



San Elizario ISD
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MEMORANDUM

To: Members of the Board of Trustees
From: Gina Ramirez, Executive Director Human Resources
Subject: US Department of Labor Final Rule: [Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees](#)
Date: November 13, 2024

HISTORY: On April 23, 2024, the U.S. Department of Labor (Department) announced a final rule, [Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees](#), which will take effect on July 1, 2024. The final rule updates and revises the regulations issued under section 13(a)(1) of the Fair Labor Standards Act implementing the exemption from minimum wage and overtime pay requirements for executive, administrative, and professional (EAP) employees. Revisions include increases to the standard salary level and the highly compensated employee total annual compensation threshold, and a mechanism that provides for the timely and efficient updating of these earnings thresholds to reflect current earnings data.

RATIONALE: The final rule will increase the standard salary level and the highly compensated employee total annual compensation threshold on the rule’s effective date on July 1, 2024, and on January 1, 2025, when changes in the methodologies used to calculate these levels become applicable. 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	HIGHLY COMPENSATED EMPLOYEE TOTAL ANNUAL COMPENSATION THRESHOLD
Before July 1, 2024	\$684 per week (equivalent to \$35,568 per year)	\$107,432 per year, including at least \$684 per week paid on a salary or fee basis.
July 1, 2024	\$844 per week (equivalent to \$43,888 per year)	\$132,964 per year, including at least \$844 per week paid on a salary or fee basis.
January 1, 2025	\$1,128 per week (equivalent to \$58,656 per year)	\$151,164 per year, including at least \$1,128 per week paid on a salary or fee basis.
July 1, 2027, and every 3 years thereafter	To be determined by applying to available data the methodology used to set the salary level in effect at the time of the update.	To be determined by applying to available data the methodology used to set the salary level in effect at the time of the update.

Due to the new ruling, paygrade 2A under the administrative professional pay plan will be out of compliance as of January 1, 2025. Therefore, they have been revised to comply with the new minimum wage threshold. As a result, the other paygrades within the pay family had to be revised as well. The paygrade comparison has been attached to this memorandum. Due to the adjustments to the pay grades, two employees were identified with salaries that fall under the new minimum threshold and an equity adjustment will be needed to compensate them according to the new pay grade and years of experience.

BUDGET: As of January 1, 2025, the impact will be \$8,956.96.

ADMINISTRATIVE RECOMMENDATION: The administrative recommendation is to approve the updated pay scales and equity adjustments, effective January 1, 2025, to comply with DOL regulations.

For Approval? Yes No

If no, please check one: Presentation Report Information

Please check if applicable: Attachment Included

The mission of the San Elizario Independent School District is to graduate students with innovative skills for 21st-century careers by focusing on academic and social skills, fostering transformative practices, and building community support through positive relationships between home and school.