

HOUSE BILL 647

By McCormick

AN ACT to amend Tennessee Code Annotated, Title 8 and Title 38, relative to compensation of state officers and employees.

WHEREAS, as an employer of more than 43,000 employees, the State of Tennessee desires to maintain a competitive workforce in terms of benefits and compensation; and

WHEREAS, competitive compensation includes an analysis of the employee's compensation based upon current market rates; and

WHEREAS, properly balancing internal equity, external competitiveness, and performance-based pay will assist the State in its ability to properly recruit, retain, and reward employees; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 8-23-206(a), is amended by deleting the language "executive," wherever it appears.

SECTION 2. Tennessee Code Annotated, Section 8-23-206(a)(1)(A), is amended by deleting subdivision (ii) in its entirety and redesignating remaining subdivision accordingly.

SECTION 3. Tennessee Code Annotated, Section 8-23-206(a)(3), is amended by deleting subdivision (D) in its entirety and redesignating remaining subdivision accordingly.

SECTION 4. Tennessee Code Annotated, Section 8-23-206(a), is amended by deleting subdivision (5) in its entirety.

SECTION 5. Tennessee Code Annotated, Section 8-23-206(b)(1), is amended by deleting the subdivision and substituting instead the following language:

(1) Longevity payments shall be made for each year of service, beginning from the completion date of the third year of service (thirty-six (36) months).

SECTION 6. Tennessee Code Annotated, Section 8-23-206(d), is amended by deleting the word “or” at the end of subdivision (4); and is further amended by deleting the “.” at the end of subdivision (5) and substituting instead the language “; or”; and is further amended by adding the following language as a new subdivision:

(6) Employees of the executive branch in the state service as defined by § 8-30-102.

SECTION 7. Tennessee Code Annotated, Section 8-23-206, is amended by adding the following language as a new subsection:

(h)

(1) The governor is authorized to modify the pay plan for fiscal year 2016 in accordance with this section. The commissioners of human resources and finance and administration are authorized to implement the modified pay plan as set forth in this section.

(2) Each employee shall receive a permanent increase in the employee’s base salary equal to one-half (1/2) of the longevity payment due and payable to that employee as of June 30, 2015.

(3) The remaining funds previously used for employee longevity shall be repurposed and reallocated into the general fund. The funds shall be dedicated solely for the purpose of funding the merit pay system as established in § 8-30-207.

SECTION 8. This act shall not be construed to be an appropriation of funds, and no funds shall be obligated or expended pursuant to this act unless the funds are specifically appropriated by the general appropriations act.

SECTION 9. This act shall take effect July 1, 2015, the public welfare requiring it.