

REFERENCE GUIDE

for

THE PERSONNEL SUBCOMMITTEE

of the

91st General Assembly
Joint Budget Committee



2017 - 2019

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.”

TERMS AND PROVISIONS

Biennial Budget Process for Personnel

The Biennial Budget Process is a series of request, review and recommendation phases. In the first phase the agencies make their request for the following biennium. In the second phase the Office of Personnel Management reviews the agencies' requests and presents them to the Executive Review Committee for recommendation. In the third phase Legislative Staff reviews the agencies' requests and the Executive Recommendation and presents to ALC/JBC Personnel Committee for recommendation. Once approved by ALC/JBC, the recommendations become the basis for the agencies' appropriation bills.

Base Level and Unbudgeted Positions

Base Level positions are positions that were budgeted during the last annual budgeting process. An agency does not have to budget for all of their authorized positions when they set their annual budget. This is what creates a difference between authorized position total and budgeted position total.

Authorized positions that were not budgeted are called Unbudgeted Positions and must be requested by the agency to continue into the next biennium. These are generally referred to as “New or Continuation” positions during ALC/JBC, though they do not increase the agencies total number of authorized positions.

Total Positions over Authorized

This number represents the authorized positions requested by an agency and/or approved by the Legislature over the current authorized number of positions in an agency's current appropriation.

Total Positions Over Base Level

This number represents the positions requested by an agency and/or approved by the Legislature over the base level (budgeted) number of positions in an agency's budget request.

Pool and MFG Positions

Pool and MFG positions are those that are created in addition to the positions established in appropriation acts for state agencies and institutions. These positions can be added at any time during the fiscal year with approval from Personnel or PEER Subcommittees and Legislative Council. Additional positions may be established through the use of the OPM Central Growth Pool, Agency Specific Growth Pools, Miscellaneous Federal Grants, and Growth Pool or Provisional Positions for institutions of higher education.

These positions, like unbudgeted positions, must be requested by the agencies and approved by the Legislature during the biennial budget process to continue into the next biennium.

Additional Positions

Additional Positions are positions requested by an agency over and above the current authorized positions total. By approving these positions, the total number of authorized positions for an agency will increase.

Additional Positions can only be requested and approved during the biennial budget process. They are generally requested based on increased work load or establishment of new programs.

Classification

The term "classification" refers to a specific job title which is identified by a Class Code, Title and Pay Grade for an individual position. The pay grade is based on the nature and difficulty of the job duties and the education required.

Crossgrade/Downgrade

A term used when an agency would like to utilize a position in a different classification than the one that is authorized in their Act. This requires approval and oversight by the Office of Personnel Management and can be done any time during the fiscal year.

The pay grade of the used classification must be equal to, or less than, the grade of the authorized classification. The salary of the person hired into the crossgraded position is based on the classification being utilized by the agency via the crossgrade/downgrade.

Example: An agency needs to hire an Administrative Specialist II, Grade C109, but they don't have a vacant position with that classification. They do, however, have a vacant Fiscal Support Analyst, Grade C115. The agency requests to crossgrade/downgrade the Fiscal Support Analyst to an Administrative Specialist II. Once the downgrade is approved by OPM, the position will become an Administrative Specialist II in AASIS for the purposes of recruiting and hiring at that title and grade. The agency will advertise and hire a candidate with the skill set associated with the Administrative Specialist II classification.

Reclassification

A Reclassification (Reclass) is the changing of the authorized classification of a position. Generally this is done because of a drastic change in job responsibilities or a need for a totally different job classification. The new classification requested can be of a higher or lower grade than the current authorized classification. A reclassification does not affect the agency's overall total number of positions.

Reclassifications are requested by an agency during the Biennial Budget Request and require approval from the Personnel Committee and JBC. The Executive Review Committee makes a recommendation based on their review of the agency request, job duties and utilization history of the classification. The request for reclassification is then presented to ALC/JBC Personnel Subcommittee along with the Executive Recommendation and the Legislative Staff Recommendation for approval.

Out of Family Reclassification

An Out of Family Reclassification is the same as reclassification request except it is made by the Office of Personnel Management and the Executive Review Committee for positions that are currently crossgraded. The approval of an Out of Family Reclassification permanently changes the authorization of the position to the crossgraded classification.

Out of Family Reclassifications are recommended during the Biennial Budget Request in the same manner for which reclassifications are approved. These are presented to the ALC/JBC with Executive and Legislative Staff recommendations.

Upgrade

An Upgrade is a request by an agency to raise the pay grade of an existing classification. Upgrades are generally requested if it is found that job duties or required skill sets have changed or that the current grade does not allow the agency to pay a salary that will meet market conditions. **If approved, an Upgrade will affect all positions (across all agencies) with that classification.**

Upgrades are requested during the Biennial Budget Request and follow the same process as reclassifications.

Example: An agency requests that an A100C Payroll Officer, Grade C110, be upgraded to a Grade C112 . If recommended then all positions in state government with the Payroll Officer classification will be upgraded to the C112. Salaries will be adjusted if the incumbent employee does not make at least the minimum of the pay grade.

Title Change

A Title Change is simply changing the existing title of a classification to more accurately reflect the duties being performed. Like upgrades, title changes affect all positions (across all agencies) with the specified classification and are commonly requested for agency specific titles.

Title Changes are requested and reviewed during the Biennial Budget Request. They follow the same process as the reclassifications and upgrades, etc.

Extraordinary Salary Increase

An Extraordinary Salary Increase (ESI) is a requested increase to the Line Item Maximum (LIM) of an unclassified title, above the COLA set by the Governor. Most commonly, unclassified titles will be Directors and Deputy Directors but are also found in higher education titles. This type of increase is usually requested due to market conditions, retention and recruiting, organizational structural change in the agency or increased job duties assigned to the classification.

The ESI requests are requested and reviewed during the Biennial Budget Process.

COMPENSATION PLAN (Arkansas Code § 21-5-209)

The Compensation Plan is set out by the Uniform Classification and Compensation Act, originally established by Act 199 of 1969. The Compensation Plan is established for state agencies and 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 Act states that:

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

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

(c) It is the specific intent of the General Assembly to authorize, in the enactment of this compensation plan, maximum rates of pay for each of the appropriate grades assigned to a class, but it is not the intent that any pay increases shall be automatic or that any

employee shall have a claim or a right thereto unless the department head of the agency or the institution shall determine that the employee, by experience, ability, and work performance, has earned the increase in pay authorized for the appropriate rate.

(d) The required time in each pay level for an employee to be eligible for a salary increase is twelve (12) months.”

(Sections (e)1 and (e)2 establish the grades and pay levels for each year of the biennium. Each of the Compensation Plans (also called Pay Plans) can be found in the inside covers of this book.)

“(f) It is the intent of the General Assembly that the compensation plan provided for in subsections (a) through (e) of this section shall be implemented and function in compliance with the Regular Salary Procedures and Restrictions Act, § 21-5-101 et seq., other provisions in the Uniform Classification and Compensation Act, § 21-5-201 et seq., and other fiscal control laws of this state, where applicable.”

OFFICE OF PERSONNEL MANAGEMENT (OPM)

The Office of Personnel Management (OPM) of the Division of Management Services of the Department of Finance and Administration 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.

Acting under the authority granted in the Uniform Classification and Compensation Act, and subject to the direction of the Director of the Department of Finance and Administration, it is the duty of the Office of Personnel Management 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. OPM analyzes all state agency and institution of higher education biennial personal services budget requests and prepare 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, the Office of Personnel Management, with the review of the Legislative Council, is directed to:

- study on a continuing basis and modify and revise when and where necessary the current classifications, the class specifications, and minimum requirements;
- create where necessary new classifications at an appropriate grade level which will accurately describe those positions for which no appropriate classification exists;
- determine those 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.

CAREER SERVICE PAY PLAN

PAY GRADE	ENTRY	BASE	MIDPOINT	MAXIMUM	CAREER
C101	\$15,080	\$15,683	\$18,663	\$21,643	\$23,374
C102	\$15,512	\$16,467	\$19,761	\$23,054	\$24,899
C103	\$16,288	\$17,291	\$20,922	\$24,553	\$26,517
C104	\$17,102	\$18,155	\$22,149	\$26,144	\$28,235
C105	\$17,957	\$19,063	\$23,448	\$27,832	\$30,059
C106	\$18,855	\$20,016	\$24,820	\$29,624	\$31,994
C107	\$19,798	\$21,017	\$26,271	\$31,525	\$34,048
C108	\$20,788	\$22,068	\$27,805	\$33,543	\$36,227
C109	\$21,827	\$23,171	\$29,427	\$35,684	\$38,538
C110	\$22,919	\$24,330	\$31,142	\$37,954	\$40,991
C111	\$24,065	\$25,546	\$32,955	\$40,363	\$43,592
C112	\$25,268	\$26,824	\$34,871	\$42,918	\$46,351
C113	\$26,531	\$28,165	\$36,614	\$45,064	\$48,669
C114	\$27,858	\$29,573	\$38,445	\$47,317	\$51,102
C115	\$29,251	\$31,052	\$40,367	\$49,683	\$53,657
C116	\$30,713	\$32,604	\$42,386	\$52,167	\$56,340
C117	\$32,249	\$34,234	\$44,505	\$54,775	\$59,157
C118	\$33,861	\$35,946	\$46,730	\$57,514	\$62,115
C119	\$35,554	\$37,743	\$49,067	\$60,390	\$65,221
C120	\$37,332	\$39,631	\$51,124	\$62,616	\$67,626
C121	\$39,199	\$41,612	\$53,264	\$64,915	\$70,108
C122	\$41,159	\$43,693	\$55,490	\$67,287	\$72,670
C123	\$43,217	\$45,877	\$57,806	\$69,734	\$75,312
C124	\$45,377	\$48,171	\$60,214	\$72,257	\$78,038
C125	\$47,646	\$50,580	\$62,719	\$74,858	\$80,847
C126	\$50,029	\$53,109	\$65,324	\$77,539	\$83,742
C127	\$52,530	\$55,764	\$68,032	\$80,301	\$86,725
C128	\$55,156	\$58,553	\$70,849	\$83,145	\$89,796
C129	\$57,914	\$61,480	\$73,776	\$86,072	\$92,958
C130	\$60,810	\$64,554	\$76,819	\$89,085	\$96,212

Professional and Executive Pay Plan

PAY GRADE	BASE	MIDPOINT	MAXIMUM
N901	\$65,000	\$73,125	\$81,250
N902	\$67,600	\$76,050	\$84,500
N903	\$70,304	\$79,092	\$87,880
N904	\$73,116	\$82,256	\$91,395
N905	\$76,041	\$85,546	\$95,051
N906	\$79,082	\$88,968	\$98,853
N907	\$82,246	\$92,526	\$102,807
N908	\$85,536	\$96,228	\$106,919
N909	\$88,957	\$100,077	\$111,196
N910	\$92,515	\$104,080	\$115,644
N911	\$96,216	\$108,243	\$120,270
N912	\$100,065	\$112,573	\$125,081
N913	\$104,067	\$117,075	\$130,084
N914	\$108,230	\$121,759	\$135,287
N915	\$112,559	\$126,629	\$140,699
N916	\$117,061	\$131,694	\$146,327
N917	\$122,914	\$138,279	\$153,643
N918	\$130,289	\$146,575	\$162,862
N919	\$139,410	\$156,836	\$174,262
N920	\$150,562	\$169,383	\$188,203
N921	\$164,113	\$184,627	\$205,141
N922	\$180,524	\$203,090	\$225,655

Note: The pay plan study that is currently underway by the Department of Finance and Administrations Office of Personnel Management will not be considered until the start of the regular session for the 91st General Assembly. As such, the current pay grade structure is still in effect and all requests, reports, and subsequent appropriation bills will be created using the current pay plan structure.

LEGISLATIVE COUNCIL PRESESSION BUDGET HEARINGS

RULES AND POLICY POSITION October 2016

1. Purpose. The purpose of these rules is to form a basis for the conduct of the pre-session budget hearings conducted by the Legislative Council beginning in October preceding a regular session of the General Assembly.

2. Parliamentary Procedure. Except as otherwise specified by these rules, the proceedings of the Pre-session Budget Hearings shall be governed by the Rules of the Arkansas Legislative Council as adopted and currently in effect for that body.

3. Meeting Participation. In addition to the members of the Legislative Council, members of the Joint Budget Committee, who are not primary members of the Legislative Council, shall be privileged to attend the pre-session budget hearings and to vote on budget recommendations the same as regular members of the Legislative Council. (Arkansas Code § 10-3-507). The gathering of these members for purposes of budget hearings shall hereinafter be referred to as "ALC/JBC".

4. Budget Recommendations.

(a) The ALC/JBC shall prepare a recommended budget for submission to the General Assembly for each agency, department, constitutional office, and branch of State Government that received an appropriation in the preceding session of the General Assembly.

(b) If the members determine that an agency, department, or program should cease to exist, be reorganized, or be consolidated, a recommendation reflecting that determination shall be submitted to the General Assembly.

(c) Budget requests submitted to the ALC/JBC shall be prepared and submitted by the agency, department, constitutional office, or branch of State Government in the manner provided by law.

(d) The Governor-Elect shall be given an opportunity to review all budget requests, except those of constitutional officers and their departments, and to provide his or her recommendation on the budget request, if any. The ALC/JBC may proceed to consider and act upon budget requests prior to submission of the request to the Governor-Elect, but shall reopen action on any budget requests for which the Governor-Elect submits a recommendation.

(e) Consideration of a budget request shall be reopened for consideration automatically upon submission of a revised recommendation by the Governor for that budget request.

(f) Whenever the Governor wishes to present a budget request or an amendment to an action by the ALC/JBC the Governor shall submit a letter to the ALC/JBC setting forth the details of the request. These letters from the Governor shall be placed on the Agenda under the heading "Governors Letters" for consideration by the ALC/JBC.

5. Action on Budget Requests.

(a) **Presence of Agency Employees.** During discussion of a budget request or any item of a budget request by the ALC/JBC, any individuals employed by the entity whose budget is the subject of the budget request shall not be present in the committee room.

(b) Form of Motion for Approval.

(1) For budget requests containing specific recommendations by the Governor or Governor-Elect, the chair shall state that the issue before the ALC/JBC is that the budget request be approved as recommended by the Governor or Governor-Elect.

(2) For budget requests that have not received a recommendation from the Governor or Governor-Elect, the chair shall state that the issue before the ALC/JBC is that the budget request be approved as requested by the department or agency.

(c) Motion to Amend the Budget Request.

(1) A motion to amend a budget request shall be in order after the chair has stated the issue before the ALC/JBC, unless the committee has voted to limit the consideration of such motions.

(2) If the Motion to Amend the Budget Request is not adopted the ALC/JBC shall then vote upon the budget as recommended by the Governor or Governor-Elect, or as requested by the department or agency if there is no recommendation for the Governor or Governor-Elect, as the case may be.

6. Reconsideration of Budget Requests. A motion to reconsider an action taken on a budget request by the ALC/JBC shall only be made by a member who voted in the majority of the vote on the budget request, and the motion to reconsider may be made at any time after the vote that is the subject of reconsideration, whether in the same or a later meeting. A motion to reconsider requires an affirmative vote of the greater of either twenty-eight (28) members or two-thirds (2/3) of the quorum present.

7. Subcommittees.

(a) By a majority vote of the members present when a quorum is present, the ALC/JBC may create subcommittees to perform duties specific to the budget hearing process. Any subcommittee created for budget hearing purposes will report to the ALC/JBC during budget hearing meetings.

(b) A subcommittee may meet as needed, upon either the call of the subcommittee chairs or a majority of the members of the subcommittee.

(c) The Senate Co-Chair and Vice-Chair and the House Co-Chair and Vice-Chair of the Legislative Council and the Senate Co-Chair and House Co-Chair of the Joint Budget Committee shall serve as ex officio members of all subcommittees created under this rule. However, the ex officio members shall only be counted towards the membership number necessary for a quorum of the subcommittee when present at the meeting at which a vote is taking place.

(d) Each subcommittee created under this rule shall consist of twenty (20) members, to include the six (6) ex officio members, as set forth in section (c) of this rule, and an additional seven (7) House members, appointed by the House Co-Chair of Legislative Council, and seven (7) Senate members, appointed by the Senate Co-Chair of Legislative Council.

(e) Unless otherwise stated in the motion, no salary recommendation of the ALC/JBC for an employee or group of employees is to be considered final action by the ALC/JBC until a report on the salary level is submitted by the subcommittee created to review salary level requests.

(f) Unless otherwise stated in the motion, no recommendation of the ALC/JBC regarding special language shall be considered final until a report regarding the special language being considered is submitted by the subcommittee created to review special language.

Policy Position: No recommendation of the Arkansas Legislative Council and Joint Budget Committee members regarding operating budgets is to be considered as approving or disapproving any fee or tax increase proposed unless the motion adopted by the committee expressly specifies otherwise.