

## Gov. Mary Fallin: Pushing Back Against Bad Federal Policy

*By Gov. Mary Fallin*

Last week, Oklahoma joined 20 other states in a legal challenge of the federal Department of Labor's new overtime rule that is set to take effect in December. It's another example of how Oklahoma's elected officials are working to protect the state's small businesses.

The new overtime rule requires employers pay their salaried employees who earn less than \$47,500 a year overtime pay for hours worked beyond 40 in a week. This roughly doubles the previous threshold.

The rule hurts small-business owners who rely on their salaried managers to work until the job gets done even if that means working beyond 40 hours a week during busy times. In return for this commitment, salaried employees get the flexibility, prestige and perks that come with being such an integral part of the business.

The regulation will also hurt employees. According to Jeffrey Miron of Harvard University, salaried employees will be shifted back to hourly ones so that employers can more easily account for labor costs. This means they will lose the benefits that come with being salaried. It also will cause some employers to reduce job opportunities in order to cover the increased labor costs associated with the rule.

Consider how the regulation hurts a small business with two salaried managers earning \$40,000 a year. Increasing the employees' salaries to the new threshold of \$47,500 — a roughly 20 percent raise — isn't feasible for many low-margin employers. But shifting them to hourly employees reduces the value they can create for the business and for themselves. There is no painless way to comply with the regulation.

Small businesses in Oklahoma will particularly be burdened by this mandate. They make up 97 percent of all employers in the state — employing over half of its working population. It's vital we avoid burdening them

with new obstacles like this overtime regulation.

To highlight the importance of small businesses to the economy and address the threats they're facing, I am participating in a Bring Small Businesses Back event in Oklahoma City on Friday. The event will highlight real solutions to hurdles that small businesses in the state and across the nation are facing.

A nationwide survey of small-business owners commissioned by the Job Creators Network earlier this year finds that overregulation, overtaxation and lack of access to credit are the most important issues facing job creators. Roughly two-thirds of respondents said overtaxation and overregulation are preventing their businesses from thriving. As a result of these hurdles, only one in five small-business owners plans to hire additional employees over the next year, while only one in four believes conducting business this year will be easier than the last.

My administration has consistently focused on implementing pro-growth policies that allow Oklahoma's small businesses to operate in a low-tax, easy-to-understand regulatory system. But no matter how hard we work at the state level, we can't prevent bad policies on the federal level that shift resources and jobs from our communities to Washington, D.C.

The only way to truly push back on bad federal policy like the new overtime rule is by voicing our opposition. That's what our lawsuit and the Bring Small Businesses Back campaign are about. Please join us to help amplify the message.

*Fallin, a Republican, is in her second and final term as governor of Oklahoma. The Bring Small Businesses Back event is from 9:30 to 11 a.m. at Oklahoma State University-Oklahoma City.*