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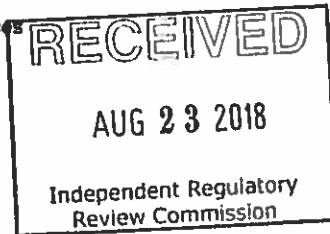
COUNTY OF BERKS, PENNSYLVANIA

Human Resources

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August 20, 2018

Mr. Smolock:

Berks 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 Berks County, 1903 employees are currently considered non-exempt under the thresholds to determine overtime eligibility. Under the proposed regulation, this threshold would be increased from \$23,660.00 to \$31,720 annually on Jan. 1, 2020; \$39,832 on Jan. 1, 2021 and \$47,892 in 2022, meaning that 17 county employees who are currently ineligible for overtime pay because of their salary levels would become newly eligible in the second year of implementation and 31 county employees by 2022.

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 Berks County as much as \$58,972 in the second year and \$194,964 by the third year due to the number of individuals who would now be entitled to overtime pay.

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 for 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 Berks 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.

Mark C. Scott
County Commissioner

Kevin S. Barnhardt
County Commissioner

Christian Y. Leinbach
County Commissioner, Chair



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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 Berks County, several 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. Berks 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 Berks County. Please feel free to contact me if you have any questions.

Sincerely,

Jessica D. Weaknecht
Director, Human Resources

Mark C. Scott
County Commissioner

Kevin S. Barnhardt
County Commissioner

Christian Y. Leinbach
County Commissioner, Chair

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