

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 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

14 AN ACT TO REVISE THE COMPENSATION PLAN
15 UNDER THE UNIFORM CLASSIFICATION AND
16 COMPENSATION ACT FOR THE 2005-2007
17 BIENNIAL PERIOD.
18
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
36 the enactment of this compensation plan, maximum rates of pay for each of the



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

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

	PAY LEVEL	I	II	III	IV	
14	GRADE	1	\$11,916	\$11,916	\$11,916	\$12,397
15	GRADE	2	\$11,916	\$14,334	\$17,058	\$22,686
16	GRADE	3	\$12,298	\$14,626	\$17,381	\$23,149
17	GRADE	4	\$12,298	\$14,916	\$17,738	\$23,649
18	GRADE	5	\$12,298	\$15,208	\$18,096	\$24,047
19	GRADE	6	\$12,484	\$15,501	\$18,451	\$24,580
20	GRADE	7	\$12,745	\$15,824	\$18,841	\$25,043
21	GRADE	8	\$13,004	\$16,148	\$19,198	\$25,575
22	GRADE	9	\$13,490	\$16,732	\$19,909	\$26,471
23	GRADE	10	\$14,365	\$17,834	\$21,208	\$28,198
24	GRADE	11	\$15,306	\$18,970	\$22,570	\$30,058
25	GRADE	12	\$16,279	\$20,202	\$24,060	\$32,019
26	GRADE	13	\$17,349	\$21,531	\$25,618	\$34,110
27	GRADE	14	\$18,485	\$22,926	\$27,272	\$36,336
28	GRADE	15	\$19,684	\$24,418	\$29,055	\$38,662
29	GRADE	16	\$20,981	\$26,006	\$30,935	\$41,220
30	GRADE	17	\$22,148	\$27,694	\$32,947	\$43,876
31	GRADE	18	\$23,768	\$29,477	\$35,086	\$46,732
32	GRADE	19	\$25,358	\$31,422	\$37,388	\$49,788
33	GRADE	20	\$26,979	\$33,466	\$39,822	\$53,077
34	GRADE	21	\$28,763	\$35,638	\$42,383	\$56,564
35	GRADE	22	\$30,613	\$37,941	\$45,139	\$60,118
36						

1	GRADE 23	\$32,591	\$40,405	\$48,089	\$64,037			
2	GRADE 24	\$34,730	\$43,030	\$51,203	\$68,189			
3	GRADE 25	\$36,967	\$45,820	\$54,542	\$72,607			
4	GRADE 26	\$39,366	\$48,803	\$58,078	\$77,356			
5								
6	<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>
7	<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>
8	<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>
9	<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>
10	<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>
11	<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>
12	<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>
13	<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>
14	<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>
15	<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>
16	<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>
17	<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>
18	<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>
19	<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>
20	<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>
21	<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>
22	<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>
23	<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>
24	<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>
25	<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>
26	<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>
27	<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>
28	<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>
29	<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>
30	<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>
31	<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>
32	<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>

33

34 (2) The following grades and pay levels shall be the authorized
 35 compensation plan, effective ~~July 1, 2004~~ July 1, 2006, and thereafter, for
 36 the state service for all positions of agencies and institutions covered by

1 this subchapter to which a classification title and salary grade have been
 2 assigned, in accordance with this subchapter and the appropriation act of the
 3 agency or institution:

4

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

32

33	PAY LEVEL	I	IM	II	IIM	III	IIIM	IV
34	Grade 1	\$12,983	\$12,983	\$12,983	\$12,983	\$12,983	\$13,068	\$13,151
35	Grade 2	\$12,983	\$14,095	\$15,207	\$16,652	\$18,097	\$21,082	\$24,068
36	Grade 3	\$13,399	\$14,458	\$15,517	\$16,979	\$18,439	\$21,499	\$24,559

1	<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>
2	<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>
3	<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>
4	<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>
5	<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>
6	<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>
7	<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>
8	<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>
9	<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>
10	<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>
11	<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>
12	<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>
13	<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>
14	<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>
15	<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>
16	<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>
17	<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>
18	<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>
19	<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>
20	<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>
21	<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>
22	<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>
23	<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>

24

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

30

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

32 21-5-211. Implementation procedure for grade changes - Salary
 33 adjustments.

34 (a) The Office of Personnel Management of the Division of Management
 35 Services of the Department of Finance and Administration shall have
 36 administrative responsibility for enforcing compliance by state agencies and

1 institutions affected by this subchapter in implementing classification grade
2 changes.

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

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

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

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

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

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

35 (d) ~~Ninety thousand and one dollars (\$90,001)~~
36 ~~and above, the employee is eligible for an annual increase of two thousand~~

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

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

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

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

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

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

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

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

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

35 (ii) Employees compensated at Pay Level IV shall be
36 eligible to receive the two percent (2%) salary increase authorized in this

1 section during the biennium as lump sum payments, and the payments shall not
2 be construed as exceeding the maximum salary;

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

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

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

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

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

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

35 (2)(A) Employees promoted on or after July 1, 1999, shall have
36 the maximum annual salary for which they are eligible established as follows:

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

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

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

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

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

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

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

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

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

35 (c)(1) In the event that the Chief Fiscal Officer of the State
36 determines that general revenue funds are insufficient to implement the

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

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

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

17
18 *SECTION 3. Arkansas Code § 21-5-214 is amended to read as follows:*
19 *21-5-214. New appointments.*

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (1)(D)(i):

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

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

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

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

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

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

35 (ii) A monthly report of new hires above Pay Level I
36 shall be prepared and reviewed by the office. The report shall be presented

1 to the Legislative Council at its regular monthly meeting;

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

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

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

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

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

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

31 (ii) The provisions of this section shall apply to
32 current employees only in instances where the job has been advertised and the
33 employee has competitively applied for the promotion by submitting a state
34 application for consideration for the position. Otherwise, employees
35 accepting internal promotions shall be compensated in accordance with § 21-5-
36 211(b)(2)(A);

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

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

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

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

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

18 ~~(4)~~(5)(A) There shall be established a pool of two hundred (200)
19 positions at grade 26 assigned to the office to be used to reclassify
20 positions in state agencies and institutions, when justified, to the proper
21 classification and grade when the agency or institution does not have a
22 vacant position available with the appropriate classification and grade.

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

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

28 ~~(5)~~(6) An employee's anniversary date may be changed on approval
29 of the office with the review of the Legislative Council in the event that an
30 inequity is created due to the implementation procedures of this subchapter.

31
32 SECTION 4. Lump Sum Payment

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

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

- 7 1-5 years eight hundred dollars (\$800)
- 8 5-15 years. twelve hundred dollars (\$1200)
- 9 over 15 years sixteen hundred dollars (\$1600).

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

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

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

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

19
20 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
21 General Assembly of the State of Arkansas that changes in the compensation
22 plan in the state compensation system have been approved for use by state
23 agencies; that these changes must go into effect at the beginning of the
24 fiscal year when the new agency budgets go into effect; and that this act is
25 necessary on July 1, 2005, because state agencies will not be able to
26 function properly without this act taking effect on the first day of the new
27 fiscal year. Therefore, an emergency is declared to exist and this act being
28 necessary for the preservation of the public peace, health, and safety shall
29 become effective on July 1, 2005.

30
31 /s/ Joint Budget Committee
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