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September 19, 2016

The Honorable Kurt Schrader
United States House of Representatives
2431 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Schrader,

On behalf of the 19,000 cities, villages and towns represented by the National League of Cities (NLC), we thank you for your leadership through the introduction of H.R. 5813, the Overtime Reform and Enhancement Act (OREA). We are pleased to support this legislation that would assist our members by providing the time needed to thoughtfully and efficiently plan for the fiscal impacts of the Department of Labor's final overtime rule.

While NLC supports measures that build strong communities and improve the lives of Americans, including updating the current overtime salary threshold, we remain concerned about the implementation timeline contained within DOL's final rule, as well as the establishment of automatic increases.

As you know, as it currently stands, the final rule more than doubles the salary threshold under which certain employees are eligible for overtime pay effective December 1 and calls for automatic increases in the threshold every three years thereafter. For many of our nation's cities and towns, this requirement will have negative impacts on local government budgets, which have been carefully planned for months prior to the rule going into effect. And, for our smallest cities and towns, the full transition to a new salary threshold on December 1 will be harmful to their financial stability as they continue to recover from the 2007 Recession. As noted in NLC's *City Fiscal Conditions 2015 Report*, despite recent growth, revenues remain below pre-recession levels and spending demands are on the rise.

Currently referred to the House Committee on Education and the Workforce, OREA would afford our members the opportunity to plan for and thoughtfully implement this important change in overtime regulations through a phase-in of the new salary threshold over three years. In addition, the bill eliminates the automatic increases to the salary threshold, which will allow cities the time to make adjustments to their budgets in an effort to provide competitive wages for their employees and to continue to deliver essential services to their residents. With 4.2 million Americans impacted by this rule change, this staggered implementation model is critical.

As Congress reconvenes next month, we urge the passage of OREA to provide much-needed fiscal stability to cities and towns. With a limited work period remaining before the implementation of this final rule, we urge swift action on this bill and look forward to partnering with you and your colleagues to that end.

Sincerely,

A handwritten signature in black ink, appearing to read 'Clarence E. Anthony', with a long horizontal flourish extending to the right.

Clarence E. Anthony
CEO and Executive Director