

State of Arkansas  
95th General Assembly  
Regular Session, 2025

As Engrossed: H2/26/25

## A Bill

HOUSE BILL 1326

By: Representative Warren

By: Senator K. Hammer

### For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING SPECIAL ALLOWANCES TO ENCOURAGE EARLY RETIREMENT FOR EMPLOYEES OF PUBLICLY SUPPORTED COLLEGES AND UNIVERSITIES; TO MANAGE EARLY RETIREMENT WINDOW INCENTIVES FOR *EMPLOYEES OF INSTITUTIONS OF HIGHER EDUCATION*; TO *DECLARE AN EMERGENCY*; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE LAW CONCERNING SPECIAL ALLOWANCES TO ENCOURAGE EARLY RETIREMENT AND MANAGE EARLY RETIREMENT WINDOW INCENTIVES FOR EMPLOYEES OF INSTITUTIONS *OF HIGHER EDUCATION*; AND TO *DECLARE AN EMERGENCY*.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 24-7-101 is amended to read as follows:

24-7-101. Special allowances to encourage early retirement.

(a) ~~In order to effect a net savings in personnel costs paid by colleges and universities, the~~ The presidents and chancellors of the various publicly supported colleges and universities may, upon the approval of their respective boards of trustees, negotiate with ~~tenured~~ and staff members of their institutions so that, in order to secure ~~the faculty~~ members' early retirement, special allowances may be paid to ~~them~~ the faculty and staff members or into retirement plans for their benefit.

(b) The board of trustees of each institution is authorized to pay



such allowances as the board may approve from any appropriation provided for regular salaries for the benefit of its institution and from any source of funds available to its institution.

~~(c) The amount of all such allowances for any institution shall not exceed, in the aggregate during any fiscal year, an amount equal to five percent (5%) of the aggregate paid for personnel costs during the preceding fiscal year for the institution.~~

~~(d)~~ The board of trustees of each institution shall report the exact disposition of the special allowances to the Legislative Joint Auditing Committee each year.

SECTION 2. Arkansas Code § 24-7-102 is amended to read as follows:

24-7-102. Management of early retirement window incentives.

(a) The purpose of this section is to create incentives for the efficient management of the public higher education resources of the State of Arkansas by allowing public higher education institutions to establish early retirement window incentives for qualified ~~non-tenured~~ faculty and staff who elect voluntary separation from the institution.

(b) The boards of trustees of the publicly supported institutions of higher education may provide special allowances for ~~non-tenured~~ faculty and staff to effect a saving in personnel salaries and fringe benefits costs when it is determined by the boards that such saving will provide for more efficient operation of the institutions.

(c)(1) The boards of trustees shall approve criteria to determine qualifications to be met by the institutions and the employee.

(2) Such qualifications shall include, but are not limited to:

(A) Assurance that participation is strictly voluntary for employees;

(B) Only full-time employees who ~~are at least fifty-five (55) years of age or~~ meet the retirement requirements for ~~the Civil Service Retirement System~~ any state-sponsored retirement program; and

(C) A savings in personnel cost will be realized by the institution.

~~(d) The amount of all such allowances for any institution shall not exceed, in the aggregate during any fiscal year, an amount equal to five percent (5%) of the aggregate paid for personnel costs during the preceding~~

~~fiscal year for the institution.~~

(e) The boards of trustees are authorized to pay such allowances from any appropriation provided for regular salaries for the benefit of their institutions and from any sources of funds available to the institutions.

(f)(e) The board of trustees of each institution shall report the exact disposition of the special allowance to the Legislative Joint Auditing Committee by July 1 of each year.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the contracts between institutions of higher education and their tenured faculty and staff are in need of urgent negotiation regarding retirement plans and early retirement window incentives under §§ 24-7-101 and 24-7-102; and that this act is immediately necessary because the spring 2025 semester will come to a close before the act would otherwise become effective, and it is imperative that certain contracts be negotiated before the end of the spring 2025 semester. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/Warren

APPROVED: 3/6/25