Ex. D

# REFERENCE GUIDE

**For**

# THE UNIFORM PERSONNEL CLASSIFICATION AND COMPENSATION PLAN COMMITTEE

**Of The**

# ARKANSAS LEGISLATIVE COUNCIL

**2025-2026**

## 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."

## LEGISLATIVE COUNCIL – DUTIES (Arkansas Code § 21-5-206)

The statute text reads:

> "In order to assist the General Assembly in more efficiently performing its constitutional duty, that being ". . . the number and salaries of the clerks and employees of the different departments of the state shall be fixed by law.", the Legislative Council shall:
>
> (1) Review the establishment and implementation of any new classification titles proposed between legislative sessions due to program changes;
>
> (2) Review the staffing levels of all agencies and institutions covered by the provisions of this subchapter and submit to the General Assembly, when in regular session, fiscal session or special session, recommendations for revisions, modifications, or additions thereto;
>
> (3) Conduct, when necessary, salary surveys of the private and public sector of jobs comparable to those contained in § 21-5-208 for purposes of establishing equitable and competitive rates of compensation for employees occupying positions affected by this subchapter;
>
> (4) Periodically review and recommend any changes found necessary in the job evaluation system used to set salary grade levels for all classifications affected by the provisions of this section and forward the recommendations to the Office of Personnel Management of Dept of Shared Administrative Services; and

(5) Prepare and submit recommendations for revisions in this subchapter to the General Assembly when in session."

## UNIFORM PERSONNEL CLASSIFICATION AND COMPENSATION PLAN COMMITTEE

The Uniform Personnel Classification and Compensation Plan Committee (commonly known as the ALC Personnel Subcommittee), is a standing subcommittee of the Legislative Council. It assists the General Assembly in performing its constitutional responsibility to establish the maximum number of state employees and officials, and to set their maximum annual salaries.

The jurisdiction of the Uniform Personnel Classification and Compensation Plan Committee is set forth in Section 5(a)(5) of the Rules of the Legislative Council, which states the following:

> "To this Committee shall be referred matters pertaining to the State Uniform Personnel Classification and Compensation Plan; matters pertaining to the adequacy of position classification and pay schedule of state agencies and institutions; consideration of matters which require Legislative Council advice in regard to the administration of the State Personnel Classification and Compensation Plan; other matters pertaining to the duties of the General Assembly to establish the maximum number of employees, and the maximum annual salaries of all officials and employees of state government."

## COMMITTEE JURISDICTION OVERVIEW

### 1. The Personnel Subcommittee reviews issues that relate to the Uniform Classification and Compensation Plan and matters pertaining to the adequacy of position classification and pay schedule of state agencies and institutions.

The plan is set out by the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201, *et seq.*), originally established by Act 199 of 1969.

The Uniform Classification and Compensation Act establishes classification titles and grades for state agencies that are covered by its provisions.

The Act also establishes for state agencies covered by the provisions of the Act a compensation plan for the setting of salaries and salary increases of all employees serving in positions covered by the Act. The pay plan as changed in Act 499 of 2025 has 6 distinct pay tables.

- State Government Services (SGS) – majority of state employees fall in this category.
- Medical (MED)
- Specialized Services (SPC) – certified and licensed professions like accountants, attorneys, engineers, etc.
- Law Enforcement (LES) – Includes the option to create a step plan for classifications within this table after approval by Legislative Council or the Joint Budget Committee.
- Information Systems and Technology (IST)
- Executive Pay (EXE)

As stated in A.C.A. 21-5-204 The Uniform Classification and Compensation Act does not apply to:

(1) the elected Constitutional Officers of this State and their employees;

(2) the General Assembly and its employees, including employees of the Bureau of Legislative Research of the Legislative Council and the Division of Legislative Audit;

(3) members and employees of the Supreme Court, the Arkansas Court of Appeals, the circuit and chancery courts, prosecuting attorneys, and the Administrative Office of the Courts;

(4) the Arkansas State Highway and Transportation Department; and

(5) federal military technicians, military training support personnel, federally funded personnel of the Arkansas National Guard, and other military personnel who are paid directly by the federal government.

(6) the Arkansas State Game and Fish Commission

(7) state supported Institutions of Higher Education

(8) Arkansas Development and Finance Authority (added through Act 944 of 2025)

**2. Reviews matters concerning the administration of the Classification and Compensation Plan which by law require Council review and/or approval, including the following types of personnel requests and reports.**

- special entry rates of compensation, both for Labor Market conditions and for Exceptionally Well Qualified applicants
- swap pool position authorization
- growth pool position authorization
- miscellaneous federal grant position titles
- position reassignment, moving positions from one division of a department to another division of the same department.
- labor market adjustments, and movements of incumbents to those rates, to avoid salary inequities caused by labor market rates
- various required reports from the Chief Fiscal Officer, Arkansas Dept of Education, Arkansas Dept of Higher Education, as well as the Quarterly Employment Report as combined based on monthly data submitted by each department, division, agency and institution
- the development and implementation of the policies, rules, regulations, and procedures necessary for the maintenance of the Uniform Classification and Compensation Act

**3. Reviews the establishment and implementation of any new classification titles and grades proposed between legislative sessions due to program changes, as well as any proposed changes to existing job descriptions.**

**4. Periodically reviews and recommends any changes found necessary in the job evaluation system that is used to set the salary grade levels for all classifications.**

## OFFICE OF PERSONNEL MANAGEMENT (OPM)

The Office of Personnel Management (OPM), as part of the Department of Shared Administrative Services per Act 499 of 2025 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 Secretary of the Department of Shared Administrative Services, it is the duty of the Office of Personnel Management to perform the following administrative responsibilities with respect to the state Classification and Compensation Act: 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 biennial personal services budget requests and prepares 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 or revise, when necessary, the current classifications, class specifications, and minimum requirements;
- create when necessary, new classifications at an appropriate grade level which will accurately describe those positions for which no appropriate classification exists;
- determine 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.

## TERMS AND PROVISIONS

All items are found in the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201, *et seq.*) or in the Office of Personnel Management Policies and Procedures which implement the Act, unless otherwise noted.

## ADDITIONAL POSITIONS

"Additional positions" are those that are in addition to the positions established in appropriation acts for state agencies and institutions. Additional positions may be established through the use of Miscellaneous Federal Grants, Growth and other pools. The Office of Personnel Management assigns any additional classified positions to an appropriate class for the work to be performed. For these positions to continue from one fiscal year to the next, they must be requested to continue during the interim, and must be requested again as new during the next legislative session so as to be added to the agency's appropriation act permanently.

## AGENCY

For purposes of the Uniform Classification and Compensation Act, "agency" means all agencies, authorities, departments, boards, commissions, bureaus, councils, or other agencies of the state supported by appropriation of state or federal funds, except those agencies excluded by the Classification and Compensation Act.

## ANNUAL LEAVE (Arkansas Code § 21-4-201, the Uniform Attendance and Leave Policy Act)

Any employee who works a minimum of 1,000 hours per year in a regular salary position accrues annual leave. Full time employees accrue leave at the rates shown below.

| Years of Employment | Monthly accrual | Annual accrual |
|---|---|---|
| Through 3 years | 1 Day | 12 Days |
| 4 through 5 years | 1 Day, 2 Hours | 15 Days |
| 6 through 12 years | 1 Day, 4 Hours | 18 Days |
| 13 through 20 years | 1 Day, 6 Hours | 21 Days |
| Over 20 Years | 1 Day, 7 Hours | 22.5 Days |

Employees who work less than full time but more than 1,000 hours per year accrue annual leave in the same proportion as time worked. For example, employees who work half time would receive half of the annual leave accrual shown on the timetable.

## CAREER SERVICE RECOGNITION PAYMENTS (Arkansas Code § 21-5-106)

Employees of state agencies become eligible for annual career service recognition payments upon completion of ten (10) or more years of service (either continuous or cumulative). Service must have been in either elected positions or regular full-time, classified or nonclassified positions. Periods of authorized leave without pay does not negate eligibility for the payment,

nor does leave of absence for military service when veterans' reemployment rights are exercised, provided all other eligibility requirements are met.

The Office of Personnel Management is responsible for the establishment and publication of policies and procedures for the administration of career service recognition payments to state employees upon a determination by the Chief Fiscal Officer of the State that sufficient funds are available for such purpose.

An employee who meets eligibility requirements becomes eligible for annual career service recognition payments on the anniversary date of the completion of such service according to the following schedule:

| Years of Service | Annual Payment |
|---|---|
| 10 through 14 years of state service | $800 |
| 15 through 19 years of state service | $1,000 |
| 20 through 24 years of state service | $1,200 |
| 25 or more years of state service | $1,500 |

**CLASS (or CLASSIFICATION)**

A “class” is a group of positions that are sufficiently similar in the duties performed, scope of discretion and responsibility, minimum requirements of training and experience or skill, the same test of fitness, and the same scale of compensation have been, or may be, applied to each position in the group.

The Uniform Classification and Compensation Act establishes classifications, titles, and grades for use in the classification plan. All classifications, titles and grades were reviewed analyzed and updated through Act 499 of 2025.

Each position within an agency, which is not specifically exempted by a line-item entry in the agency’s act, must be allocated to a class in the classification plan. Additional classified positions, approved for use by an agency but not included in the respective appropriation act, will be allocated to a class by the Office of Personnel Management. Each class in the classification system will be described by a class specification.

**CLASS CODES**

A “class code” is a six-character, alpha-numeric designation that is assigned to each class title authorized by the Classification and Compensation Act. The alpha characters for a class code represents the appropriate Job Families and Series’ designation based on the job duties.

| | | | |
|---|---|---|---|
| **Communication** | **= C** | Marketing | = MA |
| | | Media | = ME |
| | | Public Relations | = PR |
| | | Training | = TR |
| **Education** | **= E** | Early Childhood | = EC |
| | | Education Administration | = EA |
| | | Education Professional Services | = ES |
| | | Education Program Administration | = EP |
| | | Librarians | = LI |
| | | School Administration | = SA |
| | | Teachers & Faculty | = TF |
| **Executive** | **= E** | Executives | = EX |
| | | Secretaries | = SE |
| **Financial** | **= F** | Accountants | = AC |
| | | Auditors | = AU |
| | | Bank Financial Examiners | = BF |
| | | Budget | = BU |
| | | Fiscal Support | = FS |
| | | Grant Management | = GM |
| | | Insurance Financial Examiners | = IF |
| | | Investment | = IN |
| | | Rate Case Analysis | = RC |
| | | State Accountants | = SA |
| | | State Budget | = SA |
| **Human Resources** | **= H** | Benefits | = BE |
| | | Department HR | = DH |
| | | State Benefits | = SB |
| | | State Personnel | = SP |
| **Information Technology** | **= I** | Application Support | = AS |
| | | Data Administration | = DA |
| | | Data Analytics | = DN |
| | | Database Management | = DM |
| | | GIS | = GI |
| | | Infrastructure Support | = IS |
| | | IT Administration | = IA |
| | | IT Project Management | = IP |
| | | IT Security | = IE |
| | | State IT | = SI |
| | | User Support | = US |
| **Inspectors & Investigators** | **= I** | Environmental Health | = EH |
| | | Firing Range | = FR |
| | | Inspectors | = IN |
| | | Investigators | = IV |
| | | Labor Programs Management | = LP |
| | | Legal Support | = LS |
| | | Military Programs Management | = MP |
| | | Military Special Programs | = MS |
| **Legal** | **= L** | Attorneys | = AT |
| | | Public Defenders | = PD |
| **Lottery** | **= L** | Lottery | = LO |
| **Medical** | **= M** | Dental | = DE |

| | | | |
|---|---|---|---|
| | | Dietetics | = DI |
| | | Disability Medical | = DM |
| | | Health Administration | = HA |
| | | Health Scientist | = HS |
| | | Licensed Medical Professionals | = LM |
| | | Nurses | = NU |
| | | Pharmacists | = PA |
| | | Physicians | = PH |
| | | Psychologists | = PS |
| | | Rehabilitation | = RE |
| | | Veterinary | = VE |
| **Procurement** | **= P** | Procurement | = PR |
| | | State Procurement | = SP |
| **Program Operations** | **= P** | Administrative Support | = AS |
| | | Agriculture Programs | = AG |
| | | Aviation | = AV |
| | | Boards & Commissions Director | = BC |
| | | Child Support | = CS |
| | | Claims Administration | = CA |
| | | Claims Review | = CR |
| | | Commerce Program Management | = PE |
| | | Commerce Programs | = CO |
| | | Data/Research | = DA |
| | | Disability | = DI |
| | | Economic Development | = ED |
| | | Environmental Program Management | = EM |
| | | Environmental Programs | = EP |
| | | Health Programs Management | = HP |
| | | Health Specialties | = HS |
| | | Insurance Compliance | = IC |
| | | Program Eligibility | = PE |
| | | Public Broadcasting Management | = PB |
| | | Public Finance | = PF |
| | | Public Service Utility Regulation | = PU |
| | | Quality Assurance | = QA |
| | | Research & Quality Assurance | = RQ |
| | | Residential Care | = RC |
| | | Retirement | = RE |
| | | Revenue Programs | = RP |
| | | Risk Management | = RM |
| | | Shared Services Programs | = SS |
| | | Tax Auditors | = TA |
| | | Veterans Cemetery | = VC |
| | | Veterans Services | = VS |
| | | Workforce Development | = WD |
| **Recreation & Hospitality** | **= R** | Museums & Archives | = MA |
| | | Parks | = PA |
| | | Restaurant | = RE |
| | | Tourism | = TO |
| **Safety & Security** | **= S** | Agriculture Law Enforcement | = AL |
| | | Community Law Enforcement | = CL |

| | | | |
|---|---|---|---|
| | | Correctional Officers | = CO |
| | | Corrections Programs | = CP |
| | | Emergency Management | = EM |
| | | Firefighters | = FI |
| | | Forensics | = FO |
| | | Internal Affairs | = IA |
| | | Law Enforcement | = LE |
| | | Park Law Enforcement | = PL |
| | | Public Safety Support | = PS |
| | | Regulatory Law Enforcement | = RL |
| | | Security | = SE |
| | | State Police | = PO |
| **Sciences** | **= S** | Architects & Surveyors | = AS |
| | | Biologists | = BI |
| | | Chemists | = CH |
| | | Conservationists | = CN |
| | | Engineers | = EN |
| | | Epidemiology | = EP |
| | | Geologists | = GE |
| | | Laboratory | = LA |
| | | Physicists | = PH |
| **Social Services** | **= S** | Counseling & Mental Health | = CM |
| | | Social Services Programs | = SP |
| **Trades** | **= T** | Agricultural Trades | = AG |
| | | Applied Trades | = AT |
| | | Construction | = CO |
| | | Facility Management | = FM |
| | | Food Service | = FS |
| | | General Trades | = GT |
| | | Government Career Development | = GC |
| | | Groundskeeping | = GR |
| | | Health Trades | = HT |
| | | Housekeeping | = HO |
| | | Industrial Safety | = IS |
| | | Inventory & Warehouse | = IW |
| | | Maintenance | = MA |
| | | Skilled Trades | = ST |

## Job Description

“Job description" means a written document developed by the Office of Personnel Management that identifies a group of positions that have the same type of work and responsibility and states the general components by providing a class title, class code, distinguishing features and examples of work, knowledge, skills, and abilities, and the necessary minimum education and experience requirements to perform the assigned duties.

"Job family" means a category designation that identifies a group of related occupations.

"Job series" means a subcategory within a job family that identifies classifications with similar types of work or similar skills and knowledge. A job series designates the classifications eligible for career-path progression.

**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 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 Code states:

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

No employee shall be paid at a rate of pay higher than the maximum pay level in the grade assigned to his or her class, unless otherwise provided for in this subchapter.

However, an employee presently employed in a position who is being paid at a rate in excess of the maximum for his or her assigned grade may continue to receive his or her rate of pay.

It is the specific intent of the General Assembly to authorize, in the enactment of the compensation plans, 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 to pay increases unless the department head of the state agency or the institution determines that the employee, by experience, ability, and work performance, is eligible for the increase in pay authorized for the appropriate rate.

Pay levels established in this subchapter are for compensation management purposes and are not to be construed as a contract, right, or other expectation of actual employee salary determination.

The following grades and pay levels shall be the authorized effective July 1, 2025, and thereafter, for all positions of state agencies covered by this subchapter to which a classification title and salary grade have been assigned in accordance with this subchapter and the appropriation act of the state agency:

| State Government Services Pay Schedule | | | |
|---|---|---|---|
| Grade | Minimum | Midpoint | Maximum |
| SGS01 | $33,280 | $41,267 | $49,254 |
| SGS02 | $35,610 | $44,157 | $52,703 |
| SGS03 | $39,171 | $48,572 | $57,973 |
| SGS04 | $43,088 | $53,429 | $63,770 |
| SGS05 | $47,397 | $58,773 | $70,148 |
| SGS06 | $52,137 | $64,650 | $77,163 |
| SGS07 | $57,351 | $71,115 | $84,879 |
| SGS08 | $63,086 | $78,227 | $93,367 |
| SGS09 | $69,395 | $86,050 | $102,705 |
| SGS10 | $76,335 | $94,656 | $112,976 |
| SGS11 | $83,969 | $104,122 | $124,274 |
| SGS12 | $92,366 | $114,534 | $136,702 |

| Law Enforcement & Safety Pay Schedule | | | |
|---|---|---|---|
| Grade | Minimum | Midpoint | Maximum |
| LES01 | $46,223 | $57,317 | $68,410 |
| LES02 | $50,845 | $63,049 | $75,251 |
| LES03 | $55,930 | $69,354 | $82,776 |
| LES04 | $61,523 | $76,289 | $91,054 |
| LES05 | $67,675 | $83,918 | $100,159 |
| LES06 | $74,443 | $92,310 | $110,175 |
| LES07 | $81,887 | $101,541 | $121,193 |
| LES08 | $90,076 | $111,695 | $133,312 |
| LES09 | $99,084 | $122,865 | $146,643 |
| LES10 | $108,992 | $135,152 | $161,307 |
| LES11 | $119,891 | $148,667 | $177,438 |
| LES12 | $131,880 | $163,534 | $195,182 |

| Medical Pay Schedule | | | |
|---|---|---|---|
| Grade | Minimum | Midpoint | Maximum |
| MED01 | $47,820 | $59,297 | $70,774 |
| MED02 | $53,558 | $66,412 | $79,266 |
| MED03 | $59,985 | $74,381 | $88,778 |
| MED04 | $67,183 | $83,307 | $99,431 |
| MED05 | $75,245 | $93,304 | $111,363 |
| MED06 | $84,274 | $104,500 | $124,726 |
| MED07 | $94,387 | $117,040 | $139,693 |
| MED08 | $105,713 | $131,084 | $156,455 |
| MED09 | $118,399 | $146,815 | $175,231 |
| MED10 | $132,607 | $164,433 | $196,258 |
| MED11 | $148,520 | $184,165 | $219,810 |
| MED12 | $166,342 | $206,264 | $246,186 |
| MED13 | $186,303 | $231,016 | $275,728 |
| MED14 | $208,659 | $258,737 | $308,815 |
| MED15 | $233,698 | $289,786 | $345,873 |
| MED16 | $261,742 | $324,560 | $387,378 |

| Information Systems & Technology Pay Schedule | | | |
|---|---|---|---|
| Grade | Minimum | Midpoint | Maximum |
| IST01 | $41,265 | $54,296 | $67,327 |
| IST02 | $45,392 | $59,726 | $74,060 |
| IST03 | $49,931 | $65,699 | $81,466 |
| IST04 | $54,924 | $72,269 | $89,613 |
| IST05 | $60,416 | $79,496 | $98,574 |
| IST06 | $66,458 | $87,446 | $108,431 |
| IST07 | $73,104 | $96,191 | $119,274 |
| IST08 | $80,414 | $105,810 | $131,201 |
| IST09 | $88,455 | $116,391 | $144,321 |
| IST10 | $97,301 | $128,030 | $158,753 |
| IST11 | $107,031 | $140,833 | $174,628 |
| IST12 | $117,734 | $154,916 | $192,091 |
| IST13 | $129,507 | $170,408 | $211,300 |
| IST14 | $142,458 | $187,449 | $232,430 |
| IST15 | $156,704 | $206,194 | $255,673 |

| Specialized Services Pay Schedule | | | |
|---|---|---|---|
| Grade | Minimum | Midpoint | Maximum |
| SPC01 | $58,700 | $72,788 | $86,876 |
| SPC02 | $64,570 | $80,067 | $95,564 |
| SPC03 | $71,027 | $88,074 | $105,120 |
| SPC04 | $78,130 | $96,881 | $115,632 |
| SPC05 | $85,943 | $106,569 | $127,195 |
| SPC06 | $94,537 | $117,226 | $139,915 |
| SPC07 | $103,991 | $128,949 | $153,907 |
| SPC08 | $114,390 | $141,844 | $169,298 |
| SPC09 | $125,829 | $156,028 | $186,228 |
| SPC10 | $138,412 | $171,631 | $204,851 |
| SPC11 | $152,253 | $179,659 | $207,064 |

| Executive Pay Schedule | | |
|---|---|---|
| Grade | Minimum | Maximum |
| EXE01 | $141,125 | $191,930 |
| EXE02 | $155,238 | $211,123 |
| EXE03 | $170,762 | $232,235 |
| EXE04 | $187,838 | $255,459 |

It is the intent of the General Assembly that the compensation plans in this section shall be implemented and function in compliance with other provisions in this subchapter, the Regular Salary Procedures and Restrictions Act, § 21-5-101, and other fiscal control laws of this state, when applicable.

Except as provided in subdivision (g)(2) of this section, a payment of salaries shall not be made except in conformity with the maximum pay level assigned to these grades for each year as provided in the appropriation act of the state agency or in this subchapter.

With approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee:

The Governor may establish the salary of a Department Secretary that is up to fifty percent (50%) above the maximum pay level for the grade assigned to the classification; and

A new subsection was added to section of code under the new Uniform Class and Comp Act that went into effect July 1, 2021. The new section provides OPM the ability to pay “Specialized Physicians” up to 50% over the maximum of their grade upon approval of ALC.

Salaries established by this section may exceed the maximum pay level for the grade assigned to the classification by no more than twenty-five percent (25%) for no more than ten percent (10%) of the positions authorized in the state agency’s appropriation act.

It is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee as provided by this subsection.

The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval is found unconstitutional by a court of competent jurisdiction, the entire section is void.

The compensation plan and pay tables shall be reviewed by the Office of Personnel Management before each regular session of the General Assembly.

## MERIT INCREASE PAY SYSTEM

The “Merit Increase Pay System” incorporates pay and performance evaluation standards according to § 21-5-1001 et seq. and establishes criteria for salary increases based on employee performance evaluations. The Office of Personnel Management has developed and implemented processes for Performance Evaluation standards. Merit payments are paid as a base salary increase to the employee.

## COMPENSATION DIFFERENTIALS (Arkansas Code § 21-5-221)

To address specific employee compensation needs not otherwise provided for in this subchapter, a state agency may pay additional compensation for current employees in specific positions or for classifications of positions assigned to a compensation plan authorized by the General Assembly for one (1) or more compensation differentials.

Authorization for one (1) or more compensation differentials may be approved if the:

(A) Agency has documented the need for a compensation differential for specified positions or classifications;

(B) Agency submits a plan of the terms and conditions for eligibility that must directly address the needs of the targeted positions or classifications for any requested compensation differential;

(C) Cost of implementing and maintaining a compensation differential is within the agency's existing appropriation and shall not be implemented using funds specifically set aside for other programs within the agency or institution; and

(D) Compensation differential plan has been approved by the Office of Personnel Management after review by the Personnel Committee of the Legislative Council.

Any compensation differential authorized under this section shall be renewed each fiscal year.

## CLASSIFICATION REALIGNMENT

A Classification Realignment means a temporary change of a classification assigned to an appropriated position with a different job series or job family. This was formerly known as a “crossgrade”, and is used as needed by agencies when they utilize a different title than was authorized by the General Assembly. OPM must approve the realignment prior to the agency using the position.

## EMPLOYEE

An “employee” is a person who is regularly appointed or employed in a position of state service by a state agency or institution of higher education for which he or she is compensated on a full-time basis and for which a class title and pay grade is established in the appropriation act for such agency or institution in accordance with the Classification and Compensation Plan.

## EXTRA HELP

A position authorized as "Extra Help" by the General Assembly is to be used for payment of all salaries and compensation of part-time or temporary employees, as authorized by law, who are employed 1,500 hours per year or less.

The number and rates of pay for Extra Help employees cannot exceed, at any one time, those established by law for regular salaries for comparable services for the agency having such appropriation for extra help. This provision is in force unless specifically provided for by the agency’s appropriation act.

Agencies must assign a valid class code to all Extra Help positions occupied by an employee. Class codes assigned to Extra Help positions must correspond to the codes authorized for the agency’s regular positions and be consistent with the job duties assigned to the employee in that position. Rates of pay for Extra Help employees must not exceed those provided in the Uniform Classification and Compensation Act for the appropriate classification.

An employee transferring from an Extra-Help to a regular position must be placed at the minimum rate of pay for the assigned classification with the following exceptions:

- the classification has a current labor market special entry rate;
- the applicant has been approved for an exceptionally well-qualified special entry rate;
- the applicant’s adjustment is based on prior state service in a regular position; and
- the Office of Personnel Management has granted an exception due to special circumstances.

## JOB FAMILY

A “Job Family” is a grouping of jobs within an occupational group of similar work, embracing a hierarchy of classes and/or class series. An example is the accounting services job family which includes accounting/finance managers and supervisors, accountants, and accounting clerks.

## JOB SHARING

“Job Sharing” is a form of employment in which the hours of work of two (2) or more persons are arranged to cover a single regular full-time, or extra help salary position. The Office of Personnel Management may authorize job sharing for all regular full-time or extra help salary positions, whether permanent or temporary. Any regular full-time or extra help salary position may be job shared. The number of hours worked between the two part-time employees cannot exceed the number of hours a full-time employee would work in the same position.

## MINIMUM QUALIFICATIONS

“Minimum Qualifications” statements in the class specification are summaries of the education and experience or other qualifications determined to be necessary to provide the knowledge, abilities and skills required for job performance at a satisfactory level upon entry of the employee to the class.

Applicants for vacant positions are required to meet the minimum qualifications as stated on the class specification for the class they are to be assigned, unless a substitution of qualifications has been approved. Substitutions of an applicant’s education and/or experience for the minimum qualifications may be authorized by the Office of Personnel Management.

The Office of Personnel Management, with the review of the Arkansas Legislative Council, may revise the minimum qualifications statements as necessary in order to maintain a valid relationship between the minimum qualifications and the duties and responsibilities described by the class specification.

Agency Directors must certify that the qualifications of persons appointed or promoted to positions within an agency meet or exceed the minimum qualifications as stated on the class specification.

## POSITION

A “Position” is employment in an agency, occupied or vacant, involving duties requiring the services of one (1) or more persons. The maximum number of positions for each agency is established by the respective appropriation acts. A unique position control number is assigned to each position authorized for the agency.

## MISCELLANEOUS FEDERAL GRANT POSITIONS (Arkansas Code § 19-7-501)

If new or additional federal funds become available or if new federal programs are initiated which were not previously anticipated, the head of the state agency may request one or more additional salary positions that are called “Miscellaneous Federal Grant” (MFG) positions.

The salary rates of MFG positions cannot exceed the highest maximum annual salary rate or the highest grade level of positions authorized for the agency by their current appropriation act, as governed by the Uniform Classification and Compensation Act.

Those agencies or institutions exempt from the Uniform Classification and Compensation Act may not establish positions at salary rates exceeding the maximum established in the salary schedule of their appropriation act for comparable positions.

In no event can the MFG positions exceed the maximum number of positions authorized in the agency or institution appropriation act.

If the General Assembly fails to appropriate funds for any MFG positions, the authorizations for the positions will end on June 30 following the adjournment of the regular session of the General Assembly, and the state no longer will participate in such program.

## POOL POSITIONS (Arkansas Code § 21-5-225)

“Pool Positions” are positions authorized to enable agencies to meet unanticipated needs during the interim between sessions of the General Assembly.

Arkansas Code § 21-5-225 establishes a pool of 500 positions assigned to the Office of Personnel Management. These positions are to be used to reclassify positions in state agencies and institutions, when justified, to the proper classification and grade when the agency does not have a vacant position available with the appropriate classification and grade. This is generally referred to as the OPM “Swap Pool”.

To obtain a position from the pool, an agency must surrender to the pool the position being reclassified. The Office of Personnel Management reviews all requests for pool positions and may grant approval of the reclassification after seeking the review of the Legislative Council.

The code also establishes a pool of 250 positions assigned to the Office of Personnel Management to be used to establish additional positions when the agency does not have a vacant position available with the appropriate classification and grade. This is generally referred to as the “Central Growth Pool”.

There are fifty (50) positions available to establish temporary positions when an agency does not have sufficient positions available with the appropriate classification and grade to address organizational transition issues such as succession planning or other changes in agency administration. These are referred to as the Transitional Pool.

Agencies exempt from the Classification and Compensation act through § 21-5-204 have access to 20 growth pool positions to meet any unexpected needs that may arise during the interim. These positions, like any other pool position, are to be reviewed by Personnel Committee and Legislative Council.

**SALARY ADMINISTRATION GRIDS (Arkansas Code § 21-5-222)**

A state agency may request that a salary administration grid be approved for specific classifications of positions assigned to the approved pay tables. The terms and conditions of the proposed grid must address the needs of the targeted positions. Grids must be approved by the Chief Fiscal Officer and reviewed by the Personnel Committee before implementation.

The cost of implementing and maintaining a salary administration grid must be within the agency's existing appropriation and the implementation does not use funds specifically set aside for other programs within the agency or institution.

An approved salary administration grid shall be used for establishing a starting salary for an employee in an individual position and a person hired above the entry pay level shall meet or exceed the minimum qualifications for the job classification.

A plan of implementation and salary progression must be approved by the Office of Personnel Management on a biennial basis.

## SHIFT DIFFERENTIAL (Arkansas Code § 21-5-220)

Agencies and institutions which routinely schedule more than one work shift per day may pay employees a “Shift Differential”, an additional amount added to the base rate of pay for working non-standard hours.

Removal from Shift: When an employee has been on the late shift and has been receiving the shift differential pay and is removed from shift work or reassigned to a normal shift, the employee’s salary will revert to the former rate of pay on the day of the change.

## SPECIAL RATES OF PAY

Special rates of pay may be authorized to attract employees to state service where it has been demonstrated that market conditions make it difficult to recruit at the normal entry rate, recruit and retain competent employees and compensate employees who have taken on additional duties due to the elimination of other positions.

The office may establish Compensation Rate Adjustments of up to 40% over the entry rate of the assigned grade. Any Compensation Rate Adjustment above 40% must be approved by ALC or the Joint Budget Committee if in session.

The Office of Personnel Management shall file a report of all salary increases established under this subsection with the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, at the next regularly scheduled meeting following the approval for review.

## SPECIAL COMPENSATION RATES AND RECRUITMENT INCENTIVES

State agencies and departments may provide special compensation awards to employees for outstanding performance in completing significant projects or job assignments. Employees may receive up to a $5,000 bonus or 40 hours of leave.

State agencies and departments may also offer recruitment incentives to perspective employees. Recruitment incentives may include up to a $5,000 bonus or 40hours of leave. Employees may be required to repay recruitment incentives back if they do not complete a required length of tenure, either by resignation or termination.

Each agency must request and receive approval by Legislative Council of their incentive plan prior to offering or paying any incentive.