



Celebrating 140 years
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FAMILY SERVICES
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Independent Regulatory
Review Commission

November 7, 2019

Dear Commissioner:

On November 21st you will be asked to proceed with final consideration of proposed changes to Pennsylvania's overtime regulations. Notably within the proposed regulations is a three-year rollout of increased salary thresholds up to \$45,500 in 2022.

I am the President of the Board of Directors for MHY Family Services - an organization that for more than 140 years has been on the front lines providing treatment to children and families who are at risk due to mental illness, abuse and neglect. MHY provides a holistic and trauma-informed approach to treatment, offering comprehensive residential, educational and community-based services to clients in 36 counties and 122 school districts in Pennsylvania.

At one time Pennsylvania's most vulnerable populations were being served by dozens of similar organizations. Due to stagnant State and Federal funding, shrinking county dollars, and a listless response on the part of managed care companies to the ever-increasing cost of service delivery, however, we have seen the closure of many residential facilities and community programs. As a result, MHY Family Services now provides access to treatment for children throughout the Commonwealth, not just Western PA.

Statistically, in the US one in five youth have suffered from a mental health disorder resulting from trauma at some point during their lifetime. Experts in the field believe that specialty treatment facilities provide services across the continuum of care in inpatient, residential, and/or outpatient settings, and constitute key components of the broader treatment infrastructure that serves youth and families. This is a role now served by nonprofits in lieu of government services, a direction driven by Pennsylvania state initiatives.

Lending itself to a continuum of care, community-based services are a unique complement to the broader service infrastructure by offering a range of evidence-based treatment to further support youth and families in crisis.

The untenable proposal presented in the bill before you ultimately will revise the salary threshold of executive, administrative and professional salaried workers well beyond any funding and revenue trends, and puts at risk MHY's survival. Eighty-nine percent of our annual budget supports programming and the delivery of services. We cannot sustain the department's proposal, which would nearly double the current federal threshold by 2020, increasing the current existing salary to \$875 a week within two years.

MHY doesn't face this threat alone. The few remaining residential treatment agencies may be forced to shutter should the Commission vote to support the State's proposed revisions.

Regulations will be put into place that have ignored an entire sector of the labor community, and jeopardize critical mental health services throughout Pennsylvania.

The professionals that undertake the clinical and managerial responsibilities that ensure the fidelity to service delivery often times must operate outside of the limiting restrictions of a standard work week to ensure the treatment and safety of our clients, and the support of employees managing crisis. As funding and managed care payments limit MHY's ability to actually raise salaries to the proposed levels in 2021 and 2022 for these highly educated and experienced professionals, they will be faced with clock-watching and limiting their contributions to avoid the extra cost of overtime.

Further, the cascading effects of imposing the proposed salary threshold across a company's pay structure is staggering. This doesn't just impact middle managers or mid-tier professionals; every pay level above and below will need to be adjusted accordingly to prevent pay compression and afford parody.

The majority of non-profits in this industry exist on little to no retained revenue to absorb the impact of the proposed future thresholds. With no guarantee, plan or discussion on the part of the Commonwealth of securing Federal or State funding to offset the increased costs to services, the limited providers left in Pennsylvania will also fall by the wayside.

I would like to have a few minutes of your time to break down this issue together, and share with you how we are thinking out of the box with our employees and discuss possible scenarios that would help inform other members of the Commission. Our goal is to further inform so that when you vote later this month you have heard directly from one of this Commonwealth's leaders in caring for children and families.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joanna Papada".

Joanna M. Papada
President, Board of Directors
MHY Family Services