

POLICY POSITION

16. Impact of the Garcia Decision on State and Local Governments

Background

As a result of a ruling by the Supreme Court on February 19, 1985, the Fair Labor Standards Act is applicable to state and local governments. The decision, Garcia vs. San Antonio Metropolitan Transit Authority reversed the National League of Cities vs. Usery - a landmark 1976 decision which held that the 10th amendment was a bar to the application of the Fair Labor Standards Act to states and local governments in their traditional governmental capacity.

Garcia is potentially very expensive for state and local governments and could significantly interfere with agreements reached in collective bargaining agreements with state with local employees. The decision is likely to be a particular problem in the following areas:

- Overtime - Comprehensive time would be prohibited for hours worked overtime. Many employees count on comprehensive time to increase the number of vacation days they can take. Further, paying state and local employees time-and-a-half for overtime could be a special problem, especially for local governments that often provide for duty work in collective bargaining agreements. The most common shift for firemen, for instance is 24 hours on and 48 hours off.
- Volunteers - States, and local governments, in particular, rely on volunteers to provide a number of important services, including fire-fighting and social services - like meals on wheels to the elderly. If state and local governments are required to pay volunteers because they already pay them some nominal compensation in recognition of their efforts, the additional cost would be significant.
- Effective date - On June 14, 1985, the Department of Labor announced that it will enforce the Fair Labor Standards Act for states and local governments retroactive to April 15. Retroactive applicability would be unreasonable since it does not give states ample time to respond to the Garcia decision. In bringing state law and practice in line with the decision, states must work within the constraints of their budget cycles and collective bargaining agreements.