
	<p>The Executive Director shall recommend to the Board for approval pay structures and compensation plans for all ESC employees. Pay structures shall be designed and administered for the purpose of attracting and retaining qualified employees to achieve the goals of the ESC. The Executive Director shall administer and maintain pay systems in accordance with written procedures for the ESC's compensation plan.</p>
Pay Systems Description	<p>The Executive Director shall assign positions to pay ranges that define the minimum and maximum base pay for each position. Jobs will be classified for pay purposes on the basis of qualifications and duties as defined by the ESC and market surveys of competitive pay rates. All employees will be paid within the assigned pay range unless exceptions are granted by the Board. The Executive Director shall review pay structures periodically and adjust pay ranges with approval of the Board.</p>
Classification of Positions	<p>The Executive Director or designee shall determine the classification of positions or employees as "exempt" or "nonexempt" for purposes of payment of overtime in compliance with the Fair Labor Standards Act.</p>
Exempt	<p>The ESC shall pay employees who are exempt from the overtime pay requirements of the Fair Labor Standards Act (FLSA) on a salary basis. The salaries of these employees are intended to cover all hours worked, and the ESC shall not make deductions that are prohibited under the FLSA.</p> <p>An employee who believes deductions have been made from his or her salary in violation of this policy should bring the matter to the ESC's attention, through the ESC's complaint policy [see DGBA]. If improper deductions are confirmed, the ESC will reimburse the employee and take steps to ensure future compliance with the FLSA.</p>
Nonexempt	<p>Nonexempt employees may be compensated on an hourly basis or on a salary basis. Employees who are paid on an hourly basis shall be compensated for all hours worked. Employees who are paid on a salary basis are paid for a 40-hour workweek and do not earn additional pay unless the employee works more than 40 hours.</p> <p>A nonexempt employee shall have the approval of his or her supervisor before working overtime. An employee who works overtime without prior approval is subject to discipline but shall be compensated in accordance with the Fair Labor Standards Act.</p>
Compensatory Time	<p>Compensation for overtime hours shall be awarded at one and a half times the employee's regular rate of pay or by time and a half earned in compensatory time. The employee shall be informed in</p>

advance if overtime hours will accrue compensatory time rather than pay. Compensatory time earned by nonexempt employees may not accumulate beyond a maximum of 60 hours. If an employee has a balance of more than 60 hours of overtime, the employee will be required to take compensatory time or, at the ESC's option, will receive overtime pay.

Compensatory time shall be used within the duty year in which it was earned. The ESC shall pay an employee overtime for all unused compensatory time remaining at the end of the fiscal year. Use of compensatory time may be at the employee's request or as determined by the employee's supervisor to protect ESC schedules and activities.

Work Calendars The Executive Director shall determine required work calendars for employees, including the workweek for nonexempt employees.

Workweek Defined For purposes of FLSA compliance, the workweek for ESC employees shall be 12:00 a.m. Saturday until 11:59 p.m. Friday.

Pay Increase Budget The Executive Director shall review employee salaries annually for adjustment and shall recommend to the Board an amount for employee pay increases as part of the annual budget. Pay increase budgets are based on consideration of available revenue, competitive job markets, and ESC compensation objectives. Pay increases beyond the budgeted amount for individuals or positions shall be subject to Board approval.

Individual Pay Actions Employees must have satisfactory performance to receive a pay increase unless exceptions are granted by the Board. Annual pay increases, individual equity adjustments, promotion increases, and hiring rates for new employees shall be determined by the Executive Director in accordance with the approved budget and the ESC's compensation plan.

Prohibition on Extra Compensation The ESC shall not grant any extra compensation, fee, or allowance to a public officer, agent, servant, or contractor after service has been rendered or a contract entered into and performed in whole or in part.

Prohibition on Fees, Honorariums An ESC employee shall not receive fees, honorariums, or gratuities from any school district for services performed. All service fees or other charges for services shall be paid to the ESC in accordance with contractual agreements between the ESC and the school district.

Attendance Supplement The ESC shall not deny an employee a salary stipend or similar compensation given in whole or in part on the basis of employee attendance because the employee's absence from work is:

1. For observance of a religious holy day observed by a religion whose places of worship are exempt from property taxation under Tax Code 11.20; or
2. Because the employee is on leave under the Family and Medical Leave Act. [See DEB]

Salary Deductions and Reductions

In addition to legally required deductions [see CFAA], the Board shall permit voluntary deductions for:

1. Approved insurance programs;
2. Annuities/deferred compensation programs;
3. Other cafeteria plan options authorized by the Internal Revenue Service; and
4. Area teachers' credit unions.

Employees may request additional voluntary salary deductions or change the amount(s) of those deductions in accordance with administrative procedures.

Excess Leave

Deductions shall be made for unauthorized or excess personal leave or sick leave. [See DEB]

Annualized Salary Required

The ESC shall pay all salaried employees over 12 months, regardless of the number of months employed. A salaried employee shall receive his or her salary in equal monthly or bimonthly payments.

Early Separation

If a salaried employee separates from service before the end of the 12-month payment period, the employee shall receive in his or her final paycheck the unpaid amount the employee has actually earned from the beginning of the 12-month pay period until the date of separation. For purposes of this policy, "separation from service" shall be as defined in IRS regulation 26 CFR 1.409A-1(h).

If a salaried employee separates from service after the last day of work according to the ESC calendar and the employee elects to continue enrollment in the ESC's group health coverage through the summer, the employee's share of premiums shall be withheld from the final paycheck. [See CRD]