

Office of Personnel Management

Policy

Policy Title: Labor Market Rate of Pay	Policy Number: 20.09
Citation: Arkansas Code Annotated § 21-5-214	Forms: Special Entry Rate Request—Labor Market Conditions

Purpose

Arkansas law allows for agencies and institutions to obtain a higher rate of pay for a classification when they have successfully demonstrated they are unable to hire and retain employees in this classification.

Specific Provisions

A state agency or institution may request a special rate of pay to hire a new employee for a specific classification due to prevailing labor market rates. Agencies and institutions may hire an employee at a salary level up to and including the midpoint pay level of the appropriate pay grade of a specific classification with the written approval of the Chief Fiscal Officer of the State. Agencies and institutions may hire an employee at a salary level up to the maximum pay level of the appropriate grade with the approval of the Office of Personnel Management (OPM) after review by the Personnel Committee of the Legislative Council.

Labor market rates may be approved based on following conditions:

1. Prevailing market rates of pay for a specific classification are such that the state agency or institution is unable to competitively recruit at the entry pay level for the grade assigned to the classification;
2. An acute shortage of qualified applicants for a specific classification exists;
or
3. To meet any requirements of the Fair Labor Standards Act.

If a special rate of pay has been approved for a specific classification due to prevailing market rates of pay or an acute shortage of qualified applicants, current employees within the state agency or institution assigned to the affected classification may be adjusted to the new approved rate of pay by the state agency or institution upon written approval by the Chief Fiscal Officer of the State.

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Agencies or institutions seeking approval of a labor market rate should submit their request to OPM on the Special Entry Rate Request—Labor Market Conditions form. In addition to the submission of this form, the agency or institution should include information demonstrating their difficulty in recruiting for the classification, the actual shortage of individuals for the classification, and the difficulty in retention of individuals in the classification. If the agency or institution has information regarding comparable salaries for this classification with local, state, or national organizations, this information should also be included with the request.

All labor market rates are effective for the fiscal year in which the request is made although the request may be submitted at any time during a fiscal year. Agencies, institutions, boards, and commissions must submit continuing or new labor market requests to OPM prior to the start of a new fiscal year for approval by the CFO and/or the Personnel Committee of the Legislative Council.

January 13, 2011