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THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE DEPARTMENT  
GOVERNOR'S OFFICE OF FEDERAL RELATIONS  
STATE HOUSE • BOSTON 02133  
617 727-7200  
CAMBRIDGE MA.

MICHAEL S. DUKAKIS  
GOVERNOR

TIMOTHY BARNICLE  
DIRECTOR

November 25, 1985

Dear Municipal Official:

I am aware of your concern over the recent Supreme Court decision in Garcia v. San Antonio Metropolitan Transit Authority. I am happy to report that legislation dealing with this issue was overwhelmingly approved by the House and Senate, and signed into law by the President on November 13, 1985.

This new law will amend the Fair Labor Standards Act as it applies to state and local governments. This legislation reflects an agreement reached in October by the AFL-CIO, the National League of Cities, the U.S. Conference of Mayors, and key House and Senate leaders.

The Supreme Court's February, 1985 Garcia decision effectively reversed its prior ruling in National League of Cities v. Usery, which had exempted state and local employees from the minimum wage and overtime provisions of the Fair Labor Standards Act. The Department of Labor was to begin enforcement of the Garcia decision on November 1, 1985, with a retroactive provision requiring states and localities to reimburse employees for overtime worked since April 15, 1985.

Had Congress failed to act, compliance costs for state and local governments resulting from the Garcia decision were estimated up to \$1 billion by government officials.

The new law:

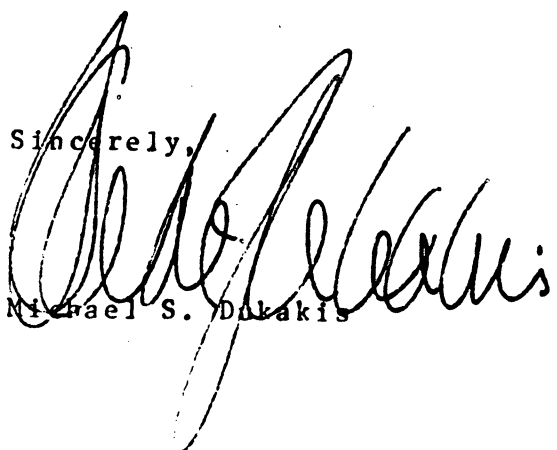
- \* Delays the application of the FLSA to state and local employees until April 15, 1986;
- \* Allows employers, beginning April 15, 1986, to substitute compensatory time at a rate of not less than one and one-half hours for each hour of employment for which overtime is required, provided that collective bargaining agreements, memorandums of understanding, or agreements between employers and employees allow for such an option;

- \* Places a cap of 240 hours on the allowable accumulated compensatory time for employees not engaged in emergency, public safety or seasonal work;
- \* Places a cap of 480 hours on the allowable accumulated compensatory time for employees engaged in emergency, public safety or seasonal activities;
- \* Protects employees from discrimination by employers who attempt to reduce wages or "regular rate of pay", except in those cases where reducing wages for fiscal or economic reasons is necessary;
- \* Prohibits the treatment of two separate jobs performed by an individual in the same employing jurisdiction as one job for purposes of determining overtime liability;
- \* Defines special detail work by special detail employees on an optional basis as separate employment; and,
- \* Exempts volunteers from coverage under the Fair Labor Standards Act.

If you have any additional questions, please feel free to contact Herb Regal, Director of Federal/Local Relations at 727-7200.

With best wishes,

Sincerely,



Michael S. Dukakis

MSD/lp

Comm. from Governor Michael Dukakis Re:  
the recent Supreme Court decision in the  
case of Garcia v. San Antonio Metropolitan  
Transit Authority & approval of legislation  
dealing with this issue recently signed into  
law.

In City Council,

December 16, 1985

12/16/85

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