



June 6, 2016

The Honorable John Kline
Chairman
Committee on Education and the Workforce
2439 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Robert Scott
Ranking Member
Committee on Education and the Workforce
1201 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Kline and Ranking Member Scott:

The National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) would like to take this opportunity to express our strong concerns regarding the Department of Labor's final overtime rule released on May 18 that increases the overtime pay threshold to \$46,476 from \$23,660. We thank you for holding your June 9 hearing, "The Administration's Overtime Rule and Its Consequences for Workers, Students, Nonprofits, and Small Businesses," to examine this pernicious rule. We also encourage the Education and the Workforce Committee to swiftly approve H.R. 4773, the Protecting Workplace Advancement Act and Opportunity Act, to overturn the rule and require that a comprehensive economic and impact analysis be conducted prior to a subsequent rule being finalized.

For more than 20 years, NMHC and NAA have partnered in a joint legislative program to provide a single voice for America's apartment industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management and finance. NMHC represents the principal officers of the apartment industry's largest and most prominent firms. As a federation of nearly 170 state and local affiliates, NAA encompasses over 69,000 members representing more than 8.1 million apartment homes throughout the United States and Canada.

NMHC/NAA are particularly concerned that doubling the overtime threshold to \$47,476, effective on December 1, 2016, with no phase-in period, would harm the ability of multifamily employers to implement, and their employees to take advantage of, flexible scheduling options. The final rule would also limit career-advancement opportunities for employees. Furthermore, we believe the final rule could lead to increased administrative costs as we operationalize the rule, as well as to the possibility of significant litigation expenditures based on pay claims pursuant to the Fair Labor Standards Act. In sum, the final rule could have a tremendous negative impact on the morale of employees who are effectively demoted to non-exempt status and their ability to manage their own work/life balance.

While NMHC/NAA do not necessarily oppose an increase to the overtime salary threshold, the rule should not take effect until its impact is fully assessed and other less drastic alternatives are considered. We believe that H.R. 4773 meets this objective and that the Committee should approve it immediately.

Sincerely,

Douglas M. Bibby
President
National Multifamily Housing Council

Douglas S. Culkin, CAE
President & CEO
National Apartment Association

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