

**SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION**

TOPIC: Revision to Biennial Exempt Salary Structure Adjustment for Fiscal Years 2017 and 2018

COMMITTEE: Committee of the Whole

DATE OF COMMITTEE MEETING: December 9, 2016

SUMMARY: At its October 21, 2016, meeting, the Board of Regents approved the Biennial Exempt Salary Structure Adjustment for fiscal Years 2017 and 2018, which increased the USM exempt pay structures by 7.625%, reflecting salary market changes from July 1, 2016 to June 30, 2018. The approved Exempt Salary Structures are scheduled to go into effect January 1, 2017.

The minimum salary for exempt employees was set at \$47,476, substantially higher than the general 7.625% increase to the pay structure as a whole, in order to comply with the expected implementation on December 1, 2016, of revisions to the federal Fair Labor Standards Act. Those revisions would have required most of the USM's exempt employees to be paid a minimum salary of \$47,476. However, in late November, a federal judge barred the implementation of the new FLSA regulations by issuing a preliminary injunction. For this reason, the previously approved Exempt Salary Structures for Fiscal Years 2017 and 2018 have been revised as set forth in the attached charts. The revised structures increase exempt salaries to the levels at which they would have been set, but for the revisions to the Fair Labor Standards Act that have been indefinitely put on hold.

ALTERNATIVE(S): The Board could elect to retain the Exempt Salary Structures currently in place.

FISCAL IMPACT: Implementation of the recommended salary structures was estimated to cost approximately \$2,200,000 in the report provided to the Board of Regents at the October 21, 2016 meeting.

CHANCELLOR'S RECOMMENDATION: That the Board of Regents approve the revised adjustment of the USM Exempt Staff Salary Structures, as presented, effective on the first full pay period of January 2017.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923

Revised USM Exempt Salary Structure Proposal

Adjusts all Pay Ranges by 7.625%

Wide Salary Structure

| Pay Range | Minimum | Maximum |
|-----------|-----------|-----------|
| I | \$40,000 | \$102,279 |
| II | \$48,001 | \$139,195 |
| III | \$59,777 | \$177,162 |
| IV | \$83,023 | \$247,397 |
| V | \$107,931 | \$331,261 |

Traditional Salary Structure (UMB Only)

| Pay Range | UMB Minimum | UMB Midpoint | UMB Maximum |
|-----------|-------------|--------------|-------------|
| C | \$40,000 | \$57,290 | \$74,581 |
| D | \$47,135 | \$67,719 | \$88,303 |
| E | \$54,891 | \$78,459 | \$102,026 |
| F | \$62,648 | \$89,497 | \$116,345 |
| G | \$72,194 | \$103,219 | \$134,245 |
| H | \$83,530 | \$119,328 | \$155,127 |
| I | \$96,060 | \$136,631 | \$177,203 |
| J | \$106,202 | \$159,005 | \$211,808 |
| K | \$139,018 | \$235,139 | \$331,260 |