

DRAFT RECORD

PERSONNEL COMMITTEE

8.20.2014, 9:00 a.m., Little Rock Headquarters

The meeting was called to order by Commissioner Scott, who noted the presence of members Commissioners Baldrige and Streett. ALC Chairman Campbell and Commissioner Hammons, Frazier and Engstrom were also present. Staff members present included Director Woosley and Internal Auditor Brown, as well as Block, Basham, Vick and others.

Commissioner Scott called the meeting to order. The first order of business was approval of the draft record of the meeting held on July 16, 2014. Commissioner Baldrige made a motion to approve the record, the motion was seconded by Commissioner Streett, and the record was approved unanimously.

Commissioner Scott recognized Director Woosley for an update on open positions. Referring to the ALC Position Authorization Roster (in file), Director Woosley reported that the SMB Project Coordinator, N901, remained open and would be discussed under Other Business. The accountant and application support specialist positions would be filled very soon, and the claims assistant position recently became vacant and would also need to be filled. The computer operator and promotion & event coordinator positions would remain vacant, at least for the time being.

Under Other Business, Director Woosley proposed that the committee consider assigning the duties of the vacant SMB Project Coordinator position to two ALC employees (memo in file), for savings of close to \$58,000. There was discussion about whether the positions were classified or non-classified, and whether or not OPM would approve the assignment of additional duties to classified positions. Commissioner Scott recommended that the proposed changes be sent to OPM for review, to which Director Woosley agreed. **Commissioner Streett made a motion to approve the proposal to assign additional duties to the two ALC employees, Commissioner Baldrige seconded the motion, and the motion passed unanimously, to be presented to the full Commission for consideration.**

Also under Other Business, Commissioner Baldrige asked for clarification regarding whether or not there was a hiring freeze. After discussion, it was determined that the Personnel Committee should be consulted when a position becomes vacant, but that the committee should be prepared to meet via conference call to avoid a delay in the hiring process. **Commissioner Baldrige moved that ALC management consult with the Personnel Committee prior to filling any vacant positions and Commissioner Streett seconded the motion. The motion passed unanimously and would be brought before the full commission for consideration.**

Commissioner Engstrom asked that ALC staff explain to the Personnel Committee the selection process by which the most recent MSR was hired. **Commissioner Scott said that the subject regarding the MSR hiring process would be put on the committee agenda for the next meeting.**

There being no further business, the meeting was adjourned.



STATE OF ARKANSAS  
ARKANSAS LOTTERY COMMISSION

Post Office Box 3238  
Little Rock, Arkansas 72203-3238  
Phone: (501) 683-2000  
Fax: (501) 683-1878  
<http://myarkansaslottery.com>

MEMORANDUM

TO: ALC Commissioners  
FROM: Bishop Woosley   
RE: Licensing Division Staffing  
DATE: November 14, 2014

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The Security Director informed me recently that one of the Licensing Specialists, Brent Beall, plans to resign sometime in late December and that the Licensing Manager, Susan Chamberlain, expects to retire by the end of March 2015. Once these two separations occur, only one experienced employee will remain in Licensing.

In order to ensure that the Licensing Division remains adequately staffed during the transition period, we are requesting to **temporarily** use a vacant Claims Assistant position (Grade C112) as a trainee slot for the Licensing Specialist position (also a Grade C112) that will become available after Mr. Beall leaves. The goal is to have Mr. Beall train someone as his replacement before his separation date and to fill the vacated Licensing Specialist position with the trainee by early December. Please note that once we fill the position, we will no longer have a need for the temporary slot.

While we realize that the Commission has placed us under a hiring freeze, it is imperative that we have a replacement that is trained and ready to go as soon as the position becomes available so that there is no disruption in service to our retailers. If approved, we also would send a Hiring Freeze Exception/Reclassification Request to OPM.

Should you have questions, please let me know.

-----Original Message-----

From: Bishop Woosley <[Bishop.Woosley@arkansas.gov](mailto:Bishop.Woosley@arkansas.gov)>

To: <ASL Commissioners <[ASL.Commissioners@arkansas.gov](mailto:ASL.Commissioners@arkansas.gov)>>; Valerie Basham <[Valerie.Basham@arkansas.gov](mailto:Valerie.Basham@arkansas.gov)>; Patricia Vick <[Patricia.Vick@arkansas.gov](mailto:Patricia.Vick@arkansas.gov)>; Patrick Ralston <[Patrick.Ralston@arkansas.gov](mailto:Patrick.Ralston@arkansas.gov)>; Jean Block <[Jean.Block@arkansas.gov](mailto:Jean.Block@arkansas.gov)>; Jerry Fetzer <[Jerry.Fetzer@arkansas.gov](mailto:Jerry.Fetzer@arkansas.gov)>; Matt Brown <[Matt.Brown@arkansas.gov](mailto:Matt.Brown@arkansas.gov)>

Sent: Mon, Aug 25, 2014 6:05 pm

Subject: FW: Reclassification/Salary Increase Requests - Accountant (2) - Arkansas Lottery Commission

All, please find below an email chain from our office to OPM requesting permission to split the job duties of the DMB/Internal operations director as was discussed in the last personnel committee meeting. As you can see, OPM has denied our request for approval. The reasons are set forth below. It is my understanding based on the highlighted portion of the email below that based on the fact that this agency does not fall under the umbrella of DFA, that we had the ability to supersede this denial. Frankly, I would like to continue with the plan to split the job duties at a cost savings for the agency. However, I do not want to be seen as ignoring well established precedent. I have spoken with the chairman and he is also in favor of going forward. I will defer to the wishes of the Commission on this matter and proceed accordingly. As a side note, both of the individuals involved in this plan understand that the award of these jobs was contingent on this approval and that they cannot begin the jobs until such time as we have complete approval from the Commission to implement the split of duties. I look forward to hearing from you. I assume we can take this up in the next personnel committee if that is how you want to handle this.

**From:** Valerie Basham

**Sent:** Monday, August 25, 2014 9:47 AM

**To:** Bishop Woosley

**Cc:** Valerie Basham

**Subject:** FW: Reclassification/Salary Increase Requests - Accountant (2) - Arkansas Lottery Commission

**Importance:** High

Bishop,

I heard back from OPM and they said that they cannot approve your requests for salary adjustments/reclassifications as per the state's guidelines. If you wish to proceed without OPM's blessings, you will need to get the Personnel Committee/Commission to override OPM's recommendation. Please see below for OPM's explanation.

**Thanks,**  
**Valerie**

**From:** Herb Scott [<mailto:Herb.Scott@dfa.arkansas.gov>]

**Sent:** Monday, August 25, 2014 8:41 AM

**To:** Valerie Basham

**Subject:** RE: Reclassification/Salary Increase Requests - Accountant (2) - Arkansas Lottery Commission

Valerie:

I talked with Kay on Friday concerning your request below. Since the Lottery Commission is not under our system, I can only tell you what we do with other agencies regarding the situation below. In terms of giving salary adjustments due to additional job duties, that's a no-no under our rules. We have no way of just awarding salary adjustments due to additional job duties being assigned to employees. We often refer to the statement on the job description that states, Other Duties as Assigned or Performed as Necessary!! Of course we do reclassification by

either having incumbent fill out Position Questionnaires or actually performing a job audit on the position. In order to do the reclassification; usually the agency has to have a position or positions to accommodate the results if there should be a job change. If not, we might have to try and see if we can go the swap pool route or some other means. Of course, right now going to the Personnel Committee isn't a popular choice at this moment because of the beginning of the budget hearings which will start with them very soon. Again, since you are not really under our rules, Kay pointed out that it may boil down to Mr. Bishop decision as to how he wants to handle this. Again, if you want to mirror our rules, our system doesn't allow salary adjustments based solely on assigning additional duties to an incumbent. (s) Also, if you do a reclassification according to our rules, remember, there is no monetary percentage awarded for a reclassification at this time either. Sorry!

Herb

**From:** Valerie Basham [<mailto:Valerie.Basham@arkansas.gov>]  
**Sent:** Thursday, August 21, 2014 12:12 PM  
**To:** Herb Scott  
**Cc:** Valerie Basham; Bishop Woosley  
**Subject:** Reclassification/Salary Increase Requests - Accountant (2) - Arkansas Lottery Commission  
**Importance:** High

Hi Herb:

Attached is the electronic submission of the Arkansas Lottery Commission's request for the (1) reclassification and (2) increase in annual salary for the incumbents of two (2) Accountant positions. In lieu of filling the vacant SMB Coordinator (Grade N901), ALC management wishes to redistribute the duties between the incumbents in two (2) Accountant positions (Grade C122). *Note: ALC does not have any available higher-graded Career Service "C" positions for the reclassification of these individuals, meaning the pay increases would apply to their current Grade C122 positions.* Also included are the job descriptions and a memorandum which explains and justifies these requests.

The positions were established for the ALC in §23-115-305 of the Arkansas Scholarship Lottery Act. This is a critical need for the ALC, as we need the duties of this position performed in order to fulfill the mission of our agency.

Please let me know if you have any questions or comments or need additional information. Your assistance in this matter is appreciated. Have a great day!

Sincerely,

## Valerie

Valerie Basham  
Human Resources Director, SPHR  
P.O. Box 3238  
Little Rock, AR 72203-3238  
<image002.png> 501.683.1892  
<image003.png> 501.683.3811  
[valerie.basham@arkansas.gov](mailto:valerie.basham@arkansas.gov)

## ALC POSITION AUTHORIZATION ROSTER – VACANT POSITIONS

	POSITION #	CLASS CODE	GRADE	TITLE	STATUS	POSITION TYPE	PERSONNEL ACTION/INTERNAL TITLE
1	22150628	Q147U	Q147U	CHIEF OPERATING OFFICER	VACANT	ACT	
2	22150629	Q032N	N912	INFORMATION TECH DIR	VACANT	ACT	
3	22150630	Q033N	N912	ADMIN & OPERATIONS DIR	VACANT	ACT	
4	22150633	Q036N	N909	MARKETING & PROD DEV DIR	VACANT	ACT	
5	22150634	Q037N	N909	SALES/RETAIL RELATIONS DIR	VACANT	ACT	
6	22150635	Q038N	N908	PROCUREMENT DIRECTOR	VACANT	ACT	
7	22150641	Q158C	C112	ADMINISTRATIVE SUPP SPEC III	VACANT	ACT	AUDITOR
8	22150642	Q158C	C112	ADMINISTRATIVE SUPP SPEC III	VACANT	ACT	PRODUCTION ASST
9	22150640	Q158C	C112	ADMINISTRATIVE SUPP SPEC III	VACANT	ACT	LICENSING SPECIALIST
10	22150643	Q158C	C112	ADMINISTRATIVE SUPP SPEC III	VACANT	ACT	ANIMATOR
						<b>ACT</b>	
1	22151336	Q041N	N922	VP GAMING OPERATIONS	VACANT	N POOL	
2	22151337	Q042N	N922	VP ADMINISTRATION	VACANT	N POOL	
3	22151349	Q053N	N901	SMB PROJECT COORDINATOR	VACANT	N POOL	INTERNAL OPS MGR
						<b>N</b>	
1	22151402	Q177C	C113	COMPUTER OPERATOR	VACANT	C POOL	
2	22151381	Q167C	C117	PROMOTION & EVENT COORDINATOR	VACANT	C POOL	
3	22151407	Q180C	C112	CLAIMS ASSISTANT	VACANT	C POOL	LR CLAIM CTR.
4	22151396	Q174C	C122	CLAIM CENTER MANAGER	VACANT	C POOL	ASSISTANT AUDITOR
5	22151375	Q166C	C120	MARKETING SALES REPRESENTATIVE	VACANT	C POOL	
						<b>C</b>	



**STATE OF ARKANSAS  
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Post Office Box 3238  
Little Rock, Arkansas 72203-3238  
Phone: (501) 683-2010  
Fax: (501) 683-2038  
<http://myarkansaslottery.com>

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**Donald Matthew Brown, CPA, CIA, CGMA  
Internal Auditor**

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**Payroll & Leave Audit  
For Fiscal Year Ended June 30, 2014  
Report Date: July 3, 2014**

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**Introduction**

A scheduled audit of the Payroll & Leave process for fiscal year ended June 30, 2014 has been completed by Internal Audit. The audit was conducted in accordance with established Arkansas Lottery Commission (ALC) Internal Audit Division policies and procedures, including the Internal Audit Charter last approved by the ALC's Audit and Legal Committee on April 22, 2014.

**Purpose, Objectives, and Scope**

The overall purpose, objectives, and scope of the audit were as follows:

Purpose

The purpose of this audit was to ensure that there are adequate controls and procedures in place relative to payroll and leave processes.

Objectives

- Ensure the ALC has adequate policies and procedures in place to assure employees are paid according to the terms of their employment.
- Ensure appropriate controls and procedures are in place to assure cash payments for payroll are made to valid employees, and are reviewed and approved, prior to disbursement.
- Ensure that appropriate controls and procedures are in place to assure that taxes are appropriately withheld from employees' pay at the proper intervals, according to employees' withholding elections.
- Ensure appropriate controls and procedures are in place to assure that taxes withheld from employee earnings are accurately calculated and remitted to the appropriate taxing authority, according to established deadlines.
- Ensure the ALC has adequate policies and procedures in place to assure that elected benefits and mandated benefits are appropriately deducted from employees' pay at the proper intervals.

*Objectives are continued on the following page.*

Objectives (continued)

- Ensure appropriate controls and procedures are in place to assure that leave is reviewed, approved, and available for use prior to it being granted.
- Ensure appropriate controls and procedures are in place to assure that eligible leave is reviewed, approved, and available for use prior to it being paid to employees.

Scope

The procedures performed included inspection and review of payroll registers, payroll disbursement records, employee offer letters, employee tax election documentation, employee benefit election documentation, timesheets, leave forms, leave balance tracking spreadsheets, and the ALC Employee Manual maintained primarily by the Payroll Section and Human Resources Division. Transactions and documentation selected for testing included items generated throughout fiscal years 2013 and 2014. Due to the fact that fiscal year 2014 had not yet been completed as of the finalization of fieldwork for this audit, only transactions or events that had occurred as of the date testing was substantially complete were considered within its scope. As such, no supporting documents generated after March 31, 2014 were selected for testing.

Observations

Internal Audit (IA) has the following observations and recommendations.

Observation #1 – In the course of the audit, IA noted that certain ALC employees perform duties that are mapped to full-time positions, but the total number of hours these employees work in a given year is less than a full-time schedule and less than 1,000 hours per year. Additionally, IA noted the following from the ALC Employee Manual:

(1) the *Employment Status* policy (page 33) states that a "regular employee who works less than 1,000 hours per year accrues holiday, annual, and sick leave on a pro rata basis. They are not eligible for participation in the state retirement program or health and life insurance."

(2) the *Holiday Policy* (page 35) lists an employee's birthday as an officially recognized ALC holiday for which full-time ALC employees are granted 8 hours of leave. Further, it states that "employees who work less than full time may take the holiday at a rate proportionately equal to their time worked. For example, if an employee works half-time, a holiday would be granted equivalent to four (4) hours."

(3) the *Annual Leave Policy* (pages 51-52) lists the rates at which full-time employees accrue annual leave based on years of employment. It also states that "employees who work less than full time a year accrue annual leave in the same proportion as time worked. For example, employees who work half time would receive half of the annual accrual shown on the timetable [the time table shows full-time annual leave accruals based on years of service]."

*Observation #1 continued on the following page.*

Observation #1 (continued) - (4) the *Sick Leave Policy* (pages 53-55) states that "any employee who works a minimum of one thousand (1,000) hours per year in a regular salary position shall accrue sick leave. Employees who work less than full time but more than one thousand (1,000) hours per year accrue sick leave in the same proportion as time worked."

(5) the *Military Leave and Re-Employment of Veterans* policy (pages 64-67) states that "regular, full-time state employees who are members of the National Guard or any of the reserve branches of the US Armed Forces will be granted leave at the rate of fifteen (15) working days per calendar year, plus necessary travel time, for annual training purposes." The policy is silent as to whether employees working less than a full-time schedule are eligible for a proportionate share of such leave, based on hours worked.

In testing the leave process, IA noted the following relative to these employees that work less than 1,000 hours per year:

(1) One employee that was granted and was paid for 13 hours of birthday holiday leave during fiscal years 2013 and 2014, while the proportionate share of such leave for the employee noted based on hours worked for the same period is 6.43 hours per IA calculations.

(2) Certain employees have accrued, were granted, and were paid for sick leave during fiscal years 2013 and 2014. Based on discussions with Management, this practice has occurred since such employees were hired, dating back as far as 2009.

(3) One employee that was granted and was paid for military leave in fiscal year 2014.

Internal Audit Recommendation – IA recommends that Management determine its intent relative to employees impacted by the conditions observed and determine how the ALC's policy should be updated to include provisions that clarify what criteria must be met by employees to earn the various types of leave offered by the ALC. Further, IA recommends that Management allow impacted employees to retain any accrued sick leave balances for future use, since the ALC Employee Manual provides contradictory information regarding sick leave. Additionally, IA recommends that the annual leave balance for the employee that has been granted and paid for more than the allowed birthday holiday leave be adjusted to account for the overage in leave claimed to date (per IA calculations, 6.57 hours). Finally, IA recommends that any such policy changes be presented to members of the ALC for immediate consideration, as deemed necessary based on past practice or policy requirements.

Management Response – Management recognizes the inconsistencies in the policies and will develop leave policies that are consistent for incorporation into the ALC Employee Manual and for approval by the Commission. Additionally, Management concurs with the recommendation that the annual leave balance for the employee that has been granted and paid for more than the allowed birthday holiday leave be adjusted to account for the overage in leave claimed to date.

Status – Open. Management has indicated there are actions necessary to address the observation, necessitating audit follow-up procedures in order for IA to consider the observation cleared.

Observation #2 – IA noted that Management has instituted a process that is designed to ensure that the detailed payroll register, which includes pay, tax, and deduction details by employee, is reviewed by the Controller and Human Resources Director each pay period. IA noted that the designed formal review had not been completed by both parties prior to the actual pay date for 4 of the 6 pay dates selected for testing for fiscal year 2013 and for all 6 pay dates selected for testing for fiscal year 2014. It should be noted that at least one of the parties had completed review prior to the actual pay date for 1 of the 6 pay dates selected for testing for each fiscal year. The Human Resources Director does not have the ability to generate a payroll register and does not control any aspects of the payroll process, and as a result can only perform the designed review when the payroll register is provided by the Payroll Section for review and approval. Further, it should be noted that a complementary control occurs prior to the posting and distribution of payroll, whereby the Controller provides approval of the payroll register separate and apart from the formal approval process. IA noted that for the 6 pay dates selected for each of the fiscal years 2013 and 2014, no evidence of Controller review was retained for 2 pay dates.

Internal Audit Recommendation – Without a formal review by the Human Resources Director prior to the actual distribution of payroll funds, the ALC is not afforded the opportunity to achieve the designed benefits of such review, which is designed to provide a check to ensure no fictitious employees have been created and paid, that leave policies have been generally followed, and that no pay amounts seem unreasonable based on the valid employees' positions. This review serves as one of the primary anti-fraud controls associated with the Payroll and Leave Process. Further, the Controller's review is critical as it allows for a direct and detailed financial review of the work performed by the employees of the Payroll Section.

*Internal Audit Recommendation continued on the following page.*

Internal Audit Recommendation (continued) – While the Controller performs a complementary review that occurs prior to the distribution of payroll funds, IA was not able to conclude that it had operated as designed. As such, IA recommends that Management immediately institute the requirement that both the Human Resources Director's and Controller's formal review occur prior to the actual distribution of pay, to avoid the risk that an issue noted in the reviews would not be addressed prior to the actual distribution of payroll funds.

Management Response – The Payroll Section will normally provide a pay register for the Human Resources Director to review prior to the disbursement of payroll each pay period, unless there are documented extenuating circumstances during the processing of a payroll which prevent the pay register from being provided prior to the disbursement of the payroll. The Human Resources Director will review the payroll register in a timely manner each pay period before it is disbursed, unless there are documented extenuating circumstances which prevented the review from being completed prior to the disbursement of the payroll. In the event the Human Resources Director is unavailable to review the payroll register prior to the disbursement of the payroll, a substitute will perform the task. The submission of the pay register to HR and the completion of the review of the pay register by HR will be confirmed by e-mail to the CFO when they are completed.

Status – Open. Management has indicated there are actions necessary to address the observation, necessitating audit follow-up procedures in order for IA to consider the observation cleared.

Observation #3 – IA noted that signed and approved leave forms were not retained in the Payroll Section's records for leave that was claimed by and paid to an employee selected for testing for two occasions during FY 2013. Further, IA noted that two Form W-4s supporting federal tax withholding elections for employees selected for testing could not be located in the Payroll Section's records. After this matter was brought to the attention of Payroll Section personnel, a new Form W-4 was obtained from one of the employees; however, the other employee for whom a Form W-4 could not be located is no longer employed by the ALC. Per IRS regulations, employers must obtain a Form W-4 for each change in an employee's tax elections and must retain all Form W-4s submitted by employees for a period of no less than 4 years.

Internal Audit Recommendation – Without maintenance of supporting records, the ALC is unable to fully support actions taken within the payroll system that directly impact employees' pay. Lack of record maintenance could lead to employee disputes and other matters of regulatory non-compliance. IA recommends that Management evaluate current record keeping policies and methods and establish expectations and additional procedures to ensure that important records involving payroll matters are retained and organized in the future. Further, IA recommends that Management obtain a signed W-4 from the former employee for which such form could not be located.

Management Response – ALC Finance Management concurs with the observation and recommendation, although the pursuit of a Form W-4 from the terminated employee will be pursued only to the extent that the former employee is cooperative with that effort. If difficulties are experienced, the circumstances will be fully documented as to why a Form W-4 could not be obtained.

Status – Open. Management has indicated there are actions necessary to address the observation, necessitating audit follow-up procedures in order for IA to consider the observation cleared.

Observation #4 – IA noted that due to recently-identified payroll system limitations, the ALC's leave balances are calculated and maintained in an Excel spreadsheet. The spreadsheet is available for viewing and editing by anyone with access to the Payroll Section's shared folder, which is currently limited to selected ALC employees. IA tested leave balances contained in the spreadsheet for a sample of employees for the entirety of FY 2013 and FY 2014, noting no errors in the calculation of leave or reflection of leave taken for the employees selected. Due to the limitations of the payroll system relative to leave and deduction processing, Management has determined that replacement of the ALC's existing accounting system, within which the module used to process payroll and leave is contained is appropriate, and has begun the process of identifying potential replacements. Further, Management included such system replacement in the ALC's FY 2015 operating budget.

Internal Audit Recommendation – Despite the fact that IA's testing identified no issues with certain aspects of the leave accrual or other leave-related processes resulting from the use of an Excel spreadsheet, IA recommends that Management continue to move forward with its current efforts to identify a payroll solution that can accommodate the ALC's leave structure and payroll processing requirements.

*Internal Audit Recommendation continued on the following page.*

Internal Audit Recommendation (continued) – Use of an Excel spreadsheet to calculate and track leave balances does not provide adequate safeguards to ensure that leave balances are appropriately tracked and makes the leave process susceptible to potential errors and inadvertent or intentional misstatement by unauthorized sources that are alleviated by use of a reliable software package designed with imbedded controls and features to calculate leave balances and limit access to only those authorized to adjust leave balances.

Management Response – ALC Finance Management concurs and we have budgeted for and are actively seeking a software solution.

Status – Open. Management has indicated there are actions necessary to address the observation, necessitating audit follow-up procedures in order for IA to consider the observation cleared.

## EMPLOYMENT STATUS

A regular employee who works over 1000 hours per year is eligible for health and life insurance, participation in the Cafeteria Plan (ARCAP) and is eligible to participate in the state retirement program. They accrue holiday, annual, and sick leave along with other benefits as applicable.

~~A regular employee who works less than 1000 hours per year, or more than 1000 hours per year but less than full-time accrues holiday, annual and sick leave on a pro rata basis. A regular employee who works less than 1000 hours per year, accrues holiday, annual, and sick leave on a pro rata basis. They are He or she is~~ not eligible for participation in the state retirement program or health and life insurance.

Employee Classifications: At the time of hire, each employee position is classified as exempt or non-exempt. *Exempt or non-exempt* status of employment is determined by the U.S. Fair Labor Standards Act of 1938 (FLSA). Employees are informed of their non-exempt or exempt status when they are hired or when they change job assignments. Non-exempt employees will be paid overtime pay, one and one half times normal pay, for hours worked in excess of 40 hours per week (Sunday through Saturday).

Generally, exempt employees are those employees engaged in executive, managerial, administrative and professional jobs involving the exercise of discretion and the use of independent judgment. Exempt employees are not covered by FLSA and are not entitled to overtime pay.

ALC may change the employment classification of any employee at any time based on the nature of the employee's job assignment, responsibilities, or compensation.

**Comment [j1]:** This language is deleted because it conflicts with the language in the 1<sup>st</sup> sentence of the Sick Leave policy(p.53). The language has been changed here and there to make it consistent.

## HOLIDAY POLICY

Employees may be granted time off to observe the following regularly scheduled legal holidays:

The Governor may issue an Executive Proclamation and proclaim additional days as holidays in observance of special events or for other reasons.

ALC may use discretion in the matter of closing offices or operations on legal holidays. Any employee who is required to work on a legal holiday shall be entitled to equivalent time off on another date.

### Eligibility for Holiday Pay:

- All "regular salaried" and "extra help" employees are eligible to receive holiday pay only if they are in pay status on their last scheduled work day before the holiday and at least one hour on the first scheduled work day after the holiday.
- When a holiday occurs while an employee is on annual or sick leave, that day will be considered a holiday and will not be charged against the employee's annual or sick leave.
- When a holiday occurs on an employee's regularly scheduled day off, the employee will be given equivalent time off.
- Employees must work on holidays when the needs of the ALC require it. This need will be determined by the Director or appropriate Vice President or their designee.
- Days off in lieu of holidays worked may be taken at a time approved by the employee's supervisor. Such time off is to be taken as soon as is practical.
- ~~Employees who work less than full time may take the holiday at a rate proportionately equal to their time worked. For example, if an employee works half time, a holiday would be granted equivalent to four (4) hours.~~
- A regular employee who works less than 1000 hours per year, or more than 1000 hours per year but less than full-time, accrues and is eligible to use holiday leave on a pro rata basis.
- Holidays which occur on a Saturday will be observed on the preceding Friday. Holidays which occur on a Sunday will be observed on the following Monday.
- The minimum holiday leave amount an employee can use is fifteen (15) minutes. No smaller amount shall be authorized or used.
- An employee may not take leave for a specific holiday or birthday before that holiday or birthday occurs.

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## UNIFORM ATTENDANCE AND LEAVE POLICY

ALC will comply with the provisions of the Uniform Attendance and Leave Policy Act as outlined in the statute and further defined herein.

### ANNUAL LEAVE POLICY

Full time employees accrue leave at the rates listed below. A regular employee who works less than 1000 hours per year, or more than 1000 hours per year but less than full-time, accrues and is eligible to use annual leave on a pro rata basis. ~~Employees who work less than full-time a 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. An employee may request to use accrued annual leave at any time. However, an employee's supervisor may grant the leave request during the time that will least interfere with the efficient operation of the ALC.

### SICK LEAVE POLICY

A regular employee who works less than 1000 hours per year, or more than 1000 hours per year but less than full-time, accrues and is eligible to use sick leave on a pro rata basis. ~~Any employee who works a minimum of one thousand (1000) hours per year in a regular salary position shall accrue sick leave. Employees who work less than full time but more than one thousand (1000) hours per year accrue sick leave in the same proportion as time worked.~~

**Comment [j2]:** This language is deleted because it conflicts with the language in the "Employment Status" section (p.32). The language has been changed here and there to make it consistent.

## MILITARY LEAVE AND RE-EMPLOYMENT OF VETERANS

~~Regular, full-time state employees who are members of the National Guard or any of the reserve branches of the US Armed Forces will be granted leave at the rate of fifteen (15) working days per calendar year, plus necessary travel time for annual training purposes. Up to fifteen (15) unused military leave days may be carried over to the succeeding year for a maximum of thirty (30) military leave days for military training purposes for that calendar year.~~

~~Employees who desire to take a leave of absence for the purpose of participating in the military training programs made available by the National Guard or any of the reserve branches of the armed forces and all state employees who are members of the Interactive Reserve Corps of the United States Public Health Services who desire to take a leave of absence for the purpose of participating in the civil defense and public health training programs made available by the United States Public Health Services shall be entitled to such a leave of absence for a period of fifteen (15) days plus necessary travel time for annual training requirements or other duties performed in an official duty status in any one (1) calendar year. To the extent this leave is not used in a calendar year, it will accumulate for use in the succeeding calendar year until it totals fifteen (15) days at the beginning of the calendar year.~~

~~Whenever an employee is granted military leave for a period of fifteen (15) days per calendar or fiscal year, the military leave will accumulate for use in succeeding calendar or fiscal years until it totals fifteen (15) days at the beginning of the calendar or fiscal year, for a maximum number of military leave days available in any one (1) calendar year or fiscal year to be thirty (30) days.~~

Military leave for annual training or other official training duties will be granted without loss of pay and shall be in addition to annual leave.

The employee must provide written or oral notification prior to going on duty, unless precluded by military necessity. Employees are encouraged to notify their employer of any "window" of anticipated military activity including scheduled drills and annual training.

~~Active Duty for Military Service: A regular, full-time An employee who is drafted or called to active duty in the Armed Forces of the United States or who volunteers for military service, shall be placed on extended military leave without pay and upon application within ninety (90) days after the effective date of his or her release from active duty shall be reinstated to the position vacated or an equivalent position at no loss of seniority or any of the other benefits~~

**Comment [j3]:** Language derived from A.C.A. 21-4-102 (a)(1); and OPM *Leave of Absence for Military and Certain Training Programs*, Policy No. 50.10 (first two paragraphs under Specific Provisions)

**Comment [j4]:** ACA 21-4-102 (e)

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and privileges of employment. During any military leave of absence, the employee shall preserve all seniority rights, efficiency or performance ratings, promotional status, retirement privileges, life and disability insurance benefits, and any other rights, privileges, and benefits to which the employee has become entitled. ~~all unused sick leave at the time of military leave will be reinstated at the time the employee returns. All accrued, unused annual leave at the time of military leave will be reinstated at the time the employee returns to state employment unless the employee requested and received a lump sum payment for the accrued, unused annual leave when placed on the extended military leave.~~

**Comment [j5]:** A.C.A. 21-4-212(b)1 & (d)(1)  
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Regular, full-time State employees who are called to active duty in emergency situations and in situations covered by 10 United States Code §12304, as declared by the Governor or President shall be granted leave with pay. (Arkansas Code Annotated §§ 21-4-102(d) and 21-4-212(d)). The period of leave with pay for emergency active duty will not exceed thirty (30) working days per calendar year. Periods beyond the thirty (30) day limit may be charged to annual leave at the employee's option and if necessary to leave without pay. If an employee's active duty in emergency situations begins in one calendar year and ends in the next calendar year and the employee is subsequently redeployed due to an emergency situation, the employee is eligible for thirty (30) days paid leave in the new calendar year. The employee must be actively employed by the state and submit a copy of military orders for each emergency deployment to be eligible for emergency active military duty paid leave.

**Comment [d6]:** This language is deleted because the state statutes referenced do not distinguish between full and part-time employees.  
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Military leave for emergency active duty situations is granted in addition to annual military leave for training purposes and annual leave.

## MILITARY LEAVE FOR SERVICE CONNECTED **DISABILITIES**

All employees of the State of Arkansas, as defined in A.C.A § 21-4-203, who have been rated by the United States Department of Veterans Affairs, or its predecessor to have incurred a military service-connected disability and have been scheduled by the United States Department of Veterans Affairs to be reexamined or treated for the disability shall be entitled to a leave of absence with pay for a period not to exceed six (6) days for that purpose during any one (1) calendar year. A regular employee who works less than 1000 hours per year, or more than 1000 hours per year but less than full time, is eligible for leave under this section on a pro rata basis.

If an employee receives a leave of absence under this section, the employee shall be entitled to his or her regular salary during the time the employee is away from his or her duties during the leave of absence. The leave of absence shall be in addition to the regular annual leave and sick leave allowed to the employee. During a leave of absence, the employee shall be entitled to preserve all seniority rights, efficiency or performance ratings, promotional status, retirement privileges, and life and disability insurance benefits and any other rights, privileges, and benefits to which he or she has become entitled.

For purposes of computations to determine whether the employee may be entitled to retirement benefits, the period of the leave of absence shall be deemed continuous service.

The State shall continue to contribute its portion of any life or disability insurance premiums during the leave of absence on behalf of the employee, if requested, so that continuous coverage may be maintained.

**Comment [j7]:** We have confirmed with the AR Office of Personnel Management that this policy and the preceding Military Leave policy apply as written to both full-time and part-time state employees.

## **ORGAN DONOR AND BONE MARROW DONOR LEAVE**

All state employees are entitled to leave with pay for up to thirty (30) days per calendar year in order to serve as a human organ donor. In addition, all state employees are entitled to leave with pay for up to seven (7) days per calendar year to serve as a bone marrow donor. A regular employee who works less than 1000 hours per year, or more than 1000 hours per year but less than full-time, is eligible to use organ donor and bone marrow donor leave on a pro rata basis.

In order to qualify for organ donor or bone marrow donor leave, employees must provide a written request from both the employee and the medical physician that will perform the transplantation. Following the transplantation, written verification of the fact must be provided by the same physician.

## **CHILDREN'S EDUCATIONAL ACTIVITIES LEAVE**

Full time employees of ALC shall be entitled to eight (8) total hours of paid leave, regardless of the number of children, during any one (1) calendar year for the purpose of attending or assisting with the educational activities of a child. A regular employee who works less than 1000 hours per year, or more than 1000 hours per year but less than full-time, is eligible to use Children's Educational Activities Leave on a pro rata basis. Children's Educational Activities Leave that is unused may not be carried over to the next year. Children's Educational Activities Leave is not compensable to the state employee at the time of retirement.

A. Definitions as used in this section: