

**Follow Up to December 11, 2018 Question
From Trustee Stacey Donald**

Re: Employee Compensation / Poverty Levels

Question:

Trustee Donald expressed concern about the low salary rate for two of the newly appointed employees and alleged that these employees were paid less than a “living wage” and below the “poverty level.” The new employees’ salaries were \$29,526 and \$30,367.

Answer:

According to the US Department of Health and Human Services, there are two slightly different versions of the federal poverty measure. **Poverty Thresholds** are the original measure and are used mainly for statistical purposes, e.g. preparing estimates of the numbers of individuals in poverty each year.

Poverty Guidelines are the other version and are issued each year in the Federal Register by the Department of Health and Human Services. The guidelines are a simplification of the poverty thresholds and are used for determining financial eligibility for certain federal programs. The poverty guidelines are calculated by adjusting the poverty thresholds for price changes using the Consumer Price Index for Urban Consumers (CPI-U). The 2018 Poverty Guidelines are shown below:

Persons in Family/Household	Poverty Guideline
1	\$12,140
2	\$16,460
3	\$20,780
4	\$25,100
5	\$29,420
6	\$33,740
7	\$38,060
8	\$42,380

There is not a broad definition of the term “living wage.” It is defined through ordinances by some local municipalities in some states.

Texas law, however, defines the minimum wage as \$7.25 per hour and prohibits local entities and political subdivisions from establishing their own “minimum wage.” (See attached.)

Collin’s lowest salary range is for entry level positions that require a high school diploma or GED and minimal experience. The salary range for this level has a minimum salary of \$26,842 (\$12.90 per hour) up to the hiring maximum of \$29,526 (\$14.20 per hour), based on experience. We have 29 employees in this salary range, with the lowest salary at \$27,100 and an average salary of \$32,762.

We last raised this range in 2015 from a minimum salary of \$24,639 to \$26,842, an increase of \$2,203 (8.9%).

Segal Waters, as a part of their compensation consulting project, is slated to review the salary placement of all staff positions with recommendations coming to the Board of Trustees for consideration in May or June 2019.

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