

Waterman, Robert - WHD

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Sent: Monday, October 05, 2015 5:52 PM
To: WHDPRAComments
Cc: Moreno,Robin M (DSHS NTH); Smith,James E (DSHS NTH); Bearden,Jeffrey R (DSHS NTH); Puckett,Chancey G (DSHS NTH)
Subject: Control Number 1235-0001 USDOL WHD FSLA section 14(c)

This memo is written in response to the letter received by North Texas State Hospital from the U.S. Department of Labor's Wage and Hour Division pertaining to the plans to revise section 14(c) of form WH-226 (Application for Authority to Employ Workers with Disabilities at Special Minimum Wages) and to form WH-226A (Supplemental Data Sheet for Application for Authority to Employ Workers with Disabilities at Special Minimum Wages).

North Texas State Hospital's maximum security facility, located on the Vernon campus, currently operates under a special certificate to pay sub-minimum wages under the statutory provision: Section 14(c) of the Fair Labor Standards Act. The sheltered workshops employ patients who are receiving services while they are hospitalized in the maximum security hospital. Patient workers are scheduled to work in various sheltered workshop programs as a part of the treatment and recovery. Specifically, the patients who work in the sheltered workshops perform a variety of tasks from assembling cutlery, folding linens, making flexible pens, break-away badge straps, sewing, horticulture, woodworking, silk-screening and various other essential jobs to support the mission at North Texas State Hospital. Because the types of work are so varied, it is impossible to give a comprehensive list of all the jobs at the facility.

People who are employed for meaningful lengths of time demonstrate significant improvements in self-esteem and symptom management compared with those who do not work. Most people with serious mental illnesses want to work and feel that work is an important goal in their recovery.

The approximate cost to support the shift to minimum wages for all patient workers on the Vernon campus will be an added budget deficit of approximately \$25,000 per year, as the funding for much of the support services needed by the workers come from the general revenue operating budget. Thus higher wages may result in persons with disabilities working fewer hours and receiving less support.

Additionally, the 14(c) program creates employment opportunities for workers with severe disabilities that would not exist without the program. By retaining the 14© program, employees with the most severe disabilities who may not be able to enter integrated settings with comparative productivity will be able to continue working.

Options for reduced use of the Special Minimum Wages in Sheltered Settings:

Through regulation, the DOL could restrict access to 14© certificates to workshop settings:

- Establish soft time limits for any individual receiving a special minimum wage to ensure that individual does not permanently receive a special minimum wage in a sheltered setting.
- Require that within 30-60 days, a transition plan to integrated employment.
- The DOL can re-evaluate productivity percentages
- The DOL can require increased reporting
- The states can expand prevocational training programs through 1915© waivers.

*Warmest regards,
Robin Moreno*

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