



July 13, 2018

Submitted via email to bsmolock@pa.gov
Mr. Bryan M. Smolock, Director
Bureau of Labor Law Compliance
651 Boas Street, Room 1301
Harrisburg, PA 17121

Re: L&I Amendment to 34 Pa. Code Chapter 231 regarding Overtime Pay
Minimum Wage #12-106 (IRRC #3202)

Dear Mr. Smolock:

KidsPeace is grateful for the opportunity to comment on the proposed changes to the Pennsylvania Minimum Wage Act and submits the enclosed for consideration.

KidsPeace is a long-standing member of the Pennsylvania behavioral health community, having been established in Bethlehem in 1882. KidsPeace provides critical mental health care and therapeutic support to local children, adults and families through a spectrum of services, including inpatient psychiatric hospitalization for children, residential care, educational services, foster care and adoption, community-based outpatient mental health services and services for children with autism.

As a member of the behavioral health community, KidsPeace has concerns about the potential impact of the changes to the Minimum Wage Act on the Commonwealth's most vulnerable members of our communities as they are defined in the proposed amendment.

KidsPeace acknowledges the importance of maintaining healthy wages for workers, as wages have an impact on employee retention. However, KidsPeace, like many other non-profit human service organizations and behavioral health providers, must operate within a precise and narrow budget – in which 70 cents of every dollar we spend goes toward salaries and benefits for our dedicated employees. This typically means finding a delicate balance between employee wages and direct services to the children and adults who come to KidsPeace for care.

As a behavioral health organization, nearly 98% of revenue is brought into KidsPeace through pre-determined fees-for-services. Nearly all of these costs are publicly funded and, once negotiated, the reimbursement rates for care are firm. Mandating that wage increases occur without increasing the public funding to cover these costs is both impractical and unrealistic. This practice would put significant financial strain on the organization, and many non-profit providers will be unable to financially meet and maintain these requirements.

Furthermore, this mandate would reduce the amount of funding available for direct services and programs for children, adults and families under KidsPeace care. Many of Pennsylvania's at-risk children rely on these services to improve or maintain their emotional and mental health, and reducing their access to these programs can have a detrimental effect on their well-being and their future.

Should an unfunded mandate be passed, the mental and behavioral needs of local children and adults will not vanish, but the services they need so desperately will. With such a critical need for children and families to receive these services, we ask that the proposed amendment be reconsidered.

Strong and healthy families are critical for a strong and healthy Pennsylvania. Please reconsider any unfunded mandates that will hinder effective and efficient organizational operations that are aimed at meeting the needs of vulnerable children and strengthening families.

Sincerely,

A handwritten signature in black ink, appearing to read 'William R. Isemann', with a large, stylized flourish at the end.

William R. Isemann