



The Daily Dish

Overtime in Higher Ed

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With President Obama's final term coming to a close, [midnight regulations](#) are on the rise. Last week alone the administration issued 19 new regulations which had a combined total cost of \$2.4 billion, \$1 billion in annual burdens, and \$623 million in benefits. Since January 1st of 2016 the federal government has published more than \$200 billion in compliance costs with \$153 billion of that total being in final rules.

On Friday, [President Obama](#) and a group of leaders from some of Europe's largest countries agreed to keep the sanctions on Russia in place. According to the White House, the decision by the President Obama and the European leaders was unanimous and was done as a show of solidarity with Ukraine. The sanctions on Russia were a response to Russia's intervention in Ukraine in 2014.

Eakinomics: Overtime in Higher Ed

Getting paid time and one-half for [overtime](#) hours sounds like a great deal. And for that reason, the Obama Administration has touted its new [overtime rules](#). Unfortunately, a closer look at the actual rules indicates that there are substantial costs and pretty slim benefits. Specifically, only 825,000 of the 4.2 million newly-covered workers would regularly benefit from the rule, the pay increase for those who regularly work overtime would be just under \$20 per week, and businesses would face nearly \$3 billion in compliance costs. (The Congressional Budget Office recently reached a [similar conclusion](#).)

Now AAF's Ben Gitis and Chad Miller have taken a [closer look](#) at the impact of the overtime rule on higher education. After the rules were announced, introspection immediately suggested that there could be massive disruption to a system that relies on graduate students to manage and staff research labs, act as teaching assistants, and otherwise work substantial hours as part of the educational process. In finalizing the rule, the Department of Labor sought to carve out the worst of these possible impacts. Nevertheless, it will still affect a large number of university workers and impose significant new administrative costs. In their paper, they conclude that the rule will potentially benefit 42,100 workers, impose \$724.3 million in annual costs (\$17,200 per employee), and adversely impact students by increasing tuition and/or reducing access to student support services.

The same story will emerge in sector after sector of the U.S. economy, and is one of the main reasons that the overtime rule will be in congressional cross-hairs after January 1.