

# Change to Fair Labor Standards Act

- Department of Labor changed the salary portion of the exemption test, raising the minimum annual salary for exempt employees from \$23,400 to \$47,476
- Duties tests were not impacted
- Compliance required by December 1, 2016

# Valencia's plan for compliance

- Update/consolidate 26 policies into 7:
  - Consolidate three staff salary schedules into one, address salary threshold for exempt positions
  - Update overtime processes to gain efficiency and require re-training of all non-exempt employees and time approvers on recording and approving hours worked
  - Conform award of contracts to only those required by statute (administrators and instructional personnel)
  - Revise recognition program for advanced degrees earned (Eliminate base pay increases for advanced degrees for non-instructional personnel, introduce one-time award)
  - Create a new Staff Association (consolidate career and professional staff groups into one)

# Plan impact

- 172 employees moved from exempt from overtime to non-exempt
- 25 employee salaries were moved to the \$47,476 threshold and maintain exemption (total cost: \$71,999)
- Expected increased overtime in coming months as we implement compliance plans
- 442 fewer contracts issued
- Improved efficiency in managing overtime
- Compliant by November 20, 2016 (start of pay period which includes the December 1, 2016 mandatory compliance date)