

3202

Kathy Cooper

From: Smolock, Bryan <bsmolock@pa.gov>
Sent: Monday, July 23, 2018 1:44 PM
To: Kathy Cooper; IRRC
Cc: Rapach, Jennifer Buchanan; Schramm, Robert (LI-OCC); Haffner, Garrett
Subject: FW: Amendments to 34 PA. Code Chapter 231 Regarding Overtime Pay - Minimum Wage #12-106 (IRRC #3202)



From: Young, Kim [mailto:kyoung@bair.org]
Sent: Monday, July 23, 2018 1:44 PM
To: irrc@irrc.state.pa.us; Smolock, Bryan <bsmolock@pa.gov>
Cc: Teri Henning <TeriH@pccyfs.org>; jphillips@paproviders.org; auditorgen@PaAuditor.gov
Subject: Re: Amendments to 34 PA. Code Chapter 231 Regarding Overtime Pay - Minimum Wage #12-106 (IRRC #3202)

I omitted the link for the Auditor General Report, for those who would like to review it. You can reference it below:

<https://www.paauditor.gov/press-releases/auditor-general-depasquale-says-state-of-the-child-special-report-shows-broken-child-welfare-system-broken-puts-children-at-risk>

Kimberly D. Young, MSW, LSW, CCTP



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From: Young, Kim

Sent: Monday, July 23, 2018 1:39 PM

To: irrc@irrc.state.pa.us; bsmolock@pa.gov

Cc: Teri Henning; jphillips@paproviders.org; auditorgen@PaAuditor.gov

Subject: Amendments to 34 PA. Code Chapter 231 Regarding Overtime Pay - Minimum Wage #12-106 (IRRC #3202)

WHO WILL CARE FOR THE CHILDREN?

Public Comment:

Amendments to 34 PA. Code Chapter 231 Regarding Overtime Pay

Minimum Wage #12-106 (IRRC #3202)

First let me to thank you for allowing public comment on this critical decision regarding wages across the Commonwealth. As a provider of human services in the state of Pennsylvania, I am requesting careful consideration of the proposed changes recommended by the Administration.

Who We Are:

The Bair Foundation of Pennsylvania has provided foster/kinship care services as well as community based family preservation services throughout the Commonwealth since 1967. We provide essential functions that are the responsibility of the County Children Youth and Family Services departments, through annual contractual agreements.

Background:

Historically, unfunded mandates have been a significant burden to the human service providers statewide. Changes are communicated untimely and with little to no preparation for the fiscal impacts and budget modifications that need to be made when such mandates occur. Even if the state is permitted an influx of funding into the Office of Children Youth and Family budgets to accommodate changes, the increase to the private provider network is often minimum to null. As a state administered/county run system, the county commissioners have a final say in which programs will receive additional funding and which programs will encounter cuts. Approximately 5 years ago, OCYF permitted by waiver, providers to negotiate rates for services with the counties individually. Many counties gave small incremental increases, while others have continued to not provide increases meaning that we are currently providing services at the same rate that was reimbursed 21 years ago. This is highly unacceptable. The cost of providing services to the most vulnerable children in our communities shouldn't come by way of suppressed funding. Mandates to providers on the

service delivery methods have continually increased while receiving a flat line of funding for such services provisions.

Critical Impact:

Unlike Walmart or McDonalds, we aren't able as human service providers to put in automated checkout registers or auto-'place your order here' kiosks (which in it's own right have been criticized for putting people out of work). If you want the price of a burger and fries to remain in the \$7.00 mark, but now have to pay your employees \$15/hr then you have to cut half of our staffing to maintain the cost of the product. It puts people out of work, reduces the amount of full time employees a business can have, but it is the cost of doing business in an economy that is based on physical products that you deliver.

You can't physically experience the product that human service providers create. It isn't an industry that permits you to leave McDonalds and go over to Burger King. These are children and families. There is nothing more that I would love to do as an administrator than to pay each employee a million dollars a year, which still wouldn't be an accurate measure of what they do to restore our communities. However, I have to be realistic to the cause and effect it would have on our services.

By increasing the minimum salary threshold of our employees in the upcoming years as projected, here is the fiscal impact of expense to our organization in Pennsylvania:

FY 19/20 = \$403,560

FY 20/21 = \$741,504

FY 21/22 = \$1,140,024

This impact comes with no guarantee that providers will receive any funding increases (mandated by counties to pass through for service provisions) to the provider network.

I am also concerned with "The State of the Child Report" Data conducted by the office of the Auditor General (refer to link below). The report resulted in an outcome of seven reported observations and 17 recommendations for improvements. The five interlaced challenges that severely impact a caseworkers' ability to do their jobs effectively included:

- Difficulty finding enough qualified professionals, who then
- Receive inadequate training to handle the job's
- Heavy caseloads and burdensom paperwork, plus
- Remarkably low pay, lead to

- Breath-taking turnover rates.

As a provider network we are doing all we can to improve each of these areas, however often times our hands are tied by funding restrictions. Consider this prevention mentality:

- Increased funding flow into the system (beyond the \$15/hr or minimum salary thresholds because why work in the very difficult human services field when you can simply go work at McDonalds where stress is minimum and qualifications are non-existent).
- Increased funding leads to the agency's ability to higher more qualified staff and reduce caseloads, that leads to
- Decreased turnover rates, that provides a culture of
- Highly seasoned and trained professionals caring for children and families
- Equaling a shorter time of service delivery necessary for children and families, which creates
- More revenue to flow back into the system to continually improve services.

Summary:

Increasing the minimum wage or minimum salary thresholds, while generous in nature and perceived to be a boost to the economy, only works when there is funding available **proactively** to support such changes. Without a guarantee that the employees can be compensated at a rate higher than those working in the fast food industry, it will be incredibly crippling to the human services industry as a whole if these changes are implemented as planned.

This is not creating more jobs, it is decreasing the amount of jobs available. More part-time employment agreements will need to be made which means that employees will not be eligible for health care benefits or other necessary benefits of full time status employees.

This will result in:

- Higher caseloads
- Decreased oversight of vulnerable children to accommodate the higher caseloads (unable to exceed 40 hours a week due to the extensive costs related to overtime.)
- Higher caseloads with decreased supervision of children and families will inevitably lead to more abuse/neglect and unfortunately higher child mortality rates.

Agencies may need to close. There have been many agencies closing in PA over the past 5 years due to the cost of doing business exceeding that of the reimbursement for such services. It is only through economies of scale that some agencies have been able to survive. Please understand that even those agencies have experienced wage freezes, hiring freezes, mass vacancies of turnover, and overall excessive burn out. Something has to change and it unfortunately isn't answered by simply increasing wages for employees without helping the employees to cover the impact.

So I leave you with this thought as you work to make decisions that impact the future of our communities:

If you make this unfunded mandate to increase minimum wage and minimum salary thresholds....

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