

## HIGHER EDUCATION INSTITUTION – NAVIGATING MULTI-STATE EMPLOYMENT COMPLIANCE

### BEGINNING STATE

Like many universities, this institution experienced major workforce changes due to COVID-19 pandemic. Remote and hybrid learning, along with a need for industry experts, pushed leadership to rethink faculty management.

When long-time faculty moved out of state but kept teaching remotely, compliance challenges grew. The university also hired out-of-state adjuncts to remain competitive, adding further complexity.

At first, the university tried registering as an employer in each state—managing local labor laws, payroll taxes, and benefits. But this quickly proved unmanageable.

### BUSINESS CHALLENGES

*“We were facing multiple lawsuits tied to missed benefits and state entitlements we hadn’t accounted for, and it became clear we had to change.” – AVP of HR*

The university found itself in unfamiliar and risky territory. Each state had unique compliance requirements that were changing rapidly. Already stretched HR and payroll teams struggled to keep pace.

- **Multi-state compliance:** Rapidly evolving state laws created constant risk
- **Payroll and benefits errors:** Mistakes triggered lawsuits, financial exposure, and reputational harm
- **Administrative burden:** HR was consumed by registrations, filings, and reactive problem-solving
- **Faculty frustration:** Inconsistent support eroded trust in administration

Legal risks made matters worse, with costly wage and hour lawsuits draining money and staff time. Leadership faced a critical choice: stop hiring remote staff—hurting competitiveness—or rethink faculty engagement to reduce compliance risk and attract top talent, regardless of location.

### SOLUTION

A task force explored options, but leadership found a PEO’s co-employment model didn’t offer enough risk protection. They needed a partner to fully take on compliance responsibility. After peer input and a thorough review, the university chose nextSource as its Employer of Record (EOR).

The deciding factors included:

- **Nationwide and global coverage** across 50 states and 160 countries
- **Proven expertise** in higher education and multi-state compliance
- **Ability to fully assume compliance risk** rather than share it
- **Strong track record** supporting peer institutions

The transition was not without concerns. Faculty worried about potential changes to benefits and employment terms. Anticipating resistance, nextSource and HR leadership rolled out a change management plan that featured:

- **Transparent communication** and detailed FAQs
- **Open informational sessions** for faculty questions and answers
- **Alignment of benefits** wherever possible

Within ninety days, the institution successfully transitioned all faculty, both full-time and adjunct, onto the nextSource platform. Instruction continued seamlessly, with minimal disruption.

## RESULTS

More than a year after the program went live, the university has experienced a complete transformation in how it manages its remote faculty workforce.

Outcomes achieved:

- **Zero compliance** issues since implementation
- **Payroll accuracy restored**, with payments on time across all states
- **HR team refocused** on strategic initiatives instead of compliance firefighting
- **Faculty confidence renewed**, enabling the university to attract top talent nationwide

## CONCLUSION

This university’s experience reflects a new reality in higher education: faculty are no longer tied to geography, and staying competitive requires rapid adaptation. Managing multi-state compliance internally became unsustainable and risky.

Rather than stop hiring remote faculty, the university reimaged its workforce strategy. Partnering with nextSource as its Employer of Record brought more than compliance—it enabled nationwide talent recruitment, restored faculty trust, freed HR for strategic work, and built a future-ready, low-risk model that supports academic excellence without borders.

## BEFORE AND AFTER: TRANSFORMATION AT A GLANCE

### Before nextSource:

- Struggling with multi-state compliance and payroll errors
- Multiple lawsuits draining time, money, and reputation
- HR consumed by registrations, tax filings, and reactive problem-solving
- Faculty frustration and declining trust in administration

### After nextSource:

- Zero compliance issues and lawsuits since implementation
- Seamless payroll and benefits administration across all states
- HR freed to focus on strategy, engagement, and retention
- Renewed faculty confidence and the ability to recruit top talent nationwide