

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

As Engrossed: H2/26/25

## A Bill

HOUSE BILL 1326

5 By: Representative Warren  
6 By: Senator K. Hammer  
7

### For An Act To Be Entitled

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

18 TO AMEND THE LAW CONCERNING SPECIAL  
19 ALLOWANCES TO ENCOURAGE EARLY RETIREMENT  
20 AND MANAGE EARLY RETIREMENT WINDOW  
21 INCENTIVES FOR EMPLOYEES OF INSTITUTIONS  
22 *OF HIGHER EDUCATION; AND TO DECLARE AN*  
23 *EMERGENCY.*  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 24-7-101 is amended to read as follows:

28 24-7-101. Special allowances to encourage early retirement.

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

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



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

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

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

11  
12 SECTION 2. Arkansas Code § 24-7-102 is amended to read as follows:

13 24-7-102. Management of early retirement window incentives.

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

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

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

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

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

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

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

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

1 ~~fiscal year for the institution.~~

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

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

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

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

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

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

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27 /s/Warren

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30 APPROVED: 3/6/25