September 25, 2017

Ms. Melissa Smith
Director
Division of Regulations, Legislation and Interpretation
Wage and Hour Division
U.S. Department of Labor
Room S-3502
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Re: Defining and Delimiting the Exemption for Executive, Administrative, Professional, Outside Sales, and Computer Employees; Request for Information (RIN 1235-AA20) (82 Fed. Reg. 34616, July 26, 2017)

Dear Ms. Smith:

On behalf of the 19,000 cities, towns and villages represented by the National League of Cities (NLC), we commend the Department of Labor (DOL or Department) for reviewing its 2016 Final Rule and appreciate the opportunity to provide the following comments as you move forward with a new rulemaking process.

Cities drive the U.S. economy. We are home to 86% of the country’s population and produce 91% of our GDP. That said, cities in 42 states have been preempted in their ability to raise revenues through tax expenditure limitations which, combined with uncertainty of federal funding, has placed strain on the budgets of cities and towns across the country who work hard to balance their annual budgets while providing the critical services needed in their communities. With 96% of these cities and towns with populations under 50,000, their already limited budgets would be put under additional strain by the impact of overtime regulations that would sharply and abruptly raise the overtime salary threshold. While NLC and its members are dedicated to ensuring that all workers are compensated fairly, it is important that local areas have control over the regional and geographic differences in salary and economic impacts.

The 2016 Final Rule, which would have nearly doubled the existing minimum salary level to $47,500 as well as established a mechanism for automatically updating the salary and compensation every three years, would have made millions of previously ineligible employees eligible for overtime pay. This change would
significantly impact local governments who are a major employer in the United States with 6.5 million individuals employed across the nation.

As the Department moves forward in reexamining this rule, we urge you to consider changes that would eliminate the three-year, automatic salary update as well as provide a phase-in approach to any overall salary increase that may be implemented moving forward. This strategy would allow cities to integrate the new salary threshold into their budget planning process without disruption to both the city as employer but also its employees. It would also ensure that increases are made intentionally and not automatically based on passage of time. Finally, NLC encourages the Department to review the impact of any future threshold increases on cities and towns, particularly those with populations under 50,000, and to adjust the implementation timelines as necessary.

We thank you for the opportunity to offer comment and look forward to continuing to work together on federal policies and programs that help cities and towns grow their economies. If you have questions about the information provided, please do not hesitate to contact me or Stephanie Martinez-Ruckman, Program Director for Human Development at martinez-ruckman@nlc.org or 202-626-3098.

Sincerely,

Clarence E. Anthony
CEO and Executive Director