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Kathy Cooper

Independent Regulatory
Review Commission

From: Miklos, Susan J. <smiklos@bair.org>
Sent: Thursday, July 19, 2018 2:00 PM
To: IRRC; bsmolock@pa.gov
Cc: Miklos, Susan J.
Subject: Proposed Rulemaking Title 34 labor & Industry Regulations for Minimum Wage 34 Pa. Code Pt XII, Dh 231

Dear Director Smolock and IRRC,

My name is Susan Miklos and I am the director of a non-profit foster care agency in Pennsylvania. I am writing to express my deep concerns regarding the proposed rulemaking regarding the state minimum wage and overtime requirements. I realize that many folks perceive this as positive for employees, but nothing could be further from the truth. As a non-profit agency, we already must fundraise in order to make ends meet. We are dependent on Pennsylvania DHHS dollars to hire staff to serve the children in our care. We have not had a rate increase in several years and now the State is proposing these unattainable exemptions. As a result we must cut staff and move our remaining employees to hourly pay which negates their flexible schedule. When we attempted to accomplish this under Obama's ruling, every single staff desired to return to salary when the Federal Rule was put on hold. **ALL** of my employees considered being paid hourly as a demotion and I had to fight negative morale. We hire a lot of young professionals right out of college who are excited to start their career and they were demoralized to have spent four years in college to be paid hourly. I truly hate that for them. We just don't have the dollars to look at it differently. I serve on several non-profit boards and this is not uncommon. Salaried folks frequently

work less than a 40 hour work week, the work ebbs and flows and employees can be flexible in their schedule to get the job done. Under this proposed threshold, employees must work 40 hours to get paid consistently. In addition, we have to “adjust” the hourly rate to accommodate any overtime. There aren’t any more dollars coming into the system, so employees just lose their flexibility and consistent pay. The idea of this great “benefit” was a true nightmare for my employees! I do believe, however, that both minimum wage and professional salary exemption thresholds should be adjusted, however, they should be indexed so that the threshold grows gradually, allowing us to adapt. Perhaps an initial adjustment to 30k would be a start and then index it from there each year. I LOVE my employees and I implore you to please not throw them back into this negative situation by forcing an unrealistic threshold for exemption! Otherwise I would recommend making non-profit organizations exempt from this ruling. Thank you!



Susan J Miklos DBA

Executive Director, The Bair Foundation

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