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County of Forest

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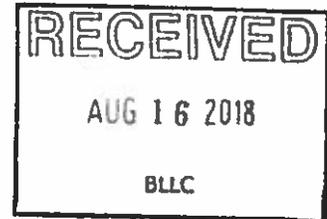
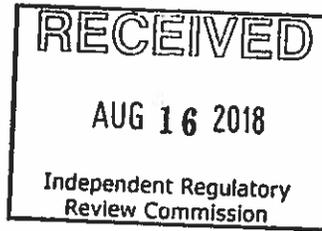
CHIEF CLERK
Lynette E. Greathouse

SOLICITOR
Timothy R. Bevevino

Bryan Smolock
Director, Bureau of Labor Law Compliance
Department of Labor and Industry
651 Boas Street, Room 1301
Harrisburg, PA 17121

August 7, 2018

Mr. Smolock:



Forest County writes regarding the Department of Labor and Industry's proposed regulation (Regulation #12-106: Minimum Wage) regarding changes to the thresholds to determine overtime eligibility.

In Forest County, 25 employees are currently considered non-exempt under the thresholds to determine overtime eligibility. Under the proposed regulation, this threshold would be increased from \$23,660 to \$31,720 annually on Jan. 1, 2020; \$39,832 on Jan. 1, 2021 and \$47,892 on Jan. 1, 2022, meaning that 30 county employees who are currently ineligible for overtime pay because of their salary levels would be eligible by 2022.

The Department indicates that the proposed rule is not expected to have a disruptive effect on Pennsylvania's economy since business can mitigate impact of compliance based on their own decision making, and that there would be no costs and de minimis revenue losses for local government associated with the proposal. On the contrary, the resulting additional financial burden to implement this proposed regulation could cost Forest County as much as \$19,178.00 in the first year and \$52,032.00 in the second year due to the number of individuals who would now be entitled to overtime pay.

Pennsylvania counties deliver many services in partnership with the state, including crucial human services that protect the most vulnerable citizens – among them children suffering from abuse, those fighting substance abuse addictions, individuals with mental illness and intellectual disabilities, and seniors in need of long-term care. However, county capacity to meet service needs has already been compromised by a steady decrease in state funding over more than a decade.

Unless the commonwealth appropriates additional funding to cover the increased staffing costs caused by this proposed regulation, it will fall to our county to pick up the difference – and our

only source of local revenue is the property tax. This means Forest County would face the difficult decision to increase property taxes for our local residents to be able to continue providing these services, or to face the prospect of cutting staffing levels, work hours and ultimately critical programs for Pennsylvania residents.

The Department also proposes changes to the so-called "duties test" which is used in conjunction with the salary threshold to determine exempt status. These significant revisions create a need to review all employee positions and job descriptions, which could take an extended period of time.

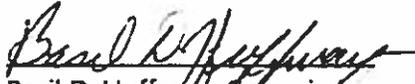
For counties, a priority for 2018 is re-engaging the administration and General Assembly in understanding and respecting the state-county partnership in service delivery. This includes re-examining county mandates currently in place, and for any proposed new or expanded mandate, (such as the Department's proposed increases in overtime thresholds) ensuring state financial commitment and mutual determination of its scope, objectives and administration. Forest County strongly urges you to work with counties to conduct a more thorough analysis of the costs of this proposal to accurately understand its impacts and the resources that will be needed to implement it without sacrificing important service delivery to our constituents.

Thank you for considering of our comments on behalf of Forest County. Please feel free to contact us if you have any questions.

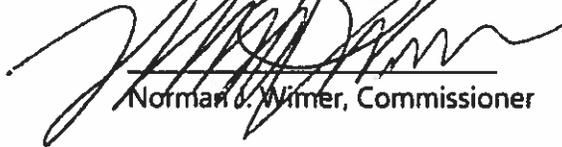
Sincerely,



Robert J. Snyder, Jr., Chairman



Basil D. Huffman, Commissioner



Norman G. Wimer, Commissioner