EFFECTS OF MINIMUM WAGE CHANGES ON THE DEVELOPMENT AND USE OF THE STUDENT EMPLOYEE PAY RATE STRUCTURE AT WESTERN MICHIGAN UNIVERSITY

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TOPICS OF DISCUSSION

- Introduction
- Overview of Student Employee Pay Scale Structures at Six Universities
- Methodology
- Results
- Discussion and Recommendations
- Conclusion
INTRODUCTION

Why is on-campus student employment an important topic?
- Mutually beneficial relationship
- Multiple ways to handle on-campus student employment

Why is it important to Western Michigan University?
- Approximately 3,300 undergraduate students work on-campus positions
- Minimum wage changes in Michigan
- Desire to restructure pay scale structure used for students working on campus at WMU
OVERVIEW OF STUDENT EMPLOYEE PAY SCALE STRUCTURES AT SIX UNIVERSITIES

- Western Michigan University
- Three Peer Institutions
  - Kansas State University
  - University of North Dakota
  - Temple University
- Two Universities in Michigan
  - Central Michigan University
  - Grand Valley State University
<table>
<thead>
<tr>
<th>Level</th>
<th>Abilities needed</th>
<th>Knowledge required</th>
<th>Level of supervision</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>• Understand and follow written and verbal instructions</td>
<td>No specialized knowledge</td>
<td>Close supervision</td>
</tr>
</tbody>
</table>
| B     | • Application of clearly prescribed standard practices and to work from detailed instructions  
• Able to work with data, perform simple analysis and exercise judgment | Some training or work experience required                                            | Direct supervision       |
| C     | • Plan and perform operations or to make analysis of facts to determine logical answers  
• Make decisions, use critical thinking skills and job specific knowledge  
• Perform basic office skills or use tools to resolve general problems of technical nature | May require completion of some college coursework, a specific major or set of competencies, specialized skills or equivalent experience | Some direct supervision  |
| D     | • Perform a wide variety of duties using judgment in solving problems not covered by instructions  
• Research data and/or use specialized knowledge to determine alternative or make recommendations for aiding in solution to problems  
• May be responsible for instructing other student employees | Likely requires completion of some specialized coursework, training or experience.  | Indirect supervision     |
| Q     | This classification is reserved for student positions requiring specialized or hard to find skills |                                                                                     |                          |

Figure 1. Western Michigan University Job Classification Levels.
### Western Michigan University Pay Rates prior to September 1st, 2014

<table>
<thead>
<tr>
<th>Level</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$7.86</td>
<td>$7.89</td>
<td>$7.96</td>
<td>$8.03</td>
</tr>
<tr>
<td>B</td>
<td>$8.30</td>
<td>$8.39</td>
<td>$8.48</td>
<td>$8.55</td>
</tr>
<tr>
<td>C</td>
<td>$8.82</td>
<td>$8.92</td>
<td>$8.99</td>
<td>$9.04</td>
</tr>
<tr>
<td>D</td>
<td>$9.31</td>
<td>$9.38</td>
<td>$9.49</td>
<td>$9.57</td>
</tr>
</tbody>
</table>

$Q = $9.58 - $20.00 (any rate above $20/hr is rare and requires approval)

*Figure 2. Western Michigan University Pay Rates prior to September 1st, 2014*

### Western Michigan University Pay Rates effective September 1st, 2014

<table>
<thead>
<tr>
<th>Level</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$8.15</td>
<td>$8.22</td>
<td>$8.29</td>
<td>$8.36</td>
</tr>
<tr>
<td>B</td>
<td>$8.43</td>
<td>$8.50</td>
<td>$8.57</td>
<td>$8.64</td>
</tr>
<tr>
<td>C</td>
<td>$8.82</td>
<td>$8.92</td>
<td>$8.99</td>
<td>$9.04</td>
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<td>D</td>
<td>$9.31</td>
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<td>$9.49</td>
<td>$9.57</td>
</tr>
</tbody>
</table>

$Q = $9.58 - $20.00 (any rate above $20/hr is rare and requires approval)

*Figure 3. Western Michigan University Pay Rates effective September 1st, 2014*
Levels A and B changed, while Levels C, D and Q did not.

Level A1 was previously above minimum wage and now is at minimum wage.

Pay range from A1 to D4 shrunk by 17%.

Pay differences between levels are less distinguishable:

- B1 is 7 cents higher than A4.
- C1 is 18 cents higher than B4.
- D1 is 27 cents higher than C4 (same as former pay scale).

Differences in pay used to be 27 cents between all levels.
According to Dr. Keller (2015), the director of Career and Student Employment Services at Kansas State University, “Departments are required to pay the campus minimum wage but any additional compensation is up to the individual unit.”

Student positions cannot be paid below $7.25, the state minimum wage in Kansas.

No formal student employee pay scale structure.

Departments within the university are responsible for determining student wages.
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- **Level I:** $7.25 - $10.00  
  - Job examples: routine dining services, custodial work or basic research work

- **Level II:** $10.01 - $13.49  
  - Job examples: tutoring, computer programming, skilled labor

- **Level III:** starts at $13.50  
  - No job examples provided. Approved by request
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- 3 different levels and job classifications
- Each level contains a range of wages (no steps)
- Loosely structured
- Larger range of wages for student positions than WMU has
Figure 4. Temple University student employment pay structure

- **SW1**: general clerical support student positions
- **SW2**: administrative technical support jobs
- **SW3**: research and professional support
3 different levels and job classifications

- Each level is a range of wages
- Some of the same wage amounts appear in two different levels
- Loosely structured
- Larger range of wages for student positions than WMU has
### MICHIGAN UNIVERSITY #1: CENTRAL MICHIGAN UNIVERSITY

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1</td>
<td>$8.15</td>
<td>$9.20</td>
</tr>
<tr>
<td>S2</td>
<td>$8.15</td>
<td>$10.20</td>
</tr>
<tr>
<td>S3</td>
<td>$8.15</td>
<td>Open</td>
</tr>
</tbody>
</table>

*Figure 5. Central Michigan University student employment pay structure*

- **SW1**: entry level positions
- **SW2**: positions with expanded responsibilities
- **SW3**: specialized jobs
MICHIGAN UNIVERSITY #1: CENTRAL MICHIGAN UNIVERSITY

- 3 different levels and job classifications
- Each level is a range of wages
- Each level begins at the state minimum wage, but has a different (or no) maximum
- Loosely structured
- Range of wages for student positions comparable to those available at WMU
Figure 6. Grand Valley State University student employment pay structure

- **Levels 1 and 2**: general routine work
- **Levels 3 and 4**: moderately difficult tasks and moderate supervision
- **Levels 5 and 6**: technical positions, involve complexity or require independent judgement
- **Level 7**: positions needing high skills, tasks are self-decided and involve personal accountability

<table>
<thead>
<tr>
<th></th>
<th>Step A</th>
<th>Step B</th>
<th>Step C</th>
<th>Step D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$8.15</td>
<td>$8.30</td>
<td>$8.45</td>
<td>$8.60</td>
</tr>
<tr>
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<tr>
<td>4</td>
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<tr>
<td>5</td>
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<tr>
<td>6</td>
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<td>$12.00</td>
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<tr>
<td>7</td>
<td>$12.75</td>
<td>$13.75</td>
<td>$14.75</td>
<td>$15.75</td>
</tr>
</tbody>
</table>
MICHIGAN UNIVERSITY #2: GRAND VALLEY STATE UNIVERSITY

- 7 different levels and 4 different job classifications
- Each level has 4 different steps
- Some levels overlap each other in the range of wages they contain, but not all levels overlap
  - Levels 1 through 4 overlap a little, Levels 5 through 7 do not
- Rigid structure
- Range of wages available are similar to Western Michigan University
SUMMARY OF SIX STUDENT EMPLOYMENT PAY STRUCTURES

- Most universities had
  - 3 different levels and job classifications
  - Wage ranges rather than defined steps

- Each pay structure began at the state minimum wage

- 3 universities had some overlap of student wages within their levels, and 3 universities had levels that did not overlap

- Most universities clarified that multiple wages in each level were present to allow for giving students raises for working a position for an extended period of time or to account for experience