

Memorandum



DATE May 24, 2024

CITY OF DALLAS

TO Honorable Mayor and City Councilmembers

SUBJECT **Fair Labor Standard Act Overtime Final Rule**

On April 24, 2024, the U.S. Department of Labor issued a final rule regarding the Fair Labor Standards Act (FLSA). This rule updates regulations issued under section 13(a)(1) concerning exemptions from minimum wage and overtime pay requirements for executive, administrative, and professional (EAP) employees. The revisions include increases to the standard salary level and the highly compensated employee total annual compensation threshold.

The final rule also provides for future updates of these levels every three years to reflect current earnings data. These scheduled increases are displayed below.

Date	Standard Salary Level
Before July 1, 2024	\$684 per week (\$35,568 per year)
July 1, 2024 (Phase I)	\$844 per week (\$43,888 per year)
January 1, 2025 (Phase II)	\$1,128 per week (\$58,856 per year)
July 1, 2027, and every 3 years thereafter	Salary thresholds will update every three years, by applying up-to-date wage data to determine new salary levels

In other words, for January 1, 2025, salaried workers who make less than \$1,128 per week FLSA status would change to nonexempt and would become eligible for overtime.

Financial Impact

The City of Dallas demonstrates a strong commitment to fair labor practices by implementing a comprehensive FLSA compliance program, which includes regular training for staff, utilization of reliable timekeeping systems, and ensuring that all employees receive accurate wages and adhere to established work hour guidelines.

The July 1, 2024, Phase 1 implementation will have no financial impact based on the City’s exempt employee lowest current salary of \$52,574. Attached you will find a list of the 55 City of Dallas positions that may be affected by the Phase II January 1, 2025 effective date. This projection is based on current salaries and employee head count. Financial implications will vary according to overtime that may be incurred by the departments and individuals in the identified positions.

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Should you have any questions, please do not hesitate to contact, Nina Arias, Director of Human Resources at nina.arias@dallas.gov.

Sincerely,



Jack Ireland
Chief Financial Officer

c: Kimberly Bizer Tolbert, City Manager (I)
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Jon Fortune, Deputy City Manager
Majed A. Al-Ghafry, Assistant City Manager

Robin Bentley, Assistant City Manager (I)
Donzell Gipson, Assistant City Manager (I)
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis Gavino, Chief of Staff/Office of Resilience
Directors and Assistant Directors
Office of Government Affairs

Phase 2 – January 1, 2025 – Projected Impact (May 7, 2024, Workday data)

Grade/Department/Job Title	Count
Grade 12 Salary	10
311	1
Senior Outreach Specialist	1
AVI	1
Project Specialist	1
CCS	1
Senior Outreach Specialist	1
MCC	7
Policy Analyst	7
Grade 13 Salary	11
DPD	4
Public Information Coordinator I	3
Supervisor - Police Operations	1
OCC	1
Senior Public Health Educator	1
PKR	1
Events Services Specialist II	1
SAN	2
Sanitation Training and Development Specialist	2
SEC	3
Commission/Board Coordinator	2
Public Information Coordinator I	1
Grade 14 Salary	33
DPD	1
Environmental Coordinator II	1
DWU	1
Supervisor - Water Meter Shop	1
LIB	4
Library Manager	3
Supervisor - Women, Infants, and Children Clinic	1
OCA	1
Executive Assistant	1
OCC	11
Supervisor - Women, Infants, and Children Clinic	11
OEM	1
Emergency Management Specialist	1
OEQ	1
Environmental Coordinator II	1
OHS	1
Project Coordinator - Street Outreach	1
PAO	2
Public Information Officer	2
PKR	10
Executive Assistant	3
Fund Analyst	1
Senior Project Specialist	1
Supervisor - Recreation	5
Grade 15 Salary	1
PKR	1
Supervisor - Aquatic Programs	1
Grand Total	55