July 19, 2016

Representative Kurt Schrader
2431 Rayburn House Office Building
Washington, DC 20515

Dear Representative Schrader,

Thank you for sponsoring the “Overtime Reform and Enhancement Act” (H.R. 5813). The International Public Management Association for Human Resources (IPMA-HR) supports this legislation, which would phase-in over three years, the increase in the salary basis threshold that was included by the Department of Labor in the regulations “Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees” (80 Fed. Reg. 38516).

IPMA-HR is a nonprofit organization with about 8,000 members consisting of public sector human resource directors, managers, and professionals who work at all levels of government. Since its founding in 1906, IPMA-HR has promoted public sector human resource management excellence through research, publications, professional development and conferences, certification, assessment and advocacy.

State and local governments have a strong commitment to complying with all employment laws and regulations. While acknowledging the need to raise the current salary basis threshold, the increase that will go into effect on December 1, 2016 will present serious challenges for many state and local governments that are required to have balanced budgets and are still recovering from the recession. In 2015, IPMA-HR undertook a survey of its state and local government membership, with almost half supporting an increase in the salary basis test by 50% to $685/week, which is very similar to the $692/week that is included in your legislation. Additionally, more than 60% favored phasing in the increase in the salary basis threshold over several years as does your legislation.

IPMA-HR supports the elimination of the automatic three-year increase to the salary basis threshold that was included by the Department of Labor in its regulations. Two-thirds of the members responding to our 2015 survey indicated that they are opposed to automatic increases in the salary basis threshold. We recognize the need to update the salary basis threshold in the future, but believe that the Department of Labor should be required to go through the public notice and comment period required by the Administrative Procedure Act.
The association appreciates your leadership on this important issue. Please do not hesitate to have your staff contact me at the above address, phone number or by email at nreichenberg@ipma-hr.org if you would like any additional information or if our association can be of any assistance.

Sincerely,

[Signature]

Neil Reichenberg
Executive Director