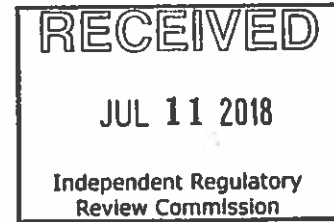


3202



Holy Family UNIVERSITY

OFFICE OF THE PRESIDENT
PHONE: 215-241-3220 FAX: 215-681-1781



July 10, 2018

Mr. Bryan M. Smolock
Director

Bureau of Labor Law Compliance
Department of Labor and Industry
VIA EMAIL: bsmolock@pa.gov

RE: Amendments to 34 Pa. Code Chapter 231 re: Overtime Pay; Minimum Wage #12-106 (IRRC # 3202)

Dear Mr. Smolock:

I am writing to express my concern as it pertains to the Pennsylvania Department of Labor and Industry's proposal to change the salary basis for exempt employees in Pennsylvania. An increase in the threshold to \$921 per week will negatively impact our institution, our employees and the students we serve.

Our University serves a large population of students who are the first in their family to pursue higher education. We do our best to minimize expenses in order to provide tuition at competitive and affordable rates. If this rule takes effect as proposed, the University will need to either increase affected employee salaries at an approximate cost of \$134,000, or reclassify a number of employees from salaried to hourly. Because we are a low-cost, high value institution, any increased costs would likely result in tuition increases, ultimately hurting our students.

Employees often perceive reclassification to non-exempt positions negatively, and this will decrease employee morale and productivity. Additionally, as an hourly employee, it will limit flexibility by creating a more rigid work schedule, decrease professional development opportunities, and reduce take home pay if the employee works less than 40 hours per week. We are not in a position to hire more staff due to more rigid schedules, so the resulting additional work will become burdensome to the University, and negatively impact our campus community.

The Department of L&I also proposes changes to the "duties test" to align with the 2004 federal regulations. Consistency with the federal guideline would minimize confusion and provide clear guidance for Pennsylvania employers. However, the proposal as stated falls short of this goal.

The U.S. Department of Labor has indicated it will likely propose a new national threshold in 2019. We believe the Pennsylvania Department of Labor and Industry should delay further action until the federal Department releases its proposal. In doing so, L&I can not only conduct a more comprehensive economic analysis on the impact of the proposed changes on small businesses and nonprofit colleges and universities, like Holy Family University, but also ensure alignment with the federal "duties test", to fully achieve both objectives.

I appreciate the opportunity to comment and hope that these concerns are considered as the Department moves forward with the proposed rulemaking process.

Sincerely,

A handwritten signature in cursive script that reads "Sister Maureen McGarrity".

Sister Maureen McGarrity, CSFN, PhD
President

cc: IRRC

The Honorable Rob Kauffman, Chair, Committee on Labor and Industry, Pennsylvania House of Reps.
The Honorable Kim L. Ward, Chair, Committee on Labor and Industry, Pennsylvania Senate
The Honorable John Sabatina, Pennsylvania Senate
The Honorable Michael Driscoll, Pennsylvania House of Reps.