



Human Resource Services

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Date: November 15, 2024
To: Deans/VPs/CC Chancellors
CC: HR Liaisons
Through: Marshall Parks, Interim Assistant VP, Human Resource Services
From: Joyce Rindner, Director, Employment & Compensation Services
Subject: Update on Federal Salary Threshold Regulations and Impact to NMSU

Good afternoon, everyone

First, I want to thank you for all the time and attention you have given to the FLSA reviews within this year. Today, I would like to share with you an update on the Fair Labor Standard Act (FLSA) changes that we were working to implement by the January 1, 2025 deadline.

Earlier today, a federal judge in the Eastern District Court of Texas [ruled](#) to strike down the Biden administration's Fair Labor Standards Act (FLSA) [overtime final rule](#). The ruling strikes down all components of the rule, meaning both the July and January salary thresholds are no longer in effect, and the triennial automatic updates will not take place. The decision applies to all covered employers and employees under the FLSA nationwide.

At this point, the Department of Labor (DOL) may choose to appeal the lower court's ruling to the Court of Appeals. However, with a change in presidential administration on the horizon, it's likely that the DOL, under new leadership, will forgo any appeal and allow the court's decision to stand.

What this means for NMSU

- We will continue reviewing the work that departments and divisions have done in providing us with details regarding many of their exempt positions. We have successfully gathered information from over 95% of the departments so far. If you haven't yet completed your review, please submit your feedback by this time next week. Please be assured that your work is valued and will be utilized." With the information provided, the Human Resources Staff will shift our focus from the FLSA compliance deadline and get an early start on the development of a new staff classification and compensation system.
- This work will begin before the holiday break, with the goal of completing it by July 31, 2025. The new system will help the university better recruit and retain qualified staff by

creating a transparent, replicable process for evaluating positions and aligning compensation with competitive market.

- Important Note: Pay increases from the July 1 FLSA changes will not be affected. However, we will revisit the positions that were reclassified as non-exempt at that time during our classification work in the spring.

Thank you again for your time and attention to the FLSA reviews over the past year. We will keep you updated if there are any further developments.