



2018 Classified Service Compensation Update

Presented to the Legislative Finance Committee

December 13, 2018



Targeted Approach

- The State needs a **targeted approach** from the current “one-size fits all” or “across the board” approach to salary increases
 - Classified service jobs overall are competitive; however, **certain classifications** would benefit from becoming more competitive
 - Pathway to achieve this is to establish and administer occupationally based salary structures
 - Across the board pay raises will **not** fix the system – The State has many classifications that do not have recruitment and retention issues and are appropriately compensated
- Current Challenges for Policy Makers:
 - Policy makers do not currently have the ability to target specific occupational groups that face increased recruiting and retention difficulties
 - Policy makers do not have the flexibility in appropriating targeted salary increases when faced with economic instability or resource scarcity



Project Objective

- To establish a **classification framework** and a **compensation system** that will:
 - Reflect current work performed by classified state employees
 - Support agency efforts to attract and retain a qualified workforce
 - Serve as the foundation for future classification studies and decisions
- ***System reform is underway...***
 - ✓ Corrections – Implemented July 2, 2016
 - ✓ Information Technology – Implemented July 30, 2016
 - ✓ Engineer, Surveyor - Implemented July 15, 2017
 - ✓ Architect - Implemented July 15, 2017
 - ✓ Attorney - (salary structure) – Implementing December 15, 2018
 - ✓ Child Protective Services (salary structure) – Implementing December 15, 2018
 - Healthcare – Beginning 2018



Corrections

- 1,085 Correctional employees (1,433 positions) in the Classified Service
 - 727 employees fell below new minimum rates
 - General Fund impact to bring employees to minimum was \$4.5 million

FY19 Corrections Salary Schedule

PAY BAND	Hourly			Annual		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
CA	\$14.00	\$16.81	\$19.61	\$29,130	\$34,964	\$40,798
CB	\$16.77	\$20.09	\$23.42	\$34,879	\$41,796	\$48,712
CC	\$18.56	\$22.26	\$25.95	\$38,613	\$46,293	\$53,974
CD	\$20.43	\$24.51	\$28.59	\$42,496	\$50,982	\$59,468
CE	\$22.40	\$26.88	\$31.34	\$46,590	\$55,904	\$65,197
CF	\$24.29	\$29.14	\$33.99	\$50,515	\$60,614	\$70,692
CG	\$25.90	\$31.07	\$36.24	\$53,867	\$64,624	\$75,380
CH	\$28.28	\$33.93	\$39.58	\$58,832	\$70,564	\$82,318
CI	\$30.33	\$36.38	\$42.44	\$63,096	\$75,677	\$88,280
CJ	\$32.44	\$38.90	\$45.38	\$67,467	\$80,918	\$94,390
CK	\$35.80	\$42.95	\$50.09	\$74,468	\$89,341	\$104,192
CL	\$39.90	\$47.88	\$55.85	\$82,997	\$99,588	\$116,158
CM	\$44.61	\$53.53	\$62.45	\$92,799	\$111,342	\$129,906



Information Technology

- Over 750 IT employees (941 positions) in the Classified service
 - 44 employees fell below new minimum rates
 - General Fund impact to bring employees to minimum was \$40,199
- Emphasis is on “Rightsizing” classifications across agencies
- Review committee to ensure quality and consistency

FY19 IT Salary Schedule

PAY BAND	Hourly			Annual		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
IA	\$14.23	\$18.98	\$23.73	\$29,598	\$39,478	\$49,358
IB	\$16.61	\$22.15	\$27.69	\$34,549	\$46,072	\$57,602
IC	\$19.56	\$26.09	\$32.62	\$40,685	\$54,267	\$67,848
ID	\$22.04	\$29.39	\$36.75	\$45,843	\$61,131	\$76,430
IE	\$24.69	\$32.91	\$41.15	\$51,355	\$68,453	\$85,584
IF	\$27.93	\$37.24	\$46.56	\$58,094	\$77,459	\$96,844
IG	\$32.65	\$43.54	\$54.44	\$67,912	\$90,563	\$113,228
IH	\$38.30	\$51.06	\$63.84	\$79,664	\$106,205	\$132,784
II	\$42.17	\$56.22	\$70.29	\$87,714	\$116,938	\$146,203
IJ	\$46.78	\$62.37	\$77.98	\$97,302	\$129,730	\$162,196
IK	\$52.28	\$69.71	\$87.16	\$108,742	\$144,997	\$181,284



Engineer, Surveyor & Architect

- Over 900 employees (1,105 positions) in the Classified Service
 - 72 employees fell below new minimum rates
 - General Fund impact to bring employees to minimum was \$150,539
 - Most positions (64%) at the Department of Transportation
- Key focus was to describe work more accurately and address both licensed v. non-licensed work being performed

FY19 Engineering Salary Schedule

PAY	Hourly			Annual		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
EA	\$13.13	\$17.07	\$21.01	\$27,307	\$35,500	\$43,693
EB	\$14.57	\$18.94	\$23.31	\$30,307	\$39,400	\$48,493
EC	\$16.38	\$21.30	\$26.21	\$34,076	\$44,300	\$54,524
ED	\$18.68	\$24.28	\$29.88	\$38,845	\$50,500	\$62,155
EE	\$21.82	\$28.37	\$34.91	\$45,383	\$59,000	\$72,617
EF	\$26.26	\$34.13	\$42.01	\$54,614	\$71,000	\$87,386
EG	\$29.22	\$37.98	\$46.75	\$60,768	\$79,000	\$97,232
EH	\$32.43	\$42.16	\$51.89	\$67,460	\$87,700	\$107,940
EI	\$36.00	\$46.80	\$57.60	\$74,883	\$97,350	\$119,817
EJ	\$39.24	\$51.01	\$62.78	\$81,613	\$106,100	\$130,587
EK	\$42.77	\$55.60	\$68.43	\$88,959	\$115,650	\$142,341

FY19 Architect Salary Schedule

PAY BAND	Hourly			Annual		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
AA	\$23.74	\$30.87	\$37.99	\$49,383	\$64,200	\$79,017
AB	\$27.00	\$35.10	\$43.20	\$56,152	\$73,000	\$89,848
AC	\$36.24	\$47.12	\$57.99	\$75,383	\$98,000	\$120,617



Attorney

- Over 194 employees (331 positions) in the Classified Service
 - Fewer than 10 employees fall below the minimum
 - General Fund Impact to bring employees to minimum is \$17,786.
 - Most positions were at Human Services Department.
- Emphasis is to bring Attorney salary up to local market competitiveness.

FY19 Attorney Salary Schedule

PAY BAND	Hourly			Annual		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
LE	\$24.00	\$31.17	\$38.33	\$49,916	\$64,825	\$79,735
LF	\$25.93	\$33.68	\$41.42	\$53,939	\$70,051	\$86,163
LG	\$28.11	\$36.50	\$44.90	\$58,460	\$75,922	\$93,384
LH	\$30.70	\$39.87	\$49.04	\$63,851	\$82,923	\$101,996
LI	\$32.89	\$42.72	\$52.54	\$68,418	\$88,855	\$109,292
LJ	\$35.10	\$45.59	\$56.08	\$73,017	\$94,827	\$116,637
LK	\$38.48	\$49.97	\$61.47	\$80,039	\$103,947	\$127,855



(CPS) Social Services

- 599 employees (721 positions) in the Classified Service
 - 40 employees fell below the minimum
 - General Fund Impact to bring employees to minimum is \$64,764
 - All positions affected are at Children, Youth and Families Department
- Focus of the new structure is to attract and retain Child Protective Services Workers.

FY19 (CPS) Social Services Salary Structure

PAY BAND	Hourly			Annual		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
SD	\$16.12	\$20.93	\$25.74	\$33,521	\$43,534	\$53,547
SE	\$18.30	\$23.76	\$29.22	\$38,054	\$49,421	\$60,788
SF	\$20.57	\$26.71	\$32.85	\$42,779	\$55,557	\$68,335
SG	\$24.00	\$31.17	\$38.34	\$49,922	\$64,834	\$79,745
SH	\$28.66	\$37.22	\$45.78	\$59,612	\$77,418	\$95,224
SI	\$31.71	\$41.18	\$50.65	\$65,954	\$85,654	\$105,355



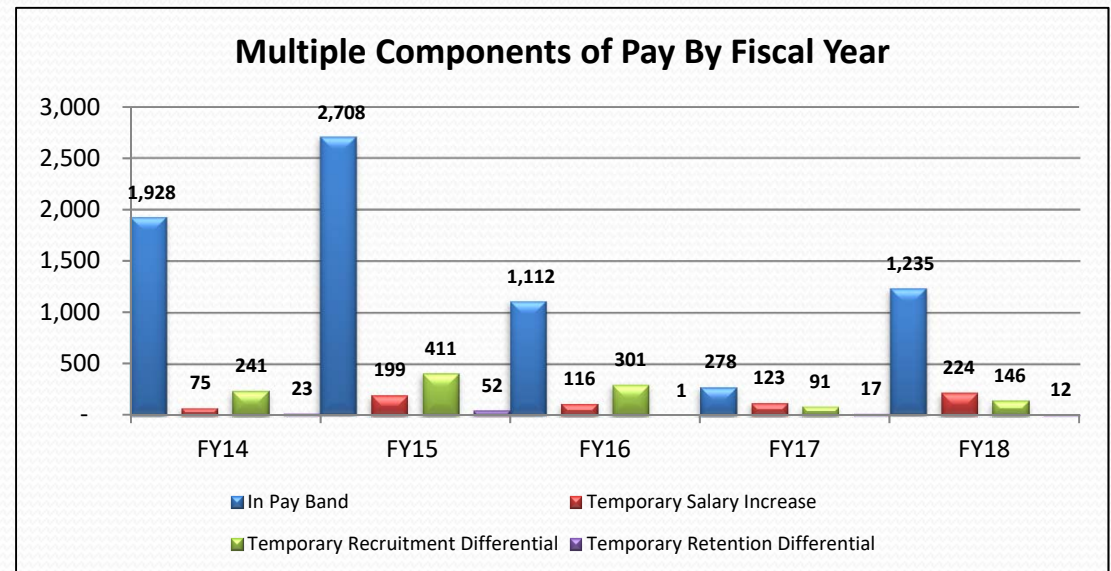
Moving Forward

- SPO is creating a new classification structure with 11 new salary structures:
 - ✓ **Corrections**
 - ✓ **Information Technology**
 - ✓ **Engineering**
 - ✓ **Architecture**
 - ✓ **(CPS) Social Services**
 - ✓ **Attorney**
 - **Healthcare and Healthcare Support**
 - **General Administration**
 - **Scientific**
 - **Trades and Labor**
 - **Public Safety**



Current System Administration

- Statewide Classified Vacancy Rate – 19.3% (5,278 Statewide-All)
- Over 25% of classifications have an APB assignment
- Average New Hire compa-ratio – 95.8%
- 63% of new hires complete their probationary period
- Turnover (2,760)
 - Voluntary – 67%
 - Retirements – 21%
 - Involuntary – 12%
- Decrease in MCOPs



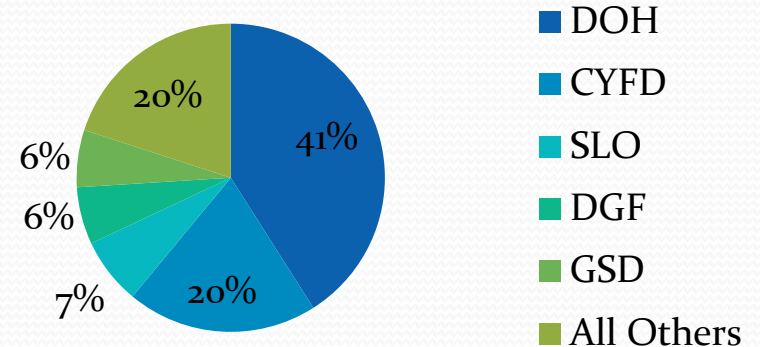


In Pay Band Salary Adjustment Efforts

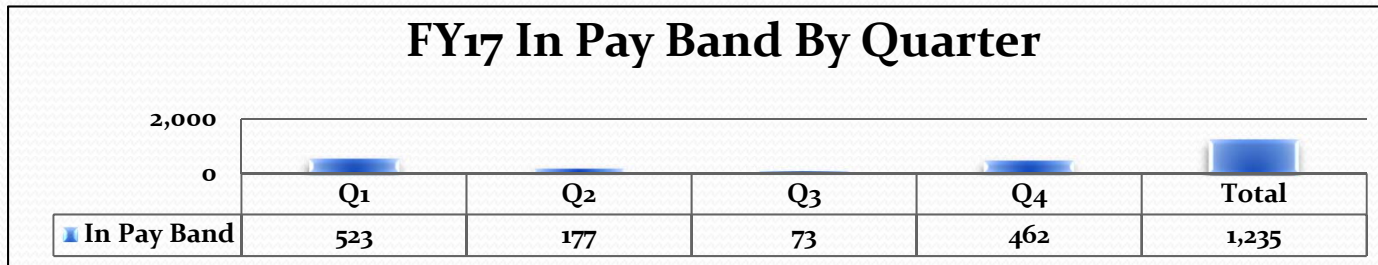
- In FY18, 1,235 In Pay Bands (IPBs) were used to specifically target critical positions:

- DOH – 511 IPBs - \$3,376,256
- CYFD – 244 IPBs – \$473,013
- SLO – 87 IPBs - \$169,837
- DGF – 71 IPBs - \$252,382
- GSD – 70 IPBs - \$70,143
- All Other Agencies – 252 IPBs - \$2,876,864

2018 IPBs by Agency



FY17 In Pay Band By Quarter



Despite these efforts, the State is still lagging in several areas that affect recruitment and retention – hence we need to continue our efforts at a targeted approach to fix the compensation system.



Employer Costs for Employee Compensation vs. New Mexico

- New Mexico continues to offer a rich benefits package that is in line with national comparator groups

Compensation Component	Civilian Workers	Private Industry	State & Local Government	State of New Mexico*
Wages and salaries	68.3%	69.6%	62.4%	67.2%
Benefits	31.7%	30.4%	37.6%	32.8%
Paid leave	7.1%	7.0%	7.5%	4.4%
Supplemental pay	3.3%	3.8%	1.0%	0.0%
Insurance	8.7%	7.9%	11.9%	12.7%
Health	8.2%	7.5%	11.6%	10.2%
Retirement and savings	5.3%	3.9%	11.5%	11.4%
Defined benefit	3.3%	1.7%	10.7%	11.4%
Defined contribution	2.0%	2.3%	0.8%	0.0%
Legally required	7.3%	7.7%	5.5%	4.6%