Proposed Update to Federal Labor Rules has Implications for CCE Associations

The Federal Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments including CCE associations. Among other things the law requires that employees who are covered by the law (“nonexempt”) must be paid overtime (time and a half) for hours worked in excess of 40 per week. (Nonexempt employees are typically paid by the hour.) Employees who are not covered by the law (“exempt”) receive a salary and are paid for the job they perform, rather than hours worked, and generally do not receive overtime pay.

The Department of Labor uses a salary threshold, currently $455/week ($23,660 annual) as well as other tests to distinguish between exempt and nonexempt employees. Recently the Department announced a proposed rule change that would raise the threshold to $970/week ($50,440 annual) adjusting for inflation since the last update in 2004. This rule change is expected to go into effect January 1, 2016 or shortly thereafter.

For CCE associations, this means that all employees in exempt positions must receive an annual salary of at least $970/week ($50,440/year). Employees paid less than that must be moved into a nonexempt position and be paid overtime for any hours worked over 40 per week. Statewide there are several hundred CCE association employees in exempt positions who are currently below the proposed new exempt salary threshold.

Like other employers nationwide CCE Administration is analyzing the impact of the updated rule (which is still subject to change before being finalized) and preparing for its implementation. Among other things, new position classifications are being developed for use by associations. Executive Directors and Shared Business Network HR Leads are engaged in the process.
Given the potential impact on association budgets, staffing structure and even employee morale, Boards of Directors should monitor this developing situation closely and work with your executive director to develop options, consider how your association will respond, and prepare a contingent staffing plan by early fall.

**Proposed Changes to County Law 224**

At the end of this year’s legislative session the NYS Senate and Assembly passed and sent to the Governor for approval (still pending at this writing) legislation updating and modernizing subdivision 8 of County Law section 224, which is the state authorizing legislation for CCE associations. The key changes are:

- The fields of extension work have been expanded from “agriculture, home economics and community betterment” to the more contemporary “agriculture, community and economic vitality, environment and energy, nutrition and healthy families, and youth development.”

- If the state should increase its funding allocation for county associations above the current level ($3.9 million), the additional allocation “shall be distributed to the county associations in a percentage proportionate to their most recent county appropriation, such appropriation not to include any amount attributed to in-kind contributions, service agreements or contracts.” The purpose of this change is to maintain the role of the association Board of Directors in setting budget priorities.

- “Annual county appropriations may include in-kind contributions, service agreements and contracts with Cooperative Extension associations subject to review by Cornell University.” This provision expands the sources of county funding that may be used to calculate the association’s 224 match (but see above and note this only applies to the current level of 224 funding).

- “In support of its operations, research and educational programming needs, an association may contract with one or more entities, including but not limited to federal, state or local government, not for profits or for profit organizations to provide services, compensated or uncompensated, consistent with this section. Such contracts are subject to review by Cornell University.” Previously, the law only authorized associations to contract with each other or with Cornell University.

**Lobbying Laws Updated**

Another legislative initiative this year involves changes to the state lobbying act. CCE Administration is currently analyzing the potential implications of these changes for CCE associations, and will provide more information as it becomes available.

**HR Manual Update**

Although individual CCE human resource policies are regularly updated, it has been quite a few years since there has been a comprehensive review. To ensure that our policies are compliant with state and federal labor laws, employ current best practice, and meet the needs of associations CCE
Administration has engaged an external consultant to review our HR Policy Manual and recommend changes. The Shared Business Networks HR Leads will be involved with the project as it moves forward.

**SBN Analysis to Begin**

CCE Director Chris Watkins recently approved an agreement with the Center for Governmental Research to conduct an analysis of the impact of Shared Business Networks on association operations. While the details of the study are still being worked out, it will include a CGR staff member visiting each SBN plus other analysis.

**New Program Development Leadership Cohort Established**

One of the things that distinguish Cornell Cooperative Extension from other organizations is our rigorous program development process including needs assessment, literature review, curriculum design, appropriate delivery mechanisms, and evaluation. It is essential that senior-level extension educators understand and apply these basic principles and techniques to their program development process. To assist in this regard the CCE Administration Organizational Development Unit is developing a new Program Development Leadership Cohort experience consisting of a blend of on-line and face to face group learning experiences. The new program will be piloted November – February. Fifteen staff members from across the state and a variety of program areas will be selected for this pilot cohort.