

**SOUTH DAKOTA BOARD OF REGENTS**

**Full Board**

**AGENDA ITEM: 25**

**DATE: April 1-2, 2015**

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**SUBJECT: Minimum Wage Impact**

In January, the new minimum wage took effect moving from \$7.25 to \$8.50 an hour. The Board requested a follow-up at the April Board Meeting of how the campuses were dealing with the impact of this change. Below are the summaries received from the campuses on how they have initially dealt with this change.

**BHSU:** The departments will have to live within their current budgets. This will mean a reduction of hours in student labor. This did not affect any regular full-time employees.

**DSU:** The departments will need to adjust accordingly within their allotted budgets. This will mean work study and students will work fewer hours in order to fit within the appropriated amount.

**NSU:** All departments have either hired fewer students or cut back on the number of hours the students will be allowed to work. In some cases, the number of hours worked per week have been decreased, while in other departments, the student workers will stop working before the end of the school year. This will affect the level of service provided to students, faculty and staff. This has also affected our food service provider. As a result, the main dining area is no longer open from 2:00 – 5:00 PM Monday – Friday.

**SDSM&T:** The departments will still be expected to live within their budgets. They will simply be decreasing hours to account for the increase in pay. The majority of impact was in the area of work study.

**SDSU:** The minimum wage impact will be handled in several ways. Salary salvage will be utilized where possible along with re-purposing OE dollars. Where there are no additional funds available, hours will be adjusted and/or less students will be hired.

**USD:** The impact of the minimum wage increase will affect various departments differently. Some will use salary salvage when possible or re-direct OE budgets to PS. Others will reduce student labor hours, which may decrease the number of hours a facility is open to students.

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Information only.