

The University of Central Arkansas Board of Trustees convened in a called teleconference meeting at 2:00 p.m., Thursday, June 2, 2016, with the following officers and members present:

Chair:	Ms. Shelia Vaught
Vice Chair:	Ms. Elizabeth Farris
Secretary:	Mr. Joe Whisenhunt
	Mr. Victor Green
	Ms. Kay Hinkle
	Mr. Brad Lacy

Mr. Bunny Adcock was absent.

ACTION AGENDA

At the meeting on May 23, 2016, the Board of Trustees approved a lump-sum, year-end bonus to all employees (faculty, non-classified staff and classified staff) of \$500, to be paid on June 30, 2016. In addition, as part of the FY 2017 budget, the board also approved a 2% cost-of-living adjustment (COLA) for all employees (faculty, non-classified staff and classified staff).

It has now been determined that the COLA for classified employees at UCA cannot be paid because the FY 2017 balanced budget for the State of Arkansas does not include any provision for a COLA for state employees. Because of this, the administration has reviewed the budgets for FY 2016 and FY 2017, as well as the letter from Mr. Larry W. Walther, Director of the Department of Finance and Administration (DF&A), authorizing a year-end bonus for state employees of 1.5%; 3%; or 4.5%, depending on the employees' evaluations.

Based on this review, the administration proposes that (a) the \$500 year-end bonus and 2% COLA for faculty and non-classified staff remain in place, and (b) the \$500 bonus and 2% COLA for classified staff be rescinded and replaced with a year-end bonus to be calculated pursuant to the percentages set forth in a letter dated April 27, 2016, from DF&A Director Larry W. Walther. In addition, the administration will hold the sums for the 2% COLA for FY 2017 for classified staff in a special contingency reserve, with such funds to be paid to classified staff, if and when the State authorizes such COLA to be paid.

The budget cost associated with these proposed changes would be to increase the year-end payment by approximately \$457,000 if all classified employees received the highest percentage on their evaluations. The FY 2017 budget will then have \$362,000 (the salaries and benefits of a 2% COLA for classified staff) placed in a special contingency reserve fund.

The following resolution was unanimously approved upon motion and second:

“BE IT RESOLVED: That the \$500 year-end bonus for FY 2016 and the 2% cost-of-living adjustment for FY 2017 for classified staff is hereby rescinded; that the administration is authorized to pay year-end bonuses to classified staff for FY 2016 based upon the merit bonus authorization set forth in the April 27, 2016, letter from Larry W. Walther, Director of the Department of Finance and Administration; and that for FY 2017, any funds budgeted for salaries and benefits for a 2% COLA for classified staff shall be held in a special contingency reserve, and shall be paid if and when such sums are authorized to be paid under Arkansas law to classified staff.”

ADJOURNMENT

There being no further business to come before the board, the meeting was adjourned upon motion by Kay Hinkle and second by Victor Green.

**The University of Central
Arkansas Board of Trustees**

**Shelia Vaught
Chair**

**Joe Whisenhunt
Secretary**



STATE OF ARKANSAS
**Department of Finance
and Administration**

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TO: All State Agency Directors, Boards, Commissions, Presidents/Chancellors of state supported institutions of Higher Education and Personnel/Payroll Representatives

FROM: Larry W. Walther, Director *LWW*

SUBJECT; Merit Lump Sum Payments

DATE: April 27, 2016

Governor Hutchinson has determined that employee performance merit bonuses will be awarded for Fiscal Year 2016. Agency salary savings along with sufficient funds in the Merit Adjustment fund allow for these bonuses.

Merit bonuses will be awarded to employees based on the following percentages for each of the performance categories:

Exceeds Standards	4.5%
Above Average	3.0%
Satisfactory	1.5%

Merit payments will be awarded to all eligible employees, including those in the Career Service, Professional/Executive, and Unclassified positions. All evaluations must be completed and entered in to the AASIS system by June 16, 2016 and employees will receive these bonuses in their June 24th paycheck.

Governor Hutchinson has also ordered the Department of Finance and Administration – Office of Personnel Management to conduct a comprehensive review of current pay plans and personnel policies. This review will result in the development of new, more-competitive pay plans and streamlined policies which will be implemented by July 2017 for the 2018 fiscal year. More competitive and efficient pay plans will lead to better compensation for state employees while also improving overall efficiency of operations and the quality of service provided to the citizens of Arkansas.