

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.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/9/01 H3/14/01

A Bill

HOUSE BILL 1602

5 By: *Joint Budget Committee*
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 21-5-214 TO ADJUST
10 STATE EMPLOYEE SALARIES TO MARKET RATES APPROVED
11 FOR VARIOUS CLASSIFICATIONS; AND FOR OTHER
12 PURPOSES.
13

Subtitle

15 AN ACT TO AMEND ARKANSAS CODE 21-5-214
16 TO ADJUST STATE EMPLOYEE SALARIES TO
17 MARKET RATES APPROVED FOR VARIOUS
18 CLASSIFICATIONS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code 21-5-214 is amended to read as follows:
24 21-5-214. New appointments.

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

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

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

35 (ii) Where an acute shortage of qualified applicants for a
36 specific classification exists;

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

4 (iv) To meet any requirements of the federal Fair Labor
5 Standards Act.

6 (B)(i) State agencies or institutions of higher education may
7 hire new employees up to a pay level equal to fifty percent (50%) of the range
8 between Pay Level II and Pay Level III of the appropriate grade with the
9 written approval of the Chief Fiscal Officer of the State, or above that level
10 only with the approval of the Chief Fiscal Officer of the State after review
11 by the Legislative Council, for new appointments where qualified applicants
12 cannot be obtained at Pay Level I of the assigned grade.

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

18 (iii) The Office of Personnel Management shall file a
19 report of all such classifications with the Legislative Council within the
20 month following such approval.

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

34 (ii) Agency or institution requests for special rates of
35 compensation due to prevailing market rates or an acute shortage of qualified
36 applicants for a specific classification may be approved up to the maximum

1 annual rate authorized for the grade assigned to a classification;

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

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

16 (i) It has documented to the satisfaction of the Chief
17 Fiscal Officer of the State that no current employee of the affected agency or
18 institution could have been considered for promotion as an equivalent
19 alternative to the exceptionally well-qualified applicant. The Chief Fiscal
20 Officer of the State shall, upon request, supply any documentation to the
21 Legislative Council; and

22 (ii) The prospective employee possesses a level of
23 experience or educational credentials that would permit him to perform the
24 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 this
28 section shall not affect the salary level or salary eligibility of any
29 existing employee within the agency or institution.

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

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

36 (4)(A) There shall be established a pool of two hundred (200) positions

1 at grade 26 assigned to the Office of Personnel Management to be used to
2 reclassify positions in state agencies and institutions, when justified, to
3 the proper classification and grade when the agency or institution does not
4 have a vacant position available with the appropriate classification and
5 grade.

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

8 (C) The Office of Personnel Management shall review all requests
9 and may grant approval of the reclassification after seeking the review of the
10 Legislative Council; and

11 (5) An employee's anniversary date may be changed on approval of the
12 Office of Personnel Management with the review of the Legislative Council in
13 the event that an inequity is created due to the implementation procedures of
14 this subchapter.

15 */s/ Joint Budget Committee*

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