f)(1)(A) Employees in positions assigned to the career service pay
3 plan shall be eligible for a merit increase to be ~~added to the employee's~~
4 ~~base salary rate with the following conditions;~~ paid as a lump sum on the
5 employee's merit increase date, and the payment shall not be construed as
6 exceeding maximum salary.

7 ~~(i) An employee whose annual base salary rate that is~~
8 ~~at or above the maximum pay level for his or her grade may receive the merit~~
9 ~~increase up to the career pay level if the employee is eligible for career~~
10 ~~pay level adjustments as established in § 21-5-214(d);~~

11 ~~(ii) An employee whose annual base salary rate is at~~
12 ~~or above the maximum pay level for his or her grade and who is not eligible~~
13 ~~for career pay level adjustments may receive the merit increase as a lump sum~~
14 ~~on the last pay period of the fiscal year of the year in which the increase~~
15 ~~is to occur; or~~

16 ~~(iii) An employee whose annual base salary rate is~~
17 ~~above the career pay level is eligible for the merit increase, but the~~
18 ~~increase shall be paid as a lump sum on the last pay period of the fiscal~~
19 ~~year of the year in which the increase is to occur.~~

20 (B) Employees in positions assigned to the professional and
21 executive pay plan shall be eligible for the merit increase as provided in
22 this section, but the increase shall be paid as a lump sum on the last pay
23 period of the fiscal year of the year in which the increase is to occur, and
24 the payment shall not be construed as exceeding maximum salary.

25 (C) Nonclassified employees in positions with maximum
26 annual salary rates set out in dollars established by law shall be eligible
27 to receive a merit increase as provided in this section, but the increase
28 shall be paid as a lump sum on the last pay period of the fiscal year of the
29 year in which the increase is to occur, and the payment shall not be
30 construed as exceeding maximum salary.

31 (2) The lump-sum payments authorized in this section shall be
32 considered as salary for the purposes of retirement eligibility.

33 (g) Management or supervisory personnel who fail to complete annual
34 evaluations of employees under their administrative control shall not be
35 eligible for merit payments.

36 (h)(1) If the Chief Fiscal Officer of the State determines that general

1 revenue funds are insufficient to implement the merit increases authorized in
2 this subchapter or by any other law that affects salary increases for state
3 employees, the Chief Fiscal Officer of the State, upon approval of the
4 Governor, may reduce the percentage of all authorized merit increases for all
5 state employees covered by this subchapter without regard to whether or not
6 the employees are compensated from general or special revenues, federal
7 funds, or trust funds.

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

13 (3) Any adjustments in the implementation of authorized merit
14 increases made by the Chief Fiscal Officer of the State under this subsection
15 shall be reported to the Personnel ~~Committee~~ Subcommittee of the Legislative
16 Council.

17
18 SECTION 11. EMERGENCY CLAUSE. It is found and determined by the
19 General Assembly of the State of Arkansas that the state salary
20 classification schedules must be updated and revised; that the fiscal year
21 for state employees begins each July 1; and that this act is essential and
22 immediately necessary to implement the Uniform Classification and
23 Compensation Act and to ensure the continued, uninterrupted operation of
24 state government and services. Therefore, an emergency is declared to exist
25 and this act being necessary for the preservation of the public peace,
26 health, and safety shall become effective on July 1,2011.