

What is FLSA & OBBBA?

FLSA (Fair Labor Standards Act)

The Fair Labor Standards Act sets the foundation for how employees must be paid.

In school district terms, it means:

- Determines which employees are eligible for overtime
- Requires overtime pay for non-exempt staff working over 40 hours in a workweek
- Defines classification based on duties and salary, not job title

Why it matters:

FLSA drives day-to-day payroll practices and directly impacts compliance and audit readiness.

OBBBA (Overtime Salary Threshold Changes)

The Overtime salary threshold updates relate to updates impacting which salaried employees qualify for overtime.

In school district terms, it means:

- Salaried employees below the threshold must be treated as non-exempt
- Contracts and pay structures may need review
- Budget considerations must align with compliance requirements

Why it matters:

Threshold changes can shift employees into overtime eligibility, creating both compliance obligations and potential cost increases.

Quick takeaway:

FLSA sets the rules, and OBBBA-related updates determine who those rules apply to.



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