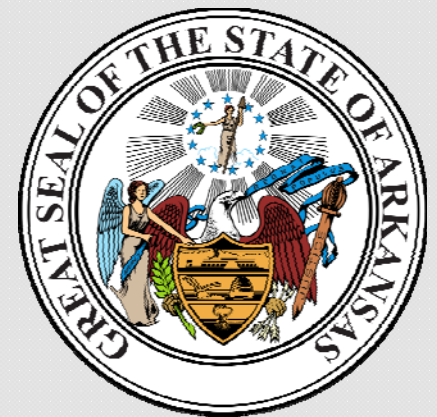


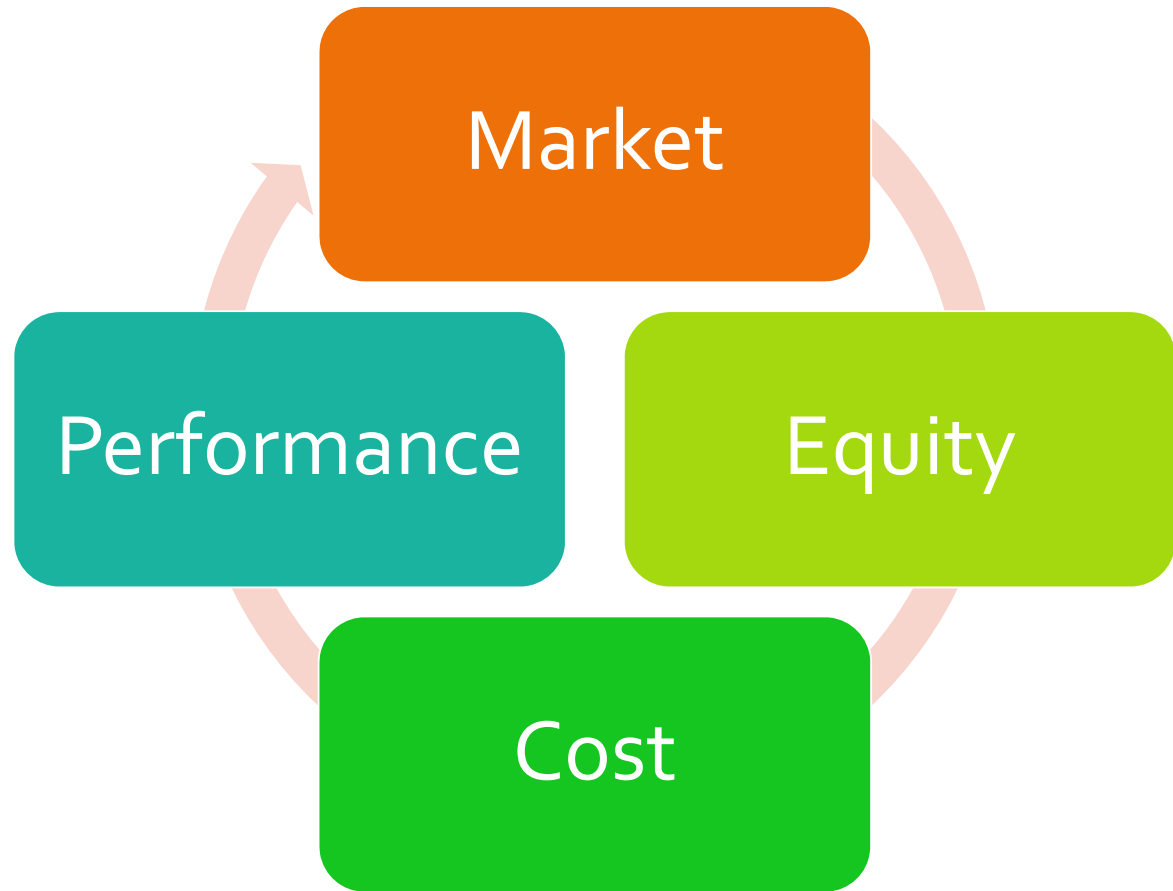
Proposed Compensation & Classification Plan FY18

Office of Personnel Management

Arkansas Department of Finance & Administration



Factors
Considered



Current Limitations

- Labor market has changed considerably since 2009
- Inability to move across the pay plan
- Inflexible—no agency director discretion
- Encourages people to promote to jobs they're unsuited for in order to get a raise
- No real mechanism for pay increases due to increased duties
- No way to adjust pay after demonstrated performance

Compensation Plans

Current

- Career Service
 - 30 Grades
- Professional & Executive
 - 22 Grades

Proposed

- General Salary
 - 15 Grades
- Senior Executive
 - 5 Grades
- Medical Professions
 - 10 Grades
- Information Technology
 - 12 Grades

General Salary Plan

- Most employees will be on this pay plan
- Exempt line under new FLSA rules falls near middle of this plan
- Classifications requiring college degrees start at GS6
- Many prior N jobs included

Grade	Min	Mid	Max
GS1	\$22,000	\$26,950	\$31,900
GS2	\$23,335	\$28,585	\$33,835
GS3	\$26,034	\$31,892	\$37,749
GS4	\$29,046	\$35,581	\$42,116
GS5	\$32,405	\$39,696	\$46,987
GS6	\$36,155	\$44,290	\$52,424
GS7	\$40,340	\$49,417	\$58,493
GS8	\$45,010	\$55,137	\$65,264
GS9	\$50,222	\$61,522	\$72,821
GS10	\$56,039	\$68,648	\$81,256
GS11	\$62,531	\$76,600	\$90,669
GS12	\$69,776	\$85,476	\$101,175
GS13	\$77,862	\$95,381	\$112,899
GS14	\$86,887	\$106,437	\$125,986
GS15	\$96,960	\$118,776	\$140,592

Senior Executive Plan

- Mirrors federal pay practice for agency executives
- Mostly comprised of former unclassified positions

Grade	Min	Max
SE1	\$108,110	\$147,200
SE2	\$120,543	\$157,100
SE3	\$134,406	\$167,000
SE4	\$149,862	\$181,500
SE5	\$167,096	\$201,700

Medical Professions Plan

- Market-driven plan
- Includes:
 - Nurses at RN or higher
 - Physicians
 - Pharmacists
 - Dentists
 - Medical Specialists
- UAMS and Central Arkansas hospitals considered chief labor market competitors

Grade	Min	Mid	Max
MP1	\$63,830	\$75,958	\$88,058
MP2	\$71,403	\$85,683	\$99,964
MP3	\$79,879	\$96,654	\$113,428
MP4	\$89,368	\$109,029	\$128,690
MP5	\$99,991	\$122,989	\$145,987
MP6	\$111,884	\$138,736	\$165,588
MP7	\$125,200	\$156,500	\$187,800
MP8	\$140,109	\$176,537	\$212,966
MP9	\$156,804	\$199,140	\$241,478
MP10	\$175,620	\$224,033	\$270,455

Information Technology Plan

- Market-driven plan
- Many states now including IT-specific pay plans in order to compete for IT talent
- Plan objectives:
 - Recruit and retain top IT talent
 - Reduce the number and cost of contracted IT staff at agencies

Grade	Min	Mid	Max
IT1	\$33,403	\$40,918	\$48,434
IT2	\$37,266	\$45,650	\$54,035
IT3	\$41,578	\$50,933	\$60,288
IT4	\$46,391	\$56,829	\$67,266
IT5	\$51,762	\$63,408	\$75,054
IT6	\$57,755	\$70,750	\$83,745
IT7	\$64,445	\$78,945	\$93,445
IT8	\$71,704	\$87,837	\$103,970
IT9	\$80,242	\$98,297	\$116,351
IT10	\$89,541	\$109,688	\$129,834
IT11	\$99,920	\$122,402	\$144,884
IT12	\$111,504	\$136,592	\$161,680

Employee/ Agency Impact

- Approximately 54% of current employees would move to new minimums as a result of plan
- Only about 3% of current employees would be “red circled”—salary above the new maximum
 - Average years of service for red-circled employees:
 - 28.9 Years

Cost to
Minimum:
~\$56.3M
\$22M GR

General Salary

- ~\$43M
- \$16.7M GR
- 24,156 FTEs

Medical Professions

- ~\$8.0M
- \$3.1M GR
- 922 FTEs

Information Technology

- ~\$4.6M
- \$1.8M GR
- 691 FTEs

Senior Executive

- ~\$930K
- \$360K GR
- 138 FTEs

Largest Costs to Minimum by Classification

Title	Cost to Min	FY16 Turnover
Program Eligibility Specialist	\$5,800,000	16%
Registered Nurse	\$5,800,000	27%
DWS Workforce Specialist	\$2,800,000	12%
Family Service Worker	\$1,950,000	25%
Health Services Specialist II	\$1,600,000	18%
Administrative Specialist II	\$1,500,000	19%
ADC/DCC Correctional Officer I	\$1,100,000	41%
Administrative Specialist III	\$1,000,000	13%
Residential Care Technician	\$925,000	28%
Residential Care Assistant	\$825,000	61%

Movement Across Pay Plan

- Replace current vertical movement between grades with horizontal movement along grades
- Reinstitute merit increases as opposed to merit bonuses
- Career service payments may be added to base pay
- Evaluate pay tables regularly

Movement July 1, 2018

- All employees will receive either 1% or movement to new minimum, whichever is greater



Questions?

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Office of Personnel Management