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Kathy Cooper

From: Margaret Lebo <Margaret.Lebo.1435334@muster.com>
Sent: Wednesday, August 22, 2018 3:54 PM
To: IRRC
Subject: Regulation #12-106 Overtime eligibility rules



Dear Independent Regulatory Review Commission,

Thank you for the opportunity to comment on proposed regulations submitted by the Pennsylvania Department of Labor and Industry (L&I). These regulations are intended to update the rules that determine if an employee is required to be paid overtime.

As the executive director of human resources at a small, private college in the Harrisburg area, I am very concerned about the detrimental effect this regulation could have on our operations, and more importantly on our students. As are most institutions of higher education across the state and nation, we are facing declining enrollments. A fact that greatly affects us as a tuition driven college. It is a business priority, not to mention personal passion, to preserve the staff and faculty positions at our gem of a college. We are immensely proud of our students and find satisfaction in knowing we provide opportunities for their future success. 84 percent of our graduates are employed in their field or pursuing additional education one year after graduation. Unfortunately, we can ill afford to increase our salary expenses to the level required to retain the coveted exempt status for many of our employees. We have 124 full-time staff and faculty and 21 percent of them (26 people) are currently below the proposed salary threshold of \$47,892. Our employees value their exempt status because it is an indication of the flexibility and independence they have to do the College's work. We will be forced to change them to hourly employees and it seems unfair that we are forced to do so based solely on the salary threshold test, without any consideration and analysis of their job duties. To retain their exempt level status, I estimate it would cost us well over \$75,000. That may seem like a small amount to industries in the region, but it is a significant hit to our conservative budget. What student services might we lose to cover this shortfall?

I regularly do market pricing of our salaries by checking various sources and we do not start a professional level employee at an annual salary under \$40,000. We typically hire entry level professional employees from \$40,000 – 45,000. This is a fair wage in Harrisburg. I fully support raising the current salary threshold, but \$47,892 is unreasonable for our region. The market bears this out – we wouldn't be able to attract and retain employees if we were not paying a fair wage. Please fully consider the implications of this regulation on small businesses.

Thank you for considering my views on this important matter.

Sincerely,

Margaret Lebo
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