

Bucknell MEMO

Finance Office

DATE: December 6, 2006
TO: Department Heads and Budget Administrators
FROM: Dennis Swank, Assoc. V.P. for Finance
SUBJECT: Pennsylvania's Minimum Wage Rate Increases

In July 2006, Pennsylvania enacted a two phase increase to the minimum hourly wage rate. The first phase of the increase raises the minimum hourly wage rate to \$6.25 beginning January 1, 2007. As required by Pennsylvania's Minimum Wage Law, Bucknell is implementing the new \$6.25 rate as of January. Student employees with wage rates between \$5.15 and \$6.24 will automatically receive a rate increase to the new minimum wage rate of \$6.25 for hours worked in the student payroll period beginning December 26, 2006.

Your student wage line will receive a one-time budget adjustment for Fiscal Year 07 to cover the January increase in the minimum wage rate. This adjustment is based on an analysis of your department's student wages with hourly rates between \$5.15 and \$6.24 for hours worked between August 23 and December 25, 2006. There will be no additional funding provided through budget adjustments for those students whose wages are currently at or above the new minimums. Individual departments will need to determine if they have available funding in their existing operating budget to increase wages for student employees earning at or above the \$6.25 rate.

Phase two of the rate increase will be effective July 1, 2007, when the minimum hourly wage rate increases to \$7.15. The Student Wage Rate schedule will be updated with the new rate guidelines and included in the budget planning information for FY2007-08.

If you have additional questions, please feel free to contact me directly (dswank@bucknell.edu or 7-1505).