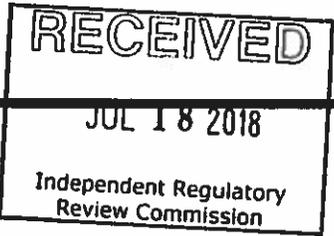


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Kathy Cooper



From: Volk, Mark <VolkM@lackawanna.edu>
Sent: Wednesday, July 18, 2018 2:45 PM
To: IRRC
Subject: Regulation #12-106 Overtime eligibility rules

I am writing to express my concerns regarding the proposed regulation noted above, as it pertains to the salary threshold for exempt employees in Pennsylvania.

Similar to the recent failed attempt by the Federal government to more than double the current exemption, Lackawanna College fears the proposed change will do more harm than good to our institution, our employees and the students we serve.

Our mission is to provide a quality education to all persons who seek to improve their lives and better the communities in which they live. Our core values include a commitment to remaining an affordable open-enrollment college which offers both associate and bachelor level degrees. These are more than words on paper. They define who we are and guide us in every decision we make. They also require us to have flexibility within our workforce to address the needs of our students and community.

We agree that overtime rules need to be updated to ensure the law remains relevant for today's workforce. However, we are deeply concerned about the unintended consequences of a massive increase, which will impose serious hardships on our institution, employees and students.

Here is what will happen if this rule takes effect as proposed: Lackawanna College will suddenly find itself needing to reclassify a large percentage of our workforce from salaried to hourly. While hourly pay is appropriate for certain jobs, it is not appropriate for all jobs. Our employees will face restrictions on the hours they can work, losing the flexibility necessary to serve our mission and provide our students with the level of attention our employees take pride in providing. For example, our Admissions department has peak times of the year where hours need to be extended, or travel is necessary in order to ensure each prospective student has the opportunity and support to successfully enroll. Another example is our Student Affairs department, which provides counseling and other services aimed at ensuring academic success. Our employees need to know they have the flexibility to be here when a student is in need of their services. Placing restrictions on hours will negatively affect the student, and place the employee in a position of having to choose between being there for our students, or facing potential disciplinary action for exceeding approved hours.

From an employee morale perspective, the change of so many to a non-exempt status will have a negative impact, with many viewing the requirement to track and report their hours as a step backwards or as something stemming from a question of trust. It will also have an impact on training and professional development opportunities.

In addition, Lackawanna College's budget is not fiscally able to absorb the significant cost of elevating the salaries of its current Executive, Professional and Administrative ("EPA") employees who should remain classified as exempt to at least the minimum threshold as proposed. We have already finalized our current year budget and communicated tuition rates to the public so that students searching for their next educational experience are able to plan for their financial future. In light of the committed tuition rates, the required staff and services reductions would be unfairly injurious to the institution and more importantly its constituency. The College is highly tuition dependent and prepares its budgets on low margins with the goal of realizing cash inflows in excess of cash outflows, and accordingly does not gain excess net profits so that it will achieve its value statement of providing an affordable quality education to all those who seek one. Looking ahead to the Year 2 increase as proposed, the College would see an increase in excess of \$260,000 in our current wage expense line before payroll taxes, pension plan contribution and other administrative and benefit related

costs. The third proposed increase would see an addition of just under \$400,000, for a total three-year impact well over \$600,000.

We are sympathetic to the good intentions of the policymakers who drafted this rule, but their approach of drastically increasing the threshold in a short timeframe is simply not sensible. It took years to create the issue the government seeks to remedy and it is not reasonable to expect institutions like ours to correct years of inaction overnight.

To that point, we are not asking the government to abandon its well-intentioned initiative to update our State's overtime rules. However, we are asking it to take a close look at the impact of the rule before moving forward.

Thank you for the opportunity to comment on the proposed amendments.

Sincerely,

MV

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