



# Department of Transformation and Shared Services Office of Personnel Management

**Policy Title:** Classification and Compensation Overview

**Policy Number:** 1

**Authority:** Ark. Code Ann. §§ 21-5-201 through 207

**Effective Date:** July 1, 2024

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All positions within cabinet-level departments, state agencies, boards, commissions, bureaus, councils, or other agencies of the state supported by appropriation of state or federal funds are governed by the Uniform Classification and Compensation Act (Class and Comp Act). The Class and Comp Act establishes both the classifications and the compensation system, including eligibility for salary adjustments and differentials. Cabinet-level departments and state agencies must follow the Class and Comp Act unless they have special language or other legislative approval that allows for deviation from the Class and Comp Act. The Class and Comp Act is administered by the Office of Personnel Management (OPM) within the Department of Transformation and Shared Services acting under the authority granted in Arkansas law and subject to the direction of the Secretary of the Department of Transformation and Shared Services.

The following definitions apply to the terms used throughout OPM policy, unless otherwise defined:

1. **Secretary:** Executive head of a cabinet-level department appointed by the Governor and subject to Senate confirmation.
2. **Agency director:** The executive head of all agencies, authorities, departments, boards, commissions, bureaus, councils, or other agencies of the state.
3. **Cabinet-level department:** One of the following 15 executive agencies designated to provide state services and provide direct reports to the Governor:
  - a. Department of Agriculture
  - b. Department of Commerce
  - c. Department of Corrections
  - d. Department of Education
  - e. Department of Energy and Environment
  - f. Department of Finance and Administration
  - g. Department of Health
  - h. Department of Human Services
  - i. Department of Inspector General
  - j. Department of Labor and Licensing
  - k. Department of the Military
  - l. Department of Parks, Heritage, and Tourism
  - m. Department of Public Safety
  - n. Department of Transformation and Shared Services; and
  - o. Department of Veteran Affairs.
4. **Class or classification:** A group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training and experience or skill, and other characteristics that the same title, the same test of fitness, and the same scale of compensation have been or may be applied to each position in the group.



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5. **Class specification:** A written document which 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.
  6. **Crossgrade:** A temporary reclassification of a position during the fiscal year. OPM may authorize a temporary change in the classification of a position from the classification authorized in a cabinet-level department or agency appropriation act between legislative sessions to assure correct classification.
  7. **Demotion:** The change in duty assignment of an employee from a position in one classification to a position in another classification of a lower pay grade within the same pay table.
  8. **Employee:** A person employed in a legislatively authorized position either on a full or part-time basis by a cabinet-level department or state agency. A class title and pay grade must be established in the cabinet-level department's or state agency's appropriation act.
  9. **Entry pay level:** The minimum entrance salary rate for a grade established on a pay table.
  10. **Extra help employee:** A person employed in an extra help position. Extra help employees may not exceed 1,500 hours worked in a fiscal year unless otherwise specified in an appropriation act or law.
  11. **Grade:** An authorized pay range established in the Class and Comp Act.
  12. **Job description:** A written document that identifies the duties and responsibilities of a specific position. A job description is not a class specification, but rather describes the tasks involved in a single position.
  13. **Job sharing:** A form of employment, approved by OPM, in which the hours of work of two (2) or more persons are arranged in which the work hours of two (2) people are arranged to cover a single, regular, full-time position.
  14. **Maximum pay level:** The highest authorized salary rate for a grade established on a pay table.
  15. **Midpoint pay level:** The rate of pay midway between the entry pay level and the maximum pay level established for each pay table.
  16. **Pay table:** The grades and pay ranges assigned to one of the General Salaries, Information Technology, Medical Professional, and Senior Executive tables.
  17. **Position:** Employment that is legislatively authorized in a cabinet-level department or state agency, occupied or vacant, requiring the services of one (1) full-time equivalent employee.
  18. **Promotion:** The change in duty assignment of an employee from a position in one classification to a position in another classification of a higher salary grade within the same pay table.



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19. **Reclassification of a position:** A change in the assignment of a position from one classification title to another, or when an employee is assigned to a title that more accurately reflects his/her job functions and responsibilities.
20. **Reduction in force:** A procedure that eliminates positions due to a cabinet-level department's or state agency's change in organizational structure, budgetary reductions, loss of functional responsibility, loss of federal funding, grants, or other special funds.
21. **Special entry rates:** Rates of pay approved above the entry level of a pay grade.
22. **State Personnel Administrator:** The State Personnel Administrator, or Director, of OPM.
23. **Transfer:** A change in the duty assignment of an employee from one position to another position in the same classification or between pay tables.

The following entities are exempt from the Class and Comp Act:

1. Constitutional Officers and their employees;
2. The General Assembly and its employees, including employees of the Bureau of Legislative Research and the Division of Legislative Audit;
3. Members and employees of the Supreme Court, the Court of Appeals, circuit courts, prosecuting attorneys, and the Administrative Office of the Courts;
4. The Arkansas Department of Transportation;
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; and
7. State-supported institutions of higher education.

During each legislative session, the General Assembly authorizes cabinet-level departments and state agencies with a specified number of positions in their appropriation act. Each position is assigned a job title, classification code (job code), and grade. Unless otherwise provided, salaries for each position must be made in accordance with the Class and Comp Act. Refer to [OPM Policy #3](#) for more information about the established grades and pay tables.

Positions in the classification system are generally described by a class specification which includes a summary of the overall job functions, a listing of typical job functions, a list of knowledge, skills and abilities, and minimum qualifications. The class specification will also contain any required licensures or certifications.

### Duties of Legislative Council

1. Review the establishment and implementation of new classification titles proposed between legislative sessions due to program changes;



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2. Review the staffing levels of all agencies and submit to the General Assembly for revisions, modifications, or additions;
  3. Conduct salary surveys of the private and public sector for comparable jobs to establish equitable and competitive rates for employees; and
  4. Review the job evaluation system used to set salary grade levels and recommend changes to OPM.

### Duties of OPM

OPM is responsible for administering and maintaining the statewide classification and compensation plan including:

1. Developing and maintaining written class specifications based on the duties and responsibilities assigned to the positions and the requirements necessary to satisfactorily perform the duties;
2. Assuring all positions assigned to agencies adhere to the laws governing the statewide classification and compensation system;
3. Assisting all other state agencies, departments, boards, commission or institutions that are not covered by the statewide classification and compensation system which may choose to voluntarily establish its positions into classifications in a like manner as the statewide system;
4. When determined necessary, authorizing the reclassification of positions having substantial changes in the duties and responsibilities assigned to the position;
5. Reviewing and monitoring the effectiveness of the statewide classification and compensation plan and submitting recommendations for revisions, modifications, or additions to the Governor and the Joint Budget Committee of the Legislative Council in advance of the general and fiscal sessions;
6. Developing and implementing uniform personnel policies and procedures;
7. Establishing a procedure for reviewing an applicant's qualifications that do not meet or exceed the position's required minimum qualifications, but that may substitute for the required qualifications;
8. Monitoring agency's personnel transactions;
9. Reviewing and processing the payroll of cabinet-level departments and state agencies;
10. Establishing new classifications at an appropriate grade level to meet new or changed conditions;
11. Reviewing the class specification in order to ensure the accuracy or the description of the assigned duties and minimum requirements necessary to perform these duties to maintain a valid relationship between the requirements and the duties and responsibilities of the job;
12. Administering and maintaining the performance evaluation system;
13. Assisting agencies in identifying, developing, and maintaining training and resource programs;
14. Developing and implementing rules to ensure a uniform personnel administration system;
15. Reviewing and approving both the classification and number of positions for each agency on a biennial basis and providing a recommendation to Legislative Council;
16. Reviewing and recommending changes to a cabinet-level department's or state agency's personnel policies, including disciplinary policies; and
17. Establishing the state training program, including developing course material and presenting to state employees.