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THE WHITE HOUSE WASHINGTON 913 John Roberts- Counsel's Office Per our conversation, attached are material. which Mitch Daniels wants to send ent - Please review subject content, etc and advise if I should me should fit proceed with the printing/mailing Process hanks Dick White k 2500

TO: FILE while 9/16 to advin that DBW had already cleared mailing. DOR

ADMINISTRATIVE OFFICE

THE WHITE HOUSE

WASHINGTON

LETTER A

September 18, 1985

Dear :

Thank you for sharing your correspondence regarding the Supreme Court's decision in <u>Garcia</u>. Because of your efforts, we were able to present to the President a true picture of the implications of that decision, a picture that Congress will also appreciate as it tackles remedial legislation.

Officials from across the nation have demanded legislation to rectify the consequences of the Supreme Court's decision in <u>Garcia v. San Antonio Mass Transit Authority</u>. Because of the President's long-held belief in decentralized government and the strong state-local endorsement of S. 1570, the President is giving it the Administration's full support.

In the Garcia decision, the Court ruled that the Fair Labor Standards Act applies to all state and local government employees. States and localities consider the cost of the decision to be \$3 billion, and service cutbacks inevitable.

It is now up to Congress to address this situation. A start has been made with the introduction of S. 1570, but that bill must be reported from both the Senate Labor Committee and the House Committee on Education and Labor, enacted by both chambers before it can be signed into law by the President. The Administration greatly appreciates the efforts you are making to date to further the bill's progress.

Garcia was certainly a setback for the concept of a healthy and vigorous federal system. The Administration continues to believe that state and local governments must play an independent role if the country's traditions of freedom and prosperity are to be preserved. We are demonstrating this belief by our support of S. 1570, and we thank you in advance for the assistance you can provide.

Sincerely,

Mitchell E. Daniels, Jr. Deputy Assistant to the President Director, Office of Intergovernmental Affairs

THE WHITE HOUSE

WASHINGTON

LETTER B

September 18, 1985

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Mitchell E. Daniels, Jr. Deputy Assistant to the President Director, Office of Intergovernmental Affairs



10 2.00

Bepartment of Justice

STATEMENT

OF

WILLIAM BRADFORD REYNOLDS ASSISTANT ATTORNEY GENERAL CIVIL RIGHTS DIVISION

BEFORE

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THE

COMMITTEE ON LABOR AND HUMAN RESOURCES SUBCOMMITTEE ON LABOR UNITED STATES SENATE

CONCERNING

IMPACT OF GARCIA V. SAN ANTONIO METROPOLITAN TRANSIT AUTHORITY

ON

SEPTEMBER 10, 1985

STATEMENT OF WILLIAM E. BROCK SECRETARY OF LABOR U.S. DEPARTMENT OF LABOR BEFORE THE SUBCOMMITTEE ON LABOR OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

September 10, 1985

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Mr. Chairman and Members of the Subcommittee:

I appreciate your invitation to be here, today, at the continuation of the Subcommittee's hearings on <u>Garcia</u> v. <u>San</u> <u>Antonio Metropolitan Transit Authority</u>. As a result of the Supreme Court's decision in <u>Garcia</u>, the minimum wage and overtime pay provisions of the Fair Labor Standards Act (FLSA) have now been made generally applicable to employees of State and local governments.

The <u>Garcia</u> decision has raised major concerns that State and local governments will have increased payroll costs and reduced flexibility in workforce utilization. Officials from many of these jurisdictions--as well as organizations representing them--have contacted the Department, seeking relief from its impact, and flexibility in adjusting to it. They have also testified before this Subcommittee and the Joint Economic Committee expressing similar views.

Let me start, Mr. Chairman, by telling this Subcommittee that the Administration supports the enactment of your bill, S. 1570, and we commend you and Senator Wilson for your efforts in this area. It is a good approach to addressing the concerns expressed by State and local governments and their employees because of the problems created by the <u>Garcia</u> decision.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 13, 1985

STATEMENT BY THE PRESIDENT

Today, I have signed S. 1570, the "Fair Labor Standards Amendments of 1985." This law once again permits State and local governments and their employees the flexibility to serve their citizens effectively. It is the culmination of a vigorous effort by State and local governments, their employees, and a bipartisan coalition in the Congress. All these efforts have had the strong support of my Administration.

While this law does not fully restore State and local governments to the position they held prior to the Supreme Court's decision in Garcia v. San Antonio Metropolitan Transit Authority, it does recognize, in significant measure, their special burdens, responsibilities, and character.

Without this legislation, the cost of services that State and local governments provide -- police, firefighters, and other services necessary to the success of any community -would have increased by as much as \$3 billion per year.

The new law provides important relief to State and local governments, their employees, and all American taxpayers. The law contains an effective date of April 15, 1986, eliminating the unexpected back pay liability for overtime pay dating from the Court's decision. It enables all State and local governments to accept offers of voluntary service from civic-minded citizens. And it allows the continuation of a long-standing practice by legitimizing the use of "compensatory time" as a substitute for cash in paying overtime hours.

Although real improvement has been brought about by this legislation, I believe the constitutional principles of federalism must be recognized so that limits are placed on Federal regulation of State and local governments in a manner consistent with their special status in our system of government. In this and in other regards, federalism will remain a major priority of my Administration.

I commend all those officials and workers in State and local governments and all those in the Congress who worked to secure this much-needed legislative success. Secretary of Labor William Brock, Attorney General Edwin Meese III, Senators Orrin Hatch, Don Nickles, Howard Metzenbaum, and Pete Wilson, Representatives Gus Hawkins, Jim Jeffords, Austin Murphy, Tom Petri, and Steve Bartlett all provided essential leadership.

I am especially grateful to Senator Nickles whose early leadership and hard work were essential to the enactment of the legislation.

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