

November 15, 2016

17-044

BOARD RESOLUTION FOR ACADEMIC PROFESSIONAL  
AND MANAGEMENT SALARY CHANGE IN  
ACCORDANCE WITH FAIR LABOR STANDARD ACT

PREPARED BY: Lisa Bledsoe, Associate Vice President, Human Resources

APPROVED BY: Mark Mitsui, College President

REPORT: This resolution adjusts the salaries of Academic Professionals (APs) and Managers to meet the new salary threshold for overtime exemption under the Fair Labor Standards Act (FLSA).

Effective December 1, 2016, the FLSA salary threshold for overtime exempt status is increasing from \$455 per week to \$913 per week (from \$23,660 per annum to \$47,476 per annum). Human Resources has reviewed methods to address this change to ensure compliance, while also taking into consideration equity, financial and administrative impact. It is recommended that the college increase salaries for each AP and Manager who is below the FLSA salary threshold to equal the new threshold of \$47,476. This methodology will allow all APs and Managers to maintain their exempt status and to continue to work in the same manner they currently do. This adjustment has been approved by the FFAP per the attached Memorandum of Understanding.

RECOMMENDATION: That the Board of Directors approve adjustments to: Academic Professional Salaries per the attached Memorandum of Understanding; and Management Salaries to meet the new FLSA threshold.

MEMORANDUM OF UNDERSTANDING  
Fair Labor Standards Act Compliance

Under the Fair Labor Standards Act (FLSA), the College's Academic Professional (AP) positions are exempt if job duties and responsibilities meet the "professional" definition, including a salary threshold. The Department of Labor (DOL) has promulgated rules to increase the salary threshold for exempt positions from \$23,660 to \$47,476, effective December 1, 2016. This increase is being challenged through lawsuits and legislative proposals which could impact the new salary threshold and/or the implementation date.

This agreement is to document PCC's plan to address changes to the FLSA exempt salary minimum, including contingencies based on the possibility of changing legal requirements.

The new FLSA salary threshold of \$47,476 exceeds the current salary for some AP employees at PCC. To comply with the new FLSA salary requirement and to maintain the exempt status of all Academic Professional positions, PCC proposes to increase the salary of those APs whose salary is below the new FLSA salary threshold at the time it becomes effective. Salaries for those affected APs will be adjusted to meet the new threshold, provided the new threshold does not exceed \$47,476.

Salary changes will be effective on the date the DOL implements the new FLSA salary threshold. However, due to the potential for the new FLSA salary threshold to be overturned or changed, PCC reserves the right to delay, change or cancel any salary changes. In the event PCC exercises this right, it will notify the Federation as soon as possible. In addition, if PCC increases AP salaries to meet the new FLSA salary threshold and the threshold is later lowered, the salaries for any AP employees whose salaries have been increased to meet the new FLSA salary threshold will be re-adjusted accordingly.

Any changes to Academic Professional salaries as described herein are subject to Board approval.

  
Frank Goulard, Federation President/DATE

  
Cheryl Bell, Employee/Labor Relations Manager/DATE