

Hall of the House of Representatives
85th General Assembly - Regular Session, 2005
Amendment Form

JBC 04/05/05 (1)

Subtitle of House Bill No. 2089

"AN ACT TO REVISE THE COMPENSATION PLAN UNDER THE UNIFORM
CLASSIFICATION AND COMPENSATION ACT FOR THE 2005-2007 BIENNIAL PERIOD."

Amendment No. 1 to House Bill No. 2089.

Amend House Bill No. 2089 as originally introduced:

Page 10, delete line 18 and substitute the following:

“SECTION 3. Arkansas Code § 21-5-214 is amended to read as follows:
21-5-214. New appointments.

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

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

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

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

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

(iv) To meet any requirements of the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.

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

(ii) No special rates of compensation shall be approved under the provisions of this section unless the classification is properly reviewed and approved as a market rate classification and listed on



a register of such classifications to be maintained by the Office of Personnel Management of the Division of Management Services of the Department of Finance and Administration.

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

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

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

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

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

(1)(D)(i):

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

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

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

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

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

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

(ii) A monthly report of new hires above Pay Level I shall be prepared and reviewed by the office. The report shall be presented to the Legislative Council at its regular monthly meeting;

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

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

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

(ii) 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.

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

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

(ii) The provisions of this section shall apply to current employees only in instances where the job has been advertised and the employee has competitively applied for the promotion by submitting a state application for consideration for the position. Otherwise, employees accepting internal promotions shall be compensated in accordance with § 21-5-211(b)(2)(A);

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

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

approval of the Legislative Council.

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

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

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

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

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

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

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

SECTION 4. Lump Sum Payment

(a) If an agency director determines that it is necessary to implement the state workforce reduction policy due to agency structure change, budgetary reductions, abolishment of positions or duties, loss of functional responsibility by the agency, or the loss of federal funding, grants, or other special funds, the agency director may request and upon approval by the Chief Fiscal Officer of the State the payment of funds on a regular payroll schedule as severance pay to full-time, part-time, and job sharing classified and nonclassified employees in regular positions affected by the workforce reduction on the basis of the following lump sum for completed years of service including probationary period:

1-5 years eight hundred dollars (\$800)
5-15 years. twelve hundred dollars (\$1200)
over 15 years sixteen hundred dollars (\$1600).

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

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

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

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

SECTION 5. EMERGENCY CLAUSE. It is found and determined by the"

The Amendment was read _____

By: Representative Hardwick

Senator Luker

JDF/CDS - 04-05-2005 18:11

JDF369

Chief Clerk