



FRANKLIN COUNTY

Human Resources Department

218 North Second Street
Chambersburg, PA 17201

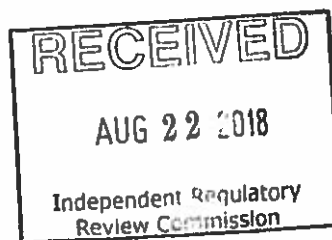
COMMISSIONERS

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Tiffany Bloyer, Director

August 22, 2018

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



Mr. Smolock:

I am the Director of Human Resources for Franklin County Government and I am concerned about the impact that changes to the overtime regulations will have on my organization and our employees.

Adopting regulations for Pennsylvania that dramatically increase the salary threshold and set it at the 30th percentile of weekly earnings of full-time salaried workers in the Northeast, in addition to updating the salary threshold every three years, will have a significant negative impact on the labor costs for my organization. As you may know, Franklin County, located in rural south central PA cannot compete with the wages of the Northeast to include Boston, New York City and Washington, D.C. It would be concerning to utilize that threshold for our County.

Although in the first year only one employee would be impacted, by year three, twenty employees would be impacted and the cost is approximately \$61,826.00 and a majority of that will directly affect the General Fund.

This proposal will also have a negative impact on employees as we adjust our workplace rules in order to control our overtime costs. This may include limiting the ability to work overtime and reducing workplace flexibility. These changes would require us to review our overtime policy and it is very likely we will make significant changes to reduce overtime. There is a strong chance that this change would not provide additional overtime hours for those who may move to non-exempt status as a result of this change. Our exempt employees have the ability to have autonomy as well as flexibility. If they are moved to non-exempt, those liberties that they have grown accustomed to can be impacted and could have a negative impact on them personally and potentially affect morale.

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.

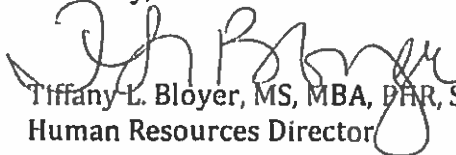
Unless the Commonwealth appropriates additional funding to cover the increased staffing costs caused by this proposed regulation, it will fall to our county to pick up the difference – and our only source of local revenue is the property tax. This means Franklin County would face the difficult decision 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. The current “duties test” works rather well for the determination of exempt and non-exempt employees.

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. Franklin 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. We ask that you defer your rulemaking until the Federal Department of Labor publishes its new rule and align Pennsylvania regulation in accordance with the new federal rule. In the alternative, we request the Department modify its proposed rule to provide that white collar exemptions under the federal and Pennsylvania law are the same in all respects.

Thank you for considering of our comments on behalf of Franklin County. Please feel free to contact me if you have any questions at 717-261-3150.

Sincerely,


Tiffany L. Bloyer, MS, MBA, PHR, SHRM-CP
Human Resources Director