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Date: 5/18/2016 7:01:34 PM
Subject: DOL Overtime Rule

Swati - sorry I had to run out of there this afternoon. Becca has already sent Rob a draft statement, but to follow up on our brief conversation from earlier, below are some of the important data points from the new rule.

Final rule issues: 18 May 2016

Effective date: 1 December 2016

Old salary level for mandatory overtime pay (1.5x): \$23,660 annually

New salary level for mandatory overtime pay (1.5x): \$47,476

DOL projected number of affected SC employees (public and private sector): 67,000

- DEW thinks this number is low and is working on fact checking it.
- OHR is getting us the number of state employees it could impact.
- Austin sent out a note to the Cabinet requesting the impact to each of their agencies, individually.

Other related points:

- Sen. Scott has been working on a bill that would halt these rules and allow time to study their impact.
- Other members of Congress have said they plan to introduce bills to block implementation of the rules.
- Based on minimal research, I have not seen any efforts taken to challenge this rule in court, although I am certain suit will be brought.

Potential Talking Points:

- This is another example of the Obama Administration taking actions that are out of touch with reality.
- This massive new unfunded mandate will have a dramatic economic impact across the country, and my state.
- In SC alone, DOL projects 67,000 employees will meet these new employment standards.
- While the stated objectives of this rule are to increase wages and spread employment, this very may well have the opposite impact: reducing pay, reducing hours, or a combination of the two.
- Further, this will have a severe impact on our state budget, commandeering state priorities and forcing cuts both to employees and services.
- This Administration needs to quit handing down one-size fits all fiats from D.C. and allow states to manage themselves.

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Sent from iPhone