

COUNCIL ON GOVERNMENTAL RELATIONS

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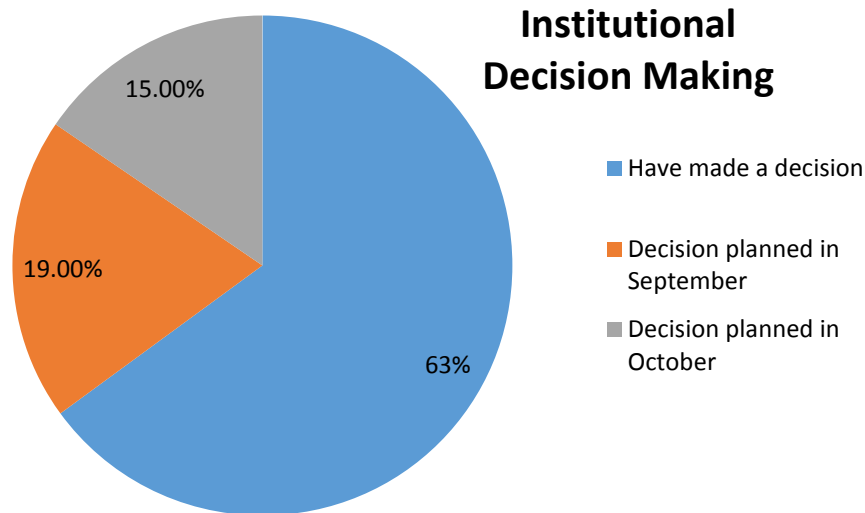
Fair Labor Standards Act (FLSA) Postdoctoral Researcher Survey Results

Effective December 1, 2016 changes to the Fair Labor Standards Act (FLSA) with respect to overtime will impact many entities, including higher education. The United States Government will more than double the current minimum salary of \$455 per week (\$23,660 annually) to \$913 per week (\$47,476 annually) for certain white collar employees exempt or ineligible from receiving overtime pay. As a result, a survey of the COGR membership was conducted in August to collect information on how institutions planned to respond to the increase in the exempt salary threshold. For this purpose, the survey was limited to actions they intended to take only as it related to postdoctoral researchers. Survey questions addressed the number of postdocs and the percentage whose salary already exceed the new threshold; whether institutions plan to create an institution-wide policy that would move all postdocs to the new threshold and the timing and rationale for their decision; and anticipated costs and funding sources among others.

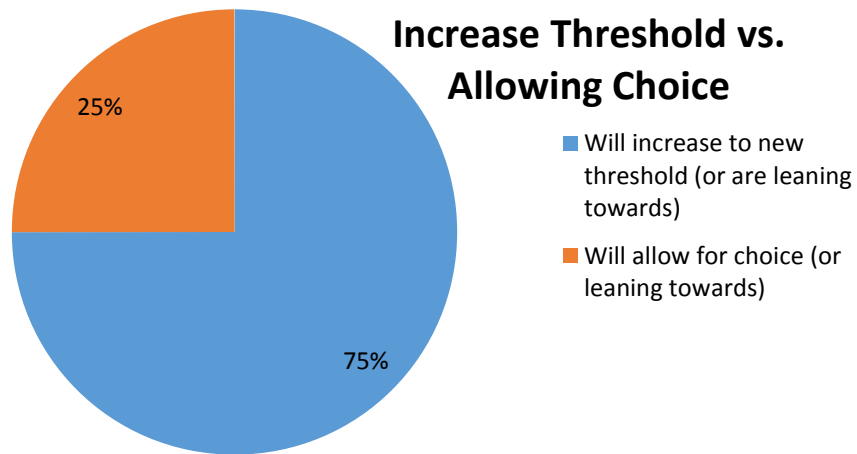
Of its 190 member institutions, a total of 109 research institutions responded, with 68 being institutions that include medical schools. Of those 109, 79 are public institutions and 30 are private institutions.

Institution-wide Policy Decision-Making

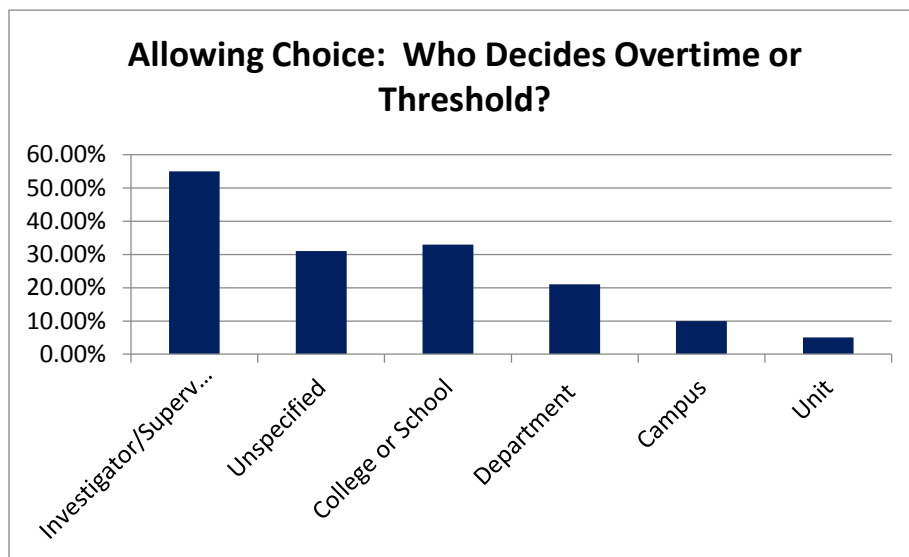
The survey results indicated that approximately 63% of institutions have already made a decision about whether or not they would create a university-wide policy requiring all postdoc salaries to be moved to the new threshold. An additional 19% planned to make their institutional decision in September and 15% in October.



Among the 69 institutions that have made a decision, 74% have decided to implement an institution-wide policy to increase postdoc salaries to the new threshold. By contrast, 26% of institutions indicated that they would not create an institution-wide single threshold, allowing for an option for time reporting/paid overtime. When factoring in those institutions that are leaning towards yes or no (n=100), the percentages are roughly the same (75%/25%).



Among those institutions opting to allow a choice between increasing the threshold or time reporting/overtime, the decision-making authority varied significantly, with 55% reporting that the decision-making will be allowed to occur at the investigator or supervisor level; 31% at some other (unspecified) level; 33% at the college or school level; 21% at the department level; 10% at the campus level; and 5% at the unit level. Some institutions allow multiple levels of decision making.



Existing Postdoc Population and Salaries

The volume of postdoctoral positions across institutions responding to the survey varied widely. Although 25% of institutions had fewer than 100 postdocs, the remaining 75% of schools had considerably more, including 39% with 100 – 300; 9% with 301-500; and 26% with more than 500 postdocs at their institution. Ninety-six institutions reported having analyzed the salary levels of their postdocs. Among them, two thirds reported that at least 50% of postdoc salaries are below the new threshold and nearly one quarter indicated that at least 75% of their postdocs had salaries below the new threshold. Only 2% reported that at least 90% of their postdoc salaries exceeded the new threshold.

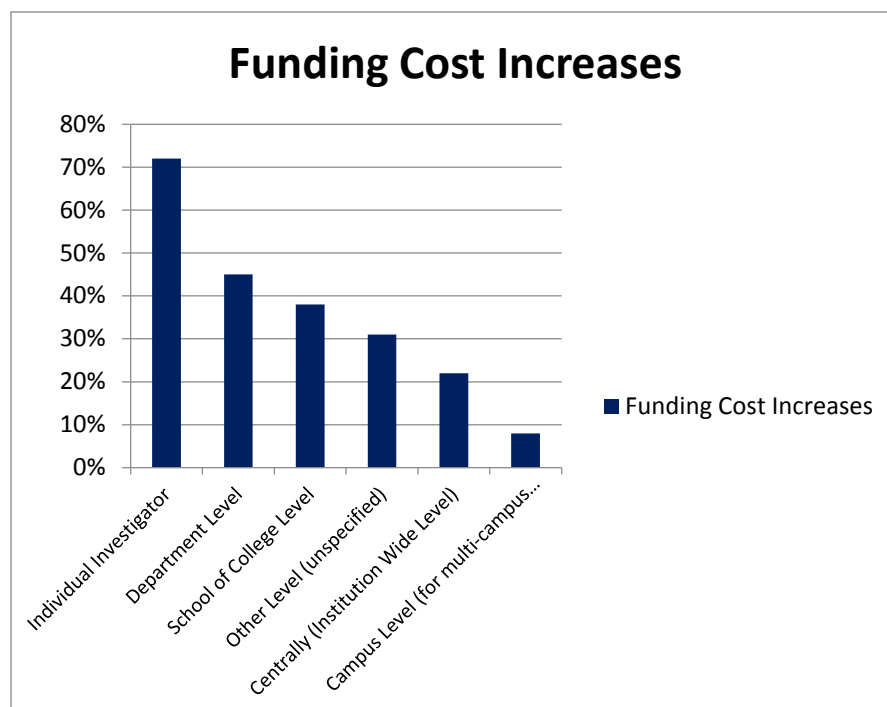
Rationale for Increasing Postdoc Salaries to the New Threshold

Institutions were asked what factors they considered most important in making a decision (or leaning towards a decision) to increase postdoc salaries to the new threshold versus opting for overtime pay. The reasons ranking as highly important were (in order of importance) difficulty in managing time; concern about institutional compliance (e.g., supervisors directing postdocs not to report actual hours worked); because it was the right thing to do; concern about morale; and because of competitiveness with other schools. Concern about audit and legal or whistleblower issues were not ranked quite as highly, though nearly 70% of institutions did rank these as being of either “medium” or “high” importance.

Funding Cost Increases

Estimated costs for raising postdocs to the new threshold varied widely, ranging from approximately \$44,000 to \$10,600,000, with a mean cost of \$1,491,000. Mean estimated cost by number of postdocs was \$210,000 for institutions with 100 or fewer postdocs; \$965,000 for those with 100-300; \$1,111,000 for those with 301-500; and \$2,937,000 for institutions with >500 postdocs.

Respondents were asked how the cost of increased salaries or overtime costs would be funded (with multiple options permitted). Levels indicated, by frequency, suggest that approximately 72% will look to individual investigators to fund the additional costs; 45% the department; 38% the School or College; 31% some other (unspecified) level; 22% centrally (institution-wide); and 8% at the Campus Level (for multi-campus institutions).



Respondents were also asked to rank, in order, the anticipated magnitude of the funding sources that would be used to cover these costs, with 6 being the highest magnitude and 1 being the lowest. The results were: 5.10 Investigators; 3.78 Departments; 3.55 Schools/colleges; 3.42 Other (unspecified) level; 2.65 Centrally (institution-wide

level); and 2.19 Campus Level (for multi-campus institutions).

Only 13% of institutions indicated that they planned to have a centrally-funded “hardship” pool.

Special Thanks

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