



# State Personnel Office

## FY27 Budget Appropriation Request

**October 16, 2025**

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# Vision, Mission and Values

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**Vision** To create an inclusive workforce supporting innovation and achievement while serving the state of New Mexico.

**Mission** A trusted partner expertly leading the way in human resources practices and services that enhance the employee experience.

**Values** Diversity, Partnership, Consistency, Balance, Innovative, Resourceful, Credible, Engaged, Responsive, and Respectful

## Agency Priorities

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- Partners directly with Agency leadership to set the HR vision, culture and priorities that deliver the overall human resources strategy to support all State services.
- Conducts strategic planning meetings using data and insights to deploy workforce solutions that ensure agencies can achieve their overall mission.
- Updates and maintains competitive market compensation and classifications.
- Conducts and develops course offerings to ensure state employees are supported to enhance retention and develop skills for emerging needs of agencies.
- Negotiates and advises on all Collective Bargaining Agreements between the State and unions.

## Budget Categories

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### Revenues

**111-** General Fund Transfers

**112** – Other Transfers – HR Shared Services and Compensation Increases

### Expenses

**200** – Costs for employee salaries and benefits

**300** – Contracts and professional services (audit and legal services)

**400** – Operating costs (office supplies, travel, training, IT and telecom services)

# Revenue

The State Personnel Office (SPO) understands how New Mexico is returning to normal levels of anticipated revenue growth. Our FY27 Budget Appropriation Request reflects a modest increase of \$430,600 from the General Fund. This is approximately 9.1%. The bulk of this request is made up of mandatory implementation costs for SB 376(2025) related to employee health premium increases, an expected increase in employee liability insurance premiums, an increase in managed applications, and a request for support in creating an online portal to process all personnel actions and compensation requests reviewed by the SPO Workforce Planning Division.

The FY27 Budget Appropriation Request also includes \$240,000 in revenue for HR Shared Services. This is an increase of \$23,600 from FY26. SPO provides HR Services for approximately 13 state agencies.

The average annual cost for agencies utilizing this service is approximately \$18,000. The average cost of an HR Manager with benefits is approximately \$100,000 for one FTE. Agencies using this service allow for savings of approximately \$1,000,000 for the State.

Revenue Category	FY24 Authorized	FY25 Authorized	FY26 Authorized	FY27 Request
111	\$4,336.0	\$4,474.8	\$4,744.2	\$5,174.8
112	\$237.0	\$198.2	\$216.4	\$240.0
<b>Total Budget</b>	<b>\$4,573.0</b>	<b>\$4,673.00</b>	<b>\$4,960.6</b>	<b>\$5,414.8</b>

The State Personnel Office will request a Special Appropriation of \$500,000 in FY27. This will cover the salary and benefits for 50 interns to be employed from late May to early August. State agencies who do not have budget to cover internship positions but still wish to participate in the program will be able to request these positions directly from SPO. Because of available funding, not every agency has the budget to fund a summer intern, or agencies are not sure they will have available funds until it is too late to recruit for an intern. With this additional money, SPO will be able to increase internship offerings around the state to include rural areas. With available funding, SPO hopes to continue to grow the statewide internship program thus increasing pathways for entry-level full-time employment.

The State Personnel Office was awarded an appropriation from the Government Results and Opportunity (GRO) Fund. SPO will receive \$950,000 in Fiscal Years 2026, 2027, and 2028 to implement the recommendations of the 2024 Personnel Act Study. This funding will primarily be used to fill six vacant positions. SPO will immediately address the challenges cited in the Deloitte Compensation Study, to ensure we are a strategic leader in market-based workplace innovation.

# Expense

**FY27 Personal Services and Benefits (Category 200)** request an increase of \$218,600.

- \$150,000 - Permanent implementation costs for SB 376(2025) related to employee health premiums, plus an estimated 10% premium increase for FY27.
- \$68,600 – The NM General Services Department has informed us of an expected increase in Employee Liability Insurance Premiums.

**FY27 Contractual Services (Category 300)** request an increase of \$172,000.

- \$7,000 - To be used to procure additional Mediation Specialists as the Adjudication Department has experienced a 40% increase in adjudication petitions which require an offer for mediation.
- \$5,000 - To be used for estimated increased costs for our annual financial audit.
- \$160,000 – To be used to hire a contractor to create an online portal to support and process all personnel actions and compensation requests reviewed by the SPO Workforce Planning Division.

**FY26 Other Expenses (Category 400)** request an increase of \$40,000.

- \$20,000 - The NM General Services Department has informed us of an expected increase in ISD-Managed Applications.
- \$20,000 - To be used to procure Microsoft Co-Pilot Premium software through the NM Department of Information Technology. This software will increase efficiency across all divisions of SPO and allow us to be a leader in AI Governance development.

Revenue Category	FY24 Authorized	FY25 Authorized	FY26 Authorized	FY27 Request
200	\$4,225.6	\$4,362.6	\$4,561.0	\$4,803.2
300	\$76.0	\$76.0	\$116.0	\$288.0
400	\$271.4	\$234.4	\$283.6	\$323.6
<b>Total Budget</b>	<b>\$4,573.0</b>	<b>\$4,673.0</b>	<b>\$4,960.6</b>	<b>\$5,414.8</b>

# SPO Vacancy Rates

Date	Filled	Vacant	Total Positions	Vacancy Rate
7/1/2024	33	7	40	17.5
8/14/2025	37	4	41	9.75
10/14/2025	38	2	40	5.00

**Please note:** this chart only includes Classified SPO positions. This does not include GOVX or Temporary positions.

**The State Personnel Office is actively attempting to fill 1 position.**

# SPO Reversions

Fiscal Year	Reversion
2023	\$254,521
2024	\$102,633
<b>2025 - \$37,682</b>	

## FY27 State Personnel Office Budget Request

Summary of FY27 Request	Personnel	Category Title	FY26 Budget	Growth	FY27 Request	% Growth
(Recurring)	44	200 Personnel Svcs & Benefits	4,561.0	242.2	4,803.2	5.35%
		300 Contractual Services	116.0	172.0	288.0	148.0%
		400 Other Costs	283.6	40.0	323.6	14.1%
		<b>Total</b>	<b>4,960.6</b>	<b>454.2</b>	<b>5,414.8</b>	<b>9.16%</b>

Expansion (Growth)	Total Cost	200 Personnel Svcs & Benefits	Cost	300 Contractual Services	Cost	400 Other	Cost
		Health Benefits	150.0	Mediation & Audit	12.0	Software	40.0
		Liability Insurance	68.6	Workforce Portal	160.0		
		HR Shared Services Revenue Increase	23.6				
<b>Grand Total</b>	<b>454.2</b>						

FY26 Operating Budget	Personnel	Category Title	General Fund	Other Transfers	Comp Package Not Included in GL	Total Request
	44	200 Personnel Svcs & Benefits	4,344.6	216.4	143.6	4,561.0
		300 Contractual Services	116.0			116.0
		400 Other Costs	283.6			283.6
		<b>Total</b>	<b>4,744.2</b>	<b>216.4</b>	<b>143.6</b>	<b>4,960.6</b>

FY27 Request	Personnel	Category Title	General Fund	Other Transfers	Comp Package	Total Request
	44	200 Personnel Svcs & Benefits	4,563.2	240.0		4,803.2
		300 Contractual Services	288.0			288.0
		400 Other Costs	323.6			323.6
		<b>Total</b>	<b>5,174.8</b>	<b>240.0</b>		<b>5,414.8</b>
						<b>Increase - FY27 vs FY26</b>
						<b>454.2</b>





# Special Request - Fund 50 Interns at SPO

Strategic Justification

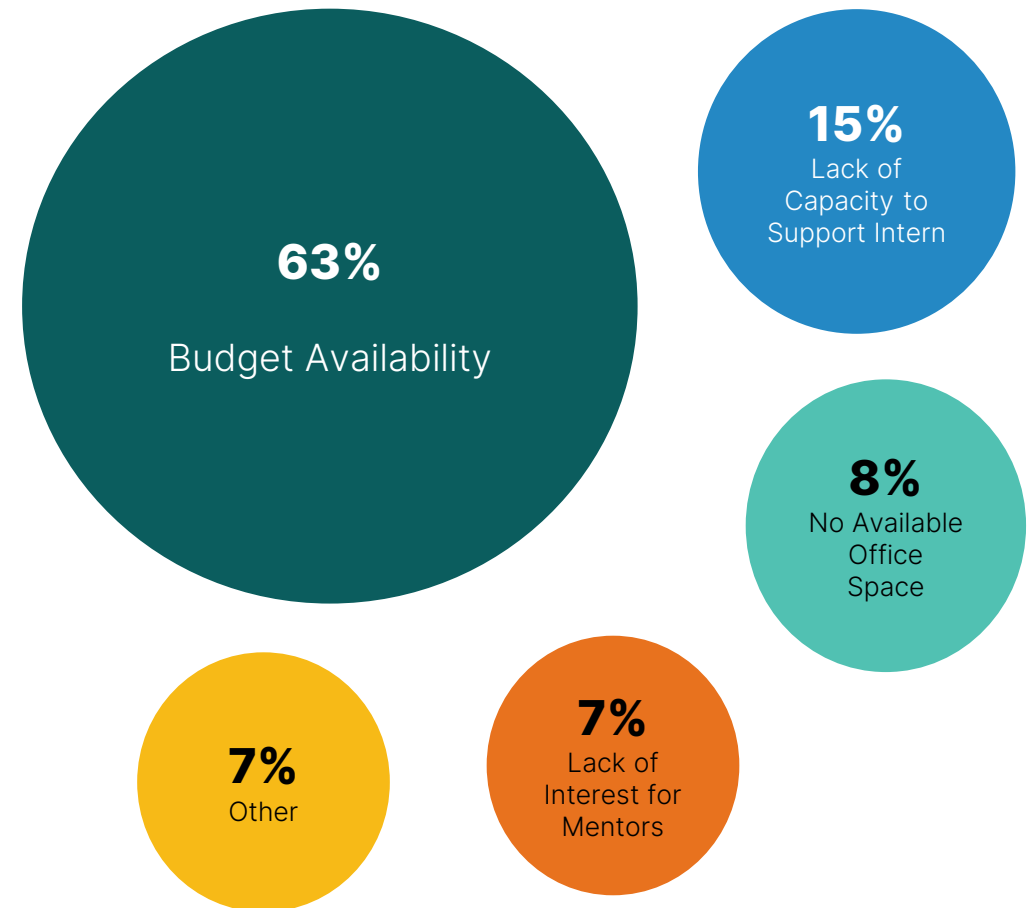


# Funding Request

The State Personnel Office (SPO) is requesting funding for 50 centrally budgeted intern positions to support a statewide internship initiative, with special emphasis on rural and underserved communities.

<b>Building a Sustainable Pipeline:</b>	Internships create a pathway for students and early-career professionals to gain experience to easily transition into full-time roles, reducing future vacancy rates.
<b>Accelerated Hiring and Service Delivery:</b>	Interns can support critical functions, reduce workload on existing staff, and shorten time-to-hire by converting high-performing interns into permanent hires.
<b>Expanding Equity and Access Across Agencies:</b>	Budgeted internships allow agencies without available budget to participate, ensuring broader geographic and demographic representation.

## Current Barriers, as reported by Agencies:





# Strategic Justification for Funding 50 Interns at SPO

By centrally funding these positions, SPO can ensure equitable access to internship opportunities across the state, helping to develop a homegrown workforce and strengthen public service delivery in communities that need it most.

## Internships are a strategic tool to:

- ✓ Build local talent pipelines in rural & underserved areas.
- ✓ Offer students and early-career professionals opportunities in public service careers.
- ✓ Support diversity, equity, and inclusion by reaching communities historically underrepresented in state government.
- ✓ Improve long-term hiring outcomes by converting interns into full-time employees.

## FY27 Request-One Time Request

Intern \$	\$500,000
# of Interns	50
\$/Intern	\$10,000

## Survey data from agency HR leads and division directors shows:

- ✓ Strong interest in internships, especially in rural field offices and regional hubs.
- ✓ Limited or no funding to support intern wages.
- ✓ A desire to participate in workforce development but constrained by available budget.

# Conclusion

This request is a strategic investment in the future of New Mexico's rural workforce. By centrally funding 50 interns through SPO, the state can:

- ✓ Expand access to public service careers in rural areas.
- ✓ Support underserved agencies and communities.
- ✓ Strengthen the state's talent pipeline from the ground up.
- ✓ Advance diversity, equity and inclusion across all regions of New Mexico.