



# Washington Update



## DOL RELEASES FINAL OVERTIME RULE WITH STATE AND LOCAL GOVERNMENT FACT SHEET

The U.S. Department of Labor has released final overtime rules that update the salary level required for the executive, administrative and professional exemption to ensure that the Fair Labor Standards Act's intended overtime protections are fully implemented and to provide greater clarity for white collar workers and their employers, including for state and local governments. The final rule updates the salary threshold under which most white-collar workers are entitled to overtime to

equal the 40th percentile of weekly earnings of full-time salaried workers in the lowest wage census region, currently the south. The final rule raises the salary threshold from \$455 a week (\$23,660 for a full-year worker) to \$913 a week (\$47,476 for a full-year worker), effective December 1, 2016.

The DOL also included a state and local government fact sheet in the announcement, which noted that state and local government employers have the discretion to choose between several options for complying with the final rule. Such options include:

- Raising salaries: For workers whose salaries are close to the new threshold and who pass the duties test, employers may choose to raise these workers' salaries to meet the new threshold and maintain their exempt status.
- Paying overtime above a salary: State and local government employers also can continue to pay newly-eligible employees a salary and pay overtime, or provide comp time for overtime hours in excess of 40 per week.
- Utilizing comp time: State and local government employers—unlike private sector employers—can provide comp time rather than cash overtime payments in appropriate circumstances.

The fact sheet can be found at <https://www.dol.gov/sites/default/files/overtime-government.pdf>.



## PUERTO RICO FISCAL BILL INTRODUCED

After weeks of stops and starts, a bill to try to remedy the dire fiscal situation in Puerto Rico has finally emerged. The Puerto Rico Oversight, Management and Economic Stability Act (PROMESA), H.R. 5278, was sponsored by Rep. Sean Duffy (R-WI), Committee on Natural Resources Chairman Rob Bishop (R-UT) and co-sponsor Rep. Jim Sensenbrenner (R-WI). The bill outlines several conditions for the commonwealth, including the establishment and organization of a Territory Financial Oversight and Management Board, whose purpose is to provide a method for the territory to achieve fiscal responsibility and access to the capital markets. The oversight board will have the authority to seek audited financial statements from every level of government and also to enforce balanced budgets and government reforms, including the ability to sell government assets and establish efficiencies that consolidate government agencies. If the oversight board determines that a pension system of the territorial government is materially underfunded, it will conduct an analysis of the system, prepared by an independent actuary, to evaluate the fiscal and economic impact of the pension cash flows.

Debate on the bill is tentatively scheduled for Tuesday and Wednesday of this week. The bill's full legislative summary can be found at

[http://naturalresources.house.gov/uploadedfiles/promesa\\_packet\\_-\\_5-18.pdf](http://naturalresources.house.gov/uploadedfiles/promesa_packet_-_5-18.pdf).

## THE WEEK AHEAD: STOPPING TERRORISM FINANCING, AND FACILITATING TRANSPARENCY

### Tuesday

The House Financial Services Hearing Task Force to Investigate Terrorism Financing will conduct a hearing on "Stopping Terror Finance: A Coordinated Government Effort."

- <http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=400670>

### Wednesday

The Senate Homeland Security and Government Affairs Committee will conduct a business meeting to consider S.2834, which seeks to improve the government-wide management of unnecessarily duplicative government programs, to ensure that the U.S. Government Accountability Office has adequate access to information, and to expand the government's use and administration of data to facilitate transparency, effective governance and innovation.

- <http://www.hsgac.senate.gov/hearings/business-meeting-05/25/2016>

### WASHINGTON STAFF

CORNELIA CHEBINOU  
*Washington Director*  
[cchebinou@nasact.org](mailto:cchebinou@nasact.org)

NEAL HUTCHKO  
*Policy Analyst*  
[nhutchko@nasact.org](mailto:nhutchko@nasact.org)

TANYA GRAYSON  
*Administrative Assistant*  
[tgrayson@nasact.org](mailto:tgrayson@nasact.org)

National Association of State  
Auditors, Comptrollers and Treasurers

### HEADQUARTERS OFFICE

449 Lewis Hargett Circle, Suite 290  
Lexington, KY 40503-3590  
P (859) 276-1147, F (859) 278-0507

### WASHINGTON OFFICE

444 N. Capitol Street, NW, Suite 234  
Washington, DC 20001  
P (202) 624-5451, F (202) 624-5473

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

For more information on this newsletter's content, contact Cornelia Chebinou at [cchebinou@nasact.org](mailto:cchebinou@nasact.org) or (202) 624-5451.

# Washington Update