2016 FLSA REGULATIONS FOR HIGHER EDUCATION INSTITUTIONS



OUTY USM Exempt Pay Ranges & Grade Levels

\$37,166	RANGE 1	\$95,037
"Entry level": Bachelo	or's degree with 1-3 years of experience	
\$44,600	RANGE 2	\$129,339
\$55,542	RANGE 3	\$164,618
\$77,141	RANGE 4	\$229,880
	TOUNDED TOUR	
\$100,284	RANGE 5	\$307,792



• Effective December 1, 2016

Current: salary minimum for exempts -\$23,000 (\$455 per week)

- Change: salary minimum for exempts -\$47,476 (\$913 per week)



- Current regulation mandates:
 - No proration available for less than fulltime/40 hrs per week

- Automatic increase every 3 years
 - Set at the 40th percentile of weekly earnings of full-time salaried workers in the lowest-wage Census Region, currently the South

• By January 1, 2020 anticipated to be somewhere between \$51,000 to \$70,000

Salisbury

OUTY USM Exempt Pay Ranges & Grade Levels

	ANGE 1	\$95,037
	JURY UNIL	
	RANGE 2	\$129,339
\$55,542	RANGE 3	\$164,618
\$77,141	RANGE 4	\$229,880
	TO THE TOP IS TO	
\$100,284	RANGE 5	\$307,792



Exempt Categories

- Executive: employee's "primary duty" must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise and managing at least two full-time employees.
- <u>Technical professional</u>: employee's "primary duty" must be to primarily perform work that either requires advanced knowledge in a field of science or learning that requires invention, imagination, originality or talent in a recognized field of creative or artistic endeavor.
- Administrative professional: The employee's "primary duty" must include the exercise of discretion and independent judgment with respect to matters of significance and scope.



Additional Exempt Category

- Academic Administrative Staff salary threshold
 - Academic administrative personnel are not entitled to overtime compensation if they are paid at least as much as the entrance salary for teachers at the institution.
 - The higher of:
 - Minimum salary of lowest paid faculty (SU: Fall 2016 lowest FTNTT is \$35,700)

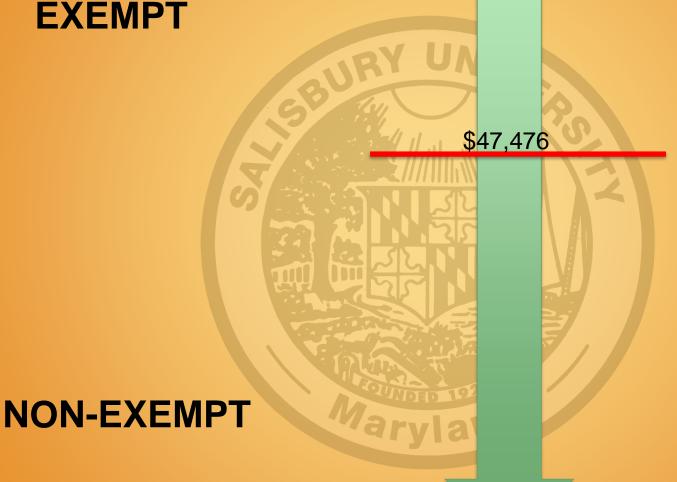
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• USM Exempt minimum \$40,000 (proposed)



EXCEPTIONS

EXEMPT





EXCEPTIONS

EXEMPT

EXCEPTION 1:

- Teachers
- Graduate & Undergraduate students (engaged in research)
- Graduate students (primary duty is teaching)
- Resident Advisors

\$47,476

EXCEPTION 2:

- Coaches & Assistant Coaches (instruction must be primary duty)
- Academic Administrative Professionals

\$35,700 / \$40,000

NON-EXEMPT

HIGHER OF:

- Lowest paid faculty
 OR
- USM Exempt minimum



- Currently 62 positions fall below \$47,476
 - 3 meet the Teaching exemption
 - 8 meet the Academic Administrative exemption
 - 27 State Funded
 - 24 Non-State Funded



Regulation Impact Option 1

- Increase the salaries of <u>all</u> exempt employees who do not meet the \$47,476 threshold.
 - Additional costs related to fringe benefits that are tied to salary, notably retirement contributions and FICA.
 - Salary equity for supervisors and other employees due to compression.
 - Cost of addressing potential <u>EEO concerns</u> if compression is not addressed and protected class employees are adversely affected.
 - Artificially boosting exempt positions that are already "borderline exempt/non-exempt"

Regulation Impact Option 2

- Change the status of <u>all</u> exempt employees making less than \$47,476 to nonexempt status and assume some level of overtime.
 - Benefit issues: convert to non-exempt overtime earning rate;
 convert leave earning rate
 - Some positions may traditionally work many hours, <u>require</u>
 <u>overtime</u>. Possible schedule flexibility issues.
 - Potential <u>impact on morale</u> with employees who are not happy becoming nonexempt.

Regulation Impact Option 3

- Combination: Review all exempt positions, raising some salaries to the new minimum and retaining exempt status and transitioning others to non-exempt status.
 - Combination of costs and considerations listed in Option 1 & Option
 2.
 - Consistency of application (equity/fair practices)



FLSA Compression Impact

	VP.		Job									_				
4		Dept	Code	Job Title	Internal Title	Market Title	Annual Rt	Grade	20th %	40th %	Median	Average	60th %	80th %	Start Date	Position Date
5	DV		1003	WSCL Position	Director of Development		28,500.00								6/17/2002	
6	DV		1003	WSCL Position	News Producer		35,112.00								4/1/2003	
7	SF	Admissions	E40371	Admissions Counselor	Counselor, Admissions	Admissions Counselor	34,011.00	01	32,953	34,854	36,061	37,828	37,854	41,887	5/20/2005	1/2/2008
8	SF	Admissions	E40371	Admissions Counselor	Counselor, Admissions	Admissions Counselor	33,000.00	01	32,953	34,854	36,061	37,828	37,854	41,887	8/24/2000	8/13/2008
9	SF	Admissions	E40371	Admissions Counselor	Counselor, Admissions	Admissions Counselor	33,000.00	01	32,953	34,854	36,061	37,828	37,854	41,887	8/18/2008	8/18/2008
10	SF	Admissions	E40371	Admissions Counselor	Counselor, Admissions	Admissions Counselor	33,000.00	01	32,953	34,854	36,061	37,828	37,854	41,887	8/13/2009	8/13/2009
11	SF	Admissions	E40371	Admissions Counselor	Admissions Counselor	Admissions Counselor	33,000.00	01	32,953	34,854	36,061	37,828	37,854	41,887	8/10/2009	8/11/2010
12	AF	Grounds Maintenance	E23261	Mgr, Landscape & Grounds	Manager, Horticulture&Grounds	Mgr, Landscape & Grounds	47,159.00	01	51,346	56,021	58,658	56,947	61,274	69,070	5/9/1996	12/18/2003
13	AF	Salisbury Univ Bookstore	E24341	Textbook Manager	Manager, Book Division	Manager, Textbook	46,497.00	01	35,615	38,989	40,635	41,747	42,437	47,820	1/1/2005	1/1/2005
14	SF	Disabled Student Services	E40142	Coordinator	Coordinator, Disability Svcs	Coordinator, Disability Sves	48,093.00	01	43,971	49,337	52,898	53,851	55,707	62,176	7/1/2007	7/1/2007
15	AA	Computer Services-Acad	E4007A	IT Network Control Specialist	Network Control Specialist, IT	Database Administrator	62,000.00	01	56,902	63,282	64,447	65,242	67,377	71,640	8/12/1999	11/17/2010
16	AA	Computer Services-Acad	E4007A	IT Network Control Specialist	Network Control Specialist, IT	Systems Programmer	54,654.00	01	48,288	54,535	56,857	58,729	59,787	68,058	11/3/1997	9/13/2006
17	AA	Classroom Technology Serv	E40142	Coordinator	Manager, Classroom Tech Spt	Director, User Services	46,311.00	01	51,444	59,687	64,132	67,040	69,628	80,732	3/27/1995	3/27/1995
18	SF	Administration-Athletics	E40044	Asst. Athletic Trainer	Asst Trainer, Athletic	Asst Athl Trainer/Phys Therapist	36,261.00	01	34,126	36,702	38,496	39,248	40,324	43,143	7/19/2004	7/19/2004
19	SF	Administration-Athletics	E40044	Asst. Athletic Trainer	Asst Trainer ,Athletic	Asst Athl Trainer/Phys Therapist	32,500.00	01	34,126	36,702	38,496	39,248	40,324	43,143	2/13/2006	7/16/2008
20	SF	Student Activities & Organiztn	E40142	Coordinator	Coordinator of Student Life	Asst Dir, Student Activities	39,500.00	01	37,139	41,180	43,706	43,954	45,111	49,228	1/3/2006	5/3/2010
21	SF	Technical/Event Services	E40142	Coordinator	Coordinator Campus Tech/Event	Coordinator, Events Tech Svcs	42,500.00	01	40,468	43,061	44,162	45,978	46,001	53,074	4/5/2010	4/5/2010
22	AA	Field Experience-Education	E40142	Coordinator	Coordinator, Regnl ProfDevSchl	Coordinator, Coop Program	64,957.00	01	40,561	44,832	46,814	48,265	48,157	55,127	9/1/1992	7/1/2007
23	AA	Field Experience-Education	E40142	Coordinator	Director, Field Experience	Coordinator, Coop Program	47,988.00	01	40,561	44,832	46,814	48,265	48,157	55,127	1/30/2006	7/1/2007
24	SF	Housing	E2437C	Manager, Residence Hall	Area Dir/Asst Dir,Residnt Life	Res Hall Mgr/R&B Included	29,149.00	01	27,432	29,930	30,005	31,732	30,845	33,979	7/30/2007	7/1/2009
25	SF	Housing	E2437C	Manager, Residence Hall	Area Director	Res Hall Mgr/R&B Included	29,149.00	01	27,432	29,930	30,005	31,732	30,845	33,979	7/1/2009	7/1/2009
26	SF	Housing	E2437C	Manager, Residence Hall	Area Director	Res Hall Mgr/R&B Included	29,149.00	01	27,432	29,930	30,005	31,732	30,845	33,979	7/20/2009	7/20/2009
27	D۷	Alumni Relations	E40142	Coordinator	Coordinator,Program	Annual Giving Ofer-Entry Lvl	32,525.00	01	37,531	40,968	42,337	42,914	43,934	47,273	5/1/2006	9/13/2006
28	D۷	Capital Campaign	E40093	Admin, Annual Giving	Administrator, Annual Giving	Annual Giving Ofer-Entry Lvl	35,629.00	01	37,531	40,968	42,337	42,914	43,934	47,273	9/27/2006	9/27/2006
29	D۷	University Advancement	E40140	Program Specialist	Coordinator, Advancement Svcs	Coordinator, Resource Dev	36,194.00	01	40,286	44,035	46,515	48,226	49,613	54,743	3/12/2001	10/24/2005
30	AA	MD Gov's Office-MD Broadband	E30332	GIS Specialist	Research Supv - Lab/Scientific	Research Asst, Sr. Natural/Phys	41,000.00	01	42,804	46,883	49,249	53,267	65,550	63,681	1/3/2006	7/1/2006
31	AA	MD Gov's Office-MD Broadband	E30332	GIS Specialist	Analyst Sr, GIS	Research Asst, Sr. Natural/Phys Science	41,000.00	01	42,804	46,883	49,249	53,267	65,550	63,681	8/22/2002	12/3/2009
32	AA	GIS Cooperative	E30332	GIS Specialist	GIS Special Analyst	Research Computer Specialist	43,540.06	01	33,741	41,558	45,145	46,803	49,171	57,196	11/1/2006	7/2/2009



- "Program" Coordinator
 - Current entry level starting salary: \$37,166 40,000
 - If we add \$10,310 \$7,476
 - 19-28 % increase
- Meanwhile in same division/area:
 - Assistant Director @ \$50,000 -\$56,000
 - Associate Director" @ \$60,000 \$65,000

- CUPA-HR data (National Database)
 - "Manager" @ \$38,000



- "Program" Coordinator (Grade 01)
 - Current entry level starting salary: \$37,166 40,000
 - Bachelor's degree and 1-3 years of experience
- "Specialized" Coordinator (Grade 02)
 - Current entry level starting salary: \$49,000
 - Bachelor's or Masters degree in a specific field
 - 5-7 years of experience in a discipline or technique
- Program Management Specialist (nonexempt)
 - Same minimum qualifications as "Program" Coord.
 - Hiring Salary @ Pay Range 10 minimum \$36,178



- Area Director
 - Current entry level starting salary: \$37,166 plus
 Room & Board and Meals (\$47,166 total comp.)
- Regulation does not recognize Room & Board and Meals as compensation
- New base salary @ \$47,746
 - Total compensation \$57,746



- Academic Administrative Exception Equity
 - Academic Advisors @ \$42,000
 - Admissions Counselors moving to \$47,476 \$50,000
 - Same minimum qualifications for degree and years of experience

FLSA Compliance Best Practices

- Conduct PD analysis for Each Position
 - Assess and validate
 - Percentage of time spent on exempt duties
 - Clarify discretion and independent judgement
 - Review education and experience requirements
 - Assess level and extent of supervision

