

#3202

LYCOMING COUNTY HUMAN RESOURCES DEPARTMENT

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August 15, 2018

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



Dear Mr. Smolock:

Re: Proposed Overtime Eligibility Changes

Lycoming 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 Lycoming County 33 employees could potentially be impacted by the proposed 2022 threshold. 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 the County an additional \$261,032.26 by 2022.

Pennsylvania Counties deliver many services in partnership with the state, including crucial human services that protect the most vulnerable—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 increase 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 Lycoming 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 example, in Lycoming County 33 descriptions would have to be reviewed and revised.

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, must reflect state financial commitment and mutual determination of its scope, objectives and administration. Lycoming 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 my comments on behalf of Lycoming County. Please feel free to contact me if you have any questions.

Sincerely,



Ann M. Gehret

Director of Human Resources  
Lycoming County

CC: file

Senator Gene Yaw (via email)  
Pennsylvania’s 23<sup>rd</sup>. District

Garth Everett, State Representative (via email)  
84<sup>th</sup> Legislative District

Jeff Wheeland, State Representative (via email)  
83<sup>rd</sup>. Legislative District