**Examples of How the Department of Labor’s Proposed Overtime Rule Will Impact
Preschools, Elementary Schools, and Secondary Schools**

1)      Administrative Professionals—it’s important to remember that the exemption from overtime is an “and” scenario.  So, the administrative person needs to make more than $50k AND meet the primary duties test of performing administrative actions that relate to academic instruction or training in an educational institution.  While many administrative professionals currently are exempt because they make more than $23k annually, there are a significant number, particularly in the southeastern part of the country and in smaller and more rural districts, who do not make more than $50k annually.  Those individuals would have to be reclassified as non-exempt and would be eligible for overtime.  This would likely mean those individuals also see a change in benefits because benefits often differ between exempt and non-exempt employees, they would not have access to work-provided mobile devices because it would make keeping track of hours worked difficult, and there would likely be decreased flexibility in schedules because individuals could not, for example, take a longer lunch break to go to a doctors appoint without also losing getting paid for that time.

2)      Emergencies—if there is a building emergency or there is a student in crisis, the school employees are the ones who stay late to help.  This could be a school nurse, a guidance counselor, administrative professionals, an afterschool program employee or  any number of other people in the building who don’t actually “teach, tutor, or instruct” and earn less than the $50k salary threshold, but are still likely salaried employees.  These individuals are likely currently exempt and salaried, but under the proposed rule would have to be reclassified and become eligible for over time.  These unexpected emergencies then leave the individual with two options—not stay and help during the emergency (which I imagine almost no one would do) or stay and earn the overtime, which will cause budget overruns for the district.  School budgets are usually pretty fixed, so these types of overruns will ultimately mean cuts have to come from someplace else within the budget (laying off or furloughing staff, cutting programs and services, etc).

3)      Late Parents—in a similar situation to the emergency scenario, parents can sometimes be unpredictable, creating another scenario where the school employee has to unexpectedly stay late, earn over time, and ultimately cause unpredictable costs for the district

4)      Head Start programs—if the district has a Head Start program, most of the employees will not fall under the teacher exemption and will have to be reclassified.  We’ve been talking with a Head Start program in Louisiana, and their HR Director said the rules would increase her center's costs by about $74,000 because she would have to re-classify 26 of the 35 employees that are currently exempt.