

## Extended Employment Sheltered Workshop Program

October 9, 2019

We missed you at the Branson Managers Meeting!!!!

October is National Disability Employment Awareness Month



### News

**You now have received your first payment under the current State law**

To review:

- The standard workweek is now a single period: Sunday 12:01 AM - Saturday 11:59 PM
- The Department (DESE) shall pay – reimburse the sheltered workshop per certified employee up to and including thirty-eight (38) hours worked in the above standard workweek.
- The base or minimum monthly payment that the Department shall issue is \$2,092,558.56 per MORs. 178.931 Also known as the 1/12<sup>th</sup> method.

## **Clarification on hiring employees that have reached their 25<sup>th</sup> birthday**

The following are general qualification requirements:

1. Any person with a disability who has reached his/her 25<sup>th</sup> Birthday and has not been DESE-Certified:
  - Please follow the normal DESE-CS process through the WEB APPs to become certified. MO-VR does not need to be in this process.
2. Any person with a disability who has reached his/her 25<sup>th</sup> Birthday and has been DESE- Certified but left the workshop setting to customized, supported and or complete employment and now expresses choice to return to EESW Employment:
  - The workshop should document the employees choice to return to the fullest of their ability upon rehire to assure compliance with WIOA.

## **Recycling**

WEBCO of Marshfield closes recycling Operations November 1<sup>st</sup>.

From KY3 TV:

*Michael Frazier, General Manager at Web-Co Custom Industries. Says the board of directors have decided to close the recycling operation because they experienced a more than \$50,000.00 loss last year.*

For some background WEBCO recycles approximately 53 tons a month or 114 bales, equaling yearly total of 639 tons and over 1,373 bales. The Bales consist of Cardboard (OCC), Paper (White, Mixed Office and Newsprint) Books, Tin Cans, Textiles, Steel, Aluminum (mainly cans) along with electronics and is a site for Ripple Glass. They have over 20 pick-up sites located through Webster county plus their location at the Workshop. These sites are Community Sites (free) and some are Commercial Accounts (fee bases) along with their programs at the schools. WEBCO is very active in the Grant cycles for Solid Waste District O along with subsidies from several cities and the county along with a private foundation.

The staff of the recycling unit is 4 DESE certified employees and one in house supervisor \*\*\*along with various drivers (usually one or two if their truck drivers or bus drivers needing hours). \*\*\* Please note these drivers are not calculated into the direct overhead of the recycling unit.

In late 2018 after his prevailing wage survey and review his new overhead numbers, Mike started looking into his cost per ton. The lowest direct cost per ton was MOP at \$69 per ton and his highest was \$79.50 Sorted White paper. Corrugated his biggest tonnage came in at \$74 \*\*excluding transportation cost (pick-up). When looking at the revenue produced during FY 19 (July of 18 through July of 19) the unit had lost \$52, 243.00 plus transportation it is believed that transportation cost to be \$15,243.00 but to due to grants for the trailers and trucks plus some mileage reimbursement by the private foundation the cost were hard to be

determined so they were left out of the specified unit overhead. Thus the statement of a loss over \$50,000.00 is being published by WEBCO.

## **SO HAVE YOU LOOKED AT YOUR RECYCLING OPERATION IN THIS MUCH DETAIL???**

### **Is overhead a threat to your workshop?**

What is overhead?

Overhead is simply the cost of running your business or commonly called the fixed – operating costs that are there even if you do not open your doors.

Examples:

- Building (rent, lease or mortgage)
- Utilities (electricity, gas, water, sewer, trash service, phone-internet)
- Insurance ( Real property, Auto-van- truck, Company Liability, Workman's Comp, Board of Directors)
- Salaries (Manager-Director-CEO plus any other true salaried employees \*\* usually not supervisors-drivers)

Other overhead costs but not considered fixed

Examples:

- Company match or contribution based actual payroll such as Social Security/FICA and Medicare is currently 12.8% of gross.
- Other benefits such as sick, vacation or other paid leaves.
- Fuel and maintenance on company vehicles.
- Repair on preventive maintenance on equipment (including fork lifts)
- Safety equipment (fire extinguisher checks, sprinkler checks and maintenance on lighted exits, safety guards and first aid kits and re-supplies)
- Repair –Maintenance on you building

In all, the Department is starting to receive information that these costs have risen between 7 to 11 percent just this year on the shops that track it closely.

Please review your shop overhead. Why? We now know the following January 1<sup>st</sup>, 2020 labor cost increase.

**Missouri's Minimum wage on January 1<sup>st</sup> 2020 raises to \$9.45 per hour**

**Plus**

**New DOL rules on Salaried Employees** (see following page): to be declared and exempt from overtime the new salary level is now **\$35,568 per year** or \$684 per week.

## Fact Sheet: Final Rule to Update the Regulations Defining and Delimiting the Exemptions for Executive, Administrative, and Professional Employees

The Department of Labor (Department) is updating and revising the regulations issued under the Fair Labor Standards Act (FLSA) to allow 1.3 million workers to become newly entitled to overtime by updating the earnings thresholds necessary to exempt executive, administrative or professional employees from the FLSA's minimum wage and overtime pay requirements.<sup>1</sup>

The Department is updating both the minimum weekly standard salary level and the total annual compensation requirement for "highly compensated employees" to reflect growth in wages and salaries. The new thresholds account for growth in employee earnings since the currently enforced thresholds were set in 2004. The Department believes that the update to the standard salary level will maintain the traditional purposes of the salary level test and will help employers more readily identify exempt employees. The Department is also revising the special salary levels for employees in U.S. territories and the special base rate for employees in the motion picture producing industry. The Department estimates that as a result of the final rule 1.3 million currently exempt employees will become nonexempt.

### \* Key Provisions of the Final Rule \*

The final rule updates the salary and compensation levels needed for workers to be exempt in the final rule:

1. raising the "standard salary level" from the currently enforced level of \$455 to \$684 per week (equivalent to \$35,568 per year for a full-year worker);
2. raising the total annual compensation level for "highly compensated employees (HCEs)" from the currently-enforced level of \$100,000 to \$107,432 per year;
3. allowing employers to use nondiscretionary bonuses and incentive payments (including commissions) that are paid at least annually to satisfy up to 10 percent of the standard salary level, in recognition of evolving pay practices; and
4. revising the special salary levels for workers in U.S. territories and in the motion picture industry.

Additionally, the Department intends to update the standard salary and HCEs total annual compensation levels more regularly in the future through notice-and-comment rulemaking.

---

<sup>1</sup> On May 23, 2016, the Department issued a final rule increasing the standard salary level, among other changes. That rule was declared invalid by the United States District Court for the Eastern District of Texas, and an appeal of that decision to the United States Court of Appeals for the Fifth Circuit was held in abeyance pending the completion of the Department's rulemaking. Due to the district court's decision, the Department is currently enforcing the regulations in effect on November 30, 2016. In the final rule, the Department formally rescinds the 2016 final rule.

## New Directors, Managers and CEOs

- Project CU Inc. (St. Louis): Kit Brewer, Director
- Mid-Mo Productivity & Packaging Specialists (MPPS) (Moberly): Shari Pretz, Manager
- Tanetone (Branson): Medessa Bolton, Director. Amie Cox, Manager

## Current Job Openings

- *Executive Director: Earthwise Industries Troy, MO*

## DESE-EESW

	Employees	FTE	Hrs. Wkd	Wages Pd	Avg. Wage	Wait TBH
<b>Current</b>	<b>5748</b>	<b>4579</b>	<b>549,496</b>	<b>\$2,453,351</b>	<b>\$4.46</b>	<b>346</b>
<i>Last year</i>	<i>5984</i>	<i>4809</i>	<i>548,206</i>	<i>\$2,382,366</i>	<i>\$4.10</i>	<i>264</i>
<b>YTD</b>	<b>5786</b>		<b>2,290,198</b>	<b>\$ 10,161,994</b>	<b>\$4.43</b>	<b>307</b>
<i>Last Year YTD</i>	<i>6000</i>		<i>2,367,749</i>	<i>\$10,280,283</i>	<i>\$4.09</i>	<i>256</i>



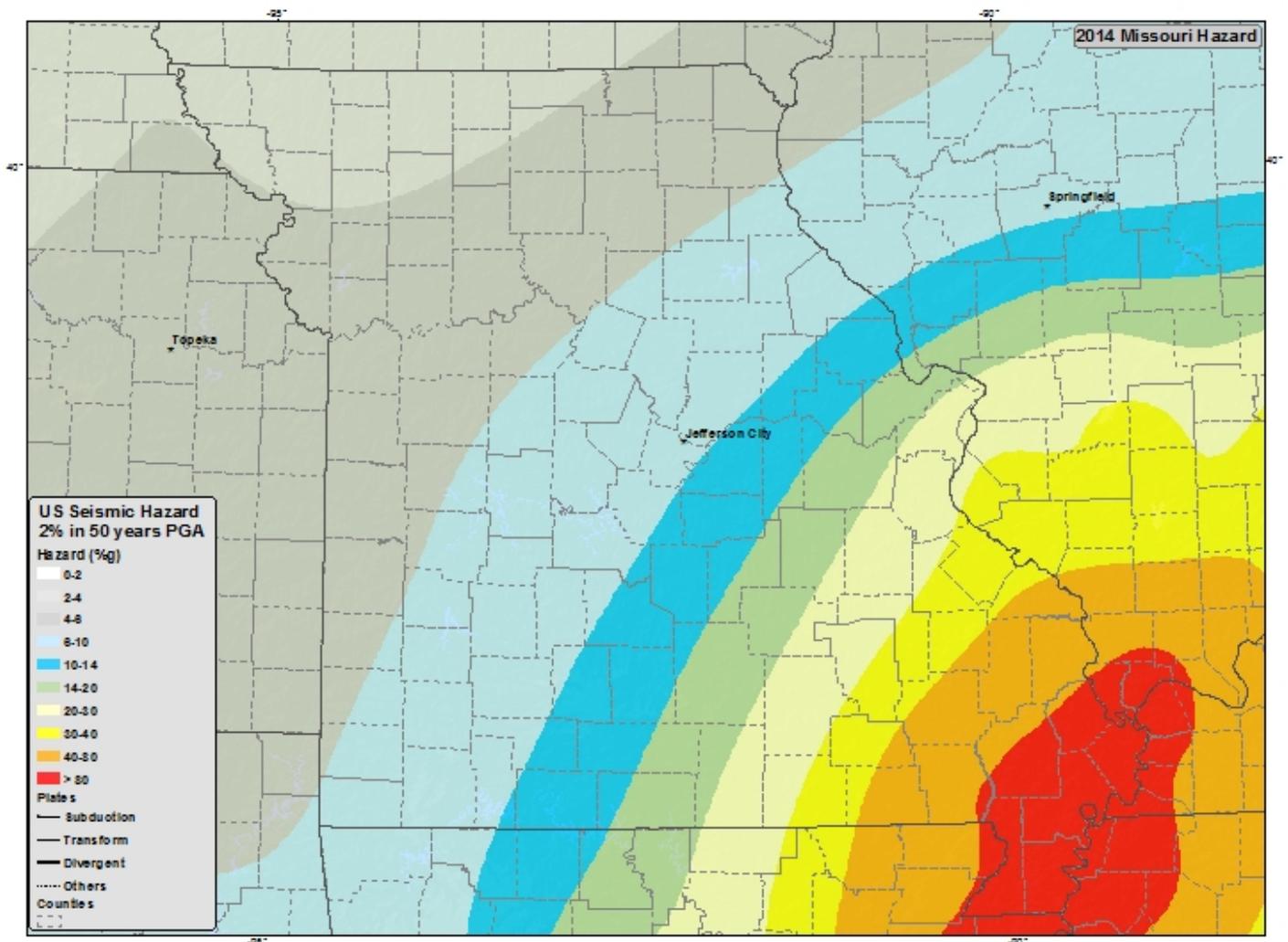
# Get Ready to Shake Out.

October 17, 2019

Shake Out

[www.ShakeOut.org](http://www.ShakeOut.org)

Are you in a Shake Out Zone???



Dan Gier | Director | Extended Employment Sheltered Workshops