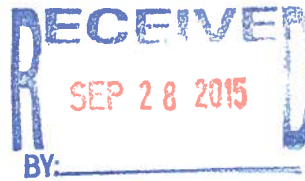




hope services

Ray Smith, President and CEO
Hope Services
30 Las Colinas Lane
San Jose, CA 95119-1212



September 22, 2015

Helen M. Applewhaite, Branch Chief
Division of Regulations, Legislation, and Interpretation, Wage and Hour
United States Department of Labor
Room S-3502
200 Constitution Avenue, NW
Washington, DC 20210

Re: Control Number 1235-0001

Dear Helen M. Applewhaite, Branch Chief:

Hope Services has been providing services to People with Developmental Disabilities (PDD) for the past 63 years. We currently serve just over 3,000 PDD and families, making us one of the largest non-profits in Northern California. We have close to 1,000 PDD earning wages ranging from competitive salaries to sub minimum wage.

We have presently have approximately 320 PDD in competitive wage programs most of which have job coaches extra staff supervision, these PDD tend to be higher functioning adults and with training/coaches they can perform work at close to standard productivity levels. This is the group you referenced in your letter: "significant evolution in the realm of employment". About half of these staffing programs do not have adequate compensation at the Federal and State level and thus lose money. We have had to freeze the growth of these programs and borrow money to keep these positions available. For example, last year we lost \$112k on 132 individual placements with competitive pay.

In addition, we have approximately 700 PDD working part or full time making sub-minimum wage. We are opposed to the elimination of sub-minimum wage for the following reasons:

- None of the new programs you referenced in your letter (Disabilities Act, WIOA..., provide funding for job coaches or additional supervisors needed to make this economical
- Many of the 700 PDD (above) have been terminated from competitive work programs for failure to perform and are not capable to perform competitive work

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- All of the 700 PDD choose to work for sub-minimum wage as part of their person centered plans
- Significant amount of our work activity is in the community and at private work sites and is only made available to PDD after many years of program development time studies and charity by private enterprise
- If sub-minimum wage is eliminated the quality of life for these individuals will decline as they will have no work
- We do not make money on our sub-minimum wage programs and use fund raising and donations as a means to cover the short fall. For example, this year we will lose \$380k on subminimum work activity jobs for 460 clients
- Work activity is an important part of how PDD define themselves ("I work at..") and the loss of this distinction would cause irreparable harm
- If subminimum wage is eliminated close to 700 PDD will be without jobs as we do not have funding to pay for sub-par productivity, nor will private companies pay minimum wage for people with severe disabilities
- Sub minimum wage is used for people with severe developmental disabilities performing on average at the equivalent of a development age of five. Does it make sense to pay a five year old minimum wage when their productivity is low and they require 24/7 supervision?

We appreciate your administrations effort to learn how this change will impact PDD lives. We invite you and/or any of your staff to visit our Clients to see firsthand what they do and how this impacts their life. We urge you to not approve this change as it will have lifelong negative consequences for a significant number of PDD.

Sincerely,


Ray Smith
President/CEO

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