

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1326

5 By: Representative Warren
6 By: Senator K. Hammer
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING SPECIAL ALLOWANCES
10 TO ENCOURAGE EARLY RETIREMENT FOR EMPLOYEES OF
11 PUBLICLY SUPPORTED COLLEGES AND UNIVERSITIES; TO
12 MANAGE EARLY RETIREMENT WINDOW INCENTIVES FOR
13 EMPLOYEES OF INSTITUTIONS OF HIGHER EDUCATION; AND
14 FOR OTHER PURPOSES.
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Subtitle

18 TO AMEND THE LAW CONCERNING SPECIAL
19 ALLOWANCES TO ENCOURAGE EARLY RETIREMENT
20 AND MANAGE EARLY RETIREMENT WINDOW
21 INCENTIVES FOR EMPLOYEES OF INSTITUTIONS
22 OF HIGHER EDUCATION.
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code § 24-7-101 is amended to read as follows:

27 24-7-101. Special allowances to encourage early retirement.

28 (a) ~~In order to effect a net savings in personnel costs paid by~~
29 ~~colleges and universities, the~~ The presidents and chancellors of the various
30 publicly supported colleges and universities may, upon the approval of their
31 respective boards of trustees, negotiate with ~~tenured~~ and staff
32 members of their institutions so that, in order to secure ~~the faculty~~
33 ~~members'~~ members' early retirement, special allowances may be paid to ~~them~~ the faculty
34 and staff members or into retirement plans for their benefit.

35 (b) The board of trustees of each institution is authorized to pay
36 such allowances as the board may approve from any appropriation provided for



1 regular salaries for the benefit of its institution and from any source of
2 funds available to its institution.

3 ~~(c) The amount of all such allowances for any institution shall not~~
4 ~~exceed, in the aggregate during any fiscal year, an amount equal to five~~
5 ~~percent (5%) of the aggregate paid for personnel costs during the preceding~~
6 ~~fiscal year for the institution.~~

7 ~~(d)~~ The board of trustees of each institution shall report the exact
8 disposition of the special allowances to the Legislative Joint Auditing
9 Committee each year.

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11 SECTION 2. Arkansas Code § 24-7-102 is amended to read as follows:
12 24-7-102. Management of early retirement window incentives.

13 (a) The purpose of this section is to create incentives for the
14 efficient management of the public higher education resources of the State of
15 Arkansas by allowing public higher education institutions to establish early
16 retirement window incentives for qualified ~~nontenured~~ faculty and staff who
17 elect voluntary separation from the institution.

18 (b) The boards of trustees of the publicly supported institutions of
19 higher education may provide special allowances for ~~nontenured~~ faculty and
20 staff to effect a saving in personnel salaries and fringe benefits costs when
21 it is determined by the boards that such saving will provide for more
22 efficient operation of the institutions.

23 (c)(1) The boards of trustees shall approve criteria to determine
24 qualifications to be met by the institutions and the employee.

25 (2) Such qualifications shall include, but are not limited to:

26 (A) Assurance that participation is strictly voluntary for
27 employees;

28 (B) Only full-time employees who ~~are at least fifty five~~
29 ~~(55) years of age or~~ meet the retirement requirements for ~~the Civil Service~~
30 ~~Retirement System~~ any state-sponsored retirement program; and

31 (C) A savings in personnel cost will be realized by the
32 institution.

33 ~~(d) The amount of all such allowances for any institution shall not~~
34 ~~exceed, in the aggregate during any fiscal year, an amount equal to five~~
35 ~~percent (5%) of the aggregate paid for personnel costs during the preceding~~
36 ~~fiscal year for the institution.~~

1 ~~(e)~~ The boards of trustees are authorized to pay such allowances from
2 any appropriation provided for regular salaries for the benefit of their
3 institutions and from any sources of funds available to the institutions.

4 ~~(f)~~(e) The board of trustees of each institution shall report the
5 exact disposition of the special allowance to the Legislative Joint Auditing
6 Committee by July 1 of each year.

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