

AGENCY: State Personnel Office

DATE: 8/25/16

PURPOSE OF HEARING:
State employee compensation: salary, benefits, and regional competitiveness

WITNESS: Justin Najaka, Director, SPO

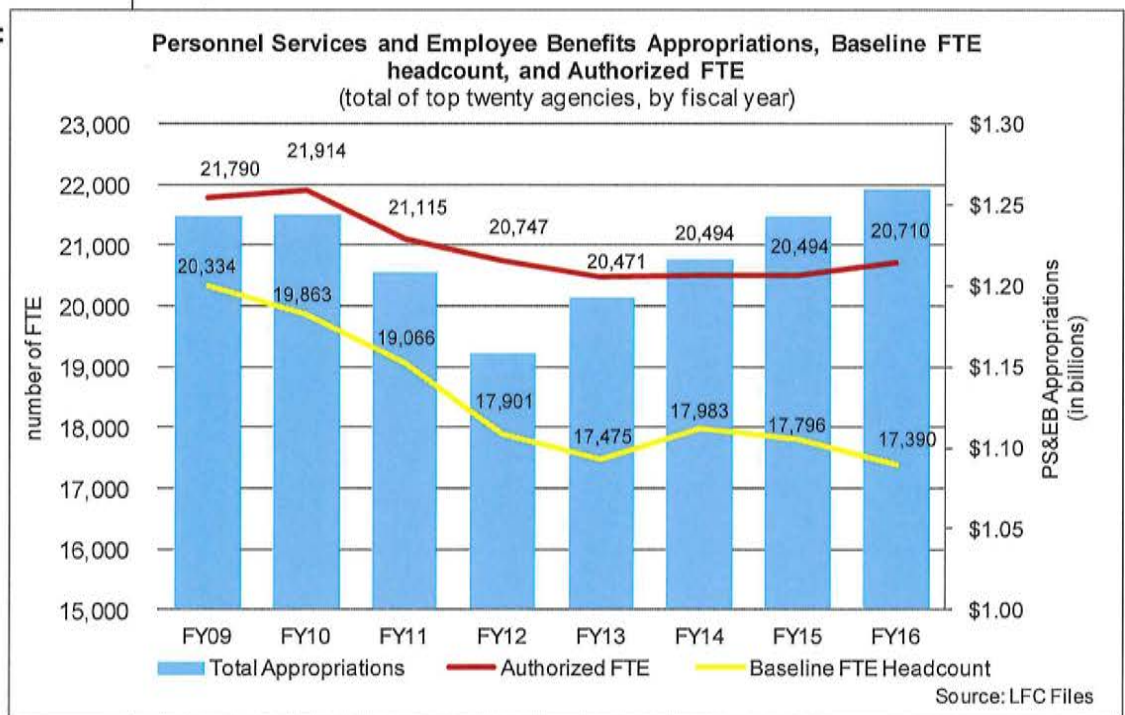
PREPARED BY: Connor Jorgensen, LFC

EXPECTED OUTCOME:

BACKGROUND INFORMATION

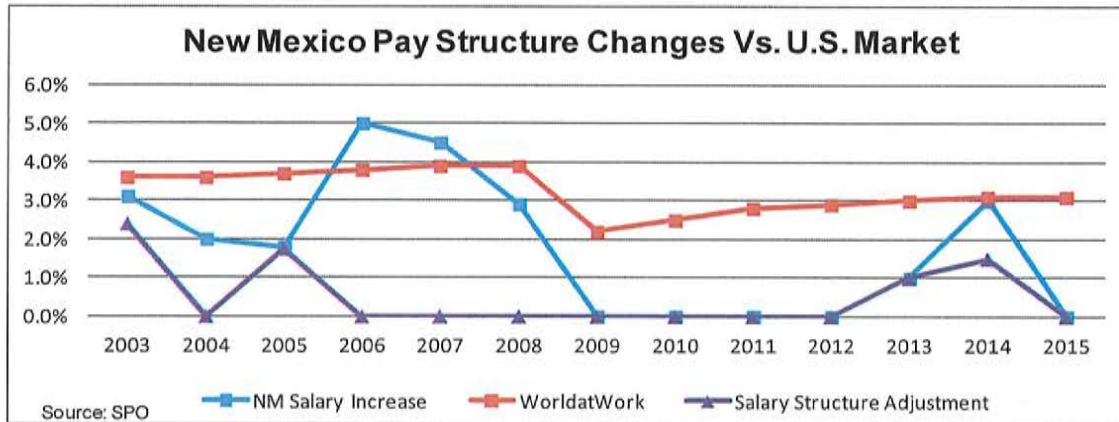
In FY16, personal services and employee benefits (PS&EB) appropriations totaled \$1.64 billion making PS&EB one of the largest expenses in agency budgets. As of August 31, 2016, there were 22,146 employees in state service.

Since the 2008 recession, agencies have maintained high vacancy rates as hiring freezes were implemented and agencies let positions go unfilled due to economic uncertainty. In the four years of recovery from FY12 through FY16, agencies continued to maintain high vacancy rates and state employment remains about 3.5 thousand, or 13.7 percent, below FY09 peak levels (attachment A) even as PS&EB budgets increased. Surplus PS&EB funding (attachment B) has been used by agencies to cover costs of contracting as well as operational expenses and ad hoc salary increases.



The recession had a profound effect on agency personnel policy; during the recession, no salary increases were appropriated by the Legislature and agencies severely restricted or stopped providing employee salary increases all together. In fact, with retirement contribution swaps, state employee take home pay was temporarily reduced. The stagnation of wages resulted in compaction in the pay system as new employees were hired at salary levels at or close to those of incumbent employees. Pay freezes had the greatest effect on employees in high-demand fields, such as healthcare. The combination of high market demand and stagnant state wages resulted in salaries falling increasingly further behind market rates. The market-to-pay plan disparity is hindering the state's ability to recruit and retain qualified employees in many of the highest demand and most difficult to fill occupations.

The graph below shows even in years when the Legislature provided cost of living adjustments (COLA), SPO often did not adjust the pay structure. With only four changes to the compensation structure since 2003 and average US wage growth of 3.1 percent per year over this time, it is unsurprising that in 2013, SPO found the pay structure to be significantly behind the market.



Salary and Benefits

New Mexico compares favorably to the eight surrounding states on average; New Mexico is ranked 5th in salary and benefits, achieving SPO's stated goal of being the "average payer" in the region.

Components of Total Compensation. Analysis of total compensation, salary plus benefits, shows New Mexico's compensation package is benefit-rich. For the past several years, SPO's annual report noted that, "when compared to both public and private sectors, the state contributes significantly more to employees in both medical and retirement benefits"(SPO 2015 annual report).

Comparison of Compensation Components			
Compensation Component	Private Industry	State and Local Gov't	State of New Mexico
Salary	70%	64%	57%
Benefits	31%	37%	43%
Paid Leave	7%	7%	8%
Supplemental Pay	4%	1%	0%
Insurance	8%	12%	20%
Retirement	4%	11%	10%
Other	8%	6%	4%
Total	100%	100%	100%

Source: SPO

The largest single difference in compensation between state workers in New Mexico and other states is health insurance. New Mexico workers receive 20 percent of their total compensation in the form of health insurance, resulting in New Mexico paying 66 percent more, on average, than other state and local governments and more than double the private sector average for health benefits.

Compensation Adequacy. SPO compiles an annual classified service compensation report, including salary and benefit comparisons between New

Eight State Total Compensation Comparison	
Nevada	\$ 99,326
Wyoming	\$ 93,830
Colorado	\$ 84,828
Utah	\$ 84,513
New Mexico	\$ 77,659
Arizona	\$ 71,882
Oklahoma	\$ 62,643
Kansas	\$ 62,066
Texas	\$ 60,871

Source: SPO

Eight State Salary Comparison	
Nevada	\$ 64,792
Colorado	\$ 54,300
Wyoming	\$ 52,050
Utah	\$ 47,656
New Mexico	\$ 44,554
Arizona	\$ 44,116
Texas	\$ 40,398
Oklahoma	\$ 37,700
Kansas	\$ 36,056

Source: SPO

**FY15 In Pay Band Salary
Increases**
(dollars in thousands)

Agency	FTE	Cost
CYFD	1,192	\$ 1,617.4
DOT	799	\$ 1,832.6
DPS	238	\$ 764.8
DGF	54	\$ 163.7
DCA	54	\$ 118.4
RLD	54	\$ 134.2
Other	317	\$ 1,038.3
Total	2,708	\$ 5,669.4

Source: SPO

The State's pay plan is generally behind market rates, but the gap is not consistent with some occupations being significantly over or under paid relative to market rates.

Mexico state employees and national and regional competitors. SPO's 2013 annual report, the last year the full data set was made available, (attachment C) noted 71 of the 152 benchmark classifications, or 47 percent, trail market pay rates by more than 10 percent. Agencies have mitigated low salaries by adjusting pay in an ad hoc fashion by providing raises (in pay band salary increases) to individual employees and assigning employees to alternative pay bands (APB) in order to provide increases. In FY15, 2,708 employees received in pay band raises at a cost of \$5.7 million as shown in the chart to the left. While these efforts helped address pay adequacy on an agency level, it created large disparities between individuals performing similar jobs across agencies.

The results of SPO's 2013 benchmark salary adequacy survey showed the state's pay plan is generally behind the market, but the gap is not uniform. A partial 2016 salary comparison shows that of the 71 classifications benchmarked to the eight state comparator market, 40 classifications, or nearly 60 percent, are at least 10 percent under market averages while eight classifications, or 11 percent, are at least 10 percent over market rates (attachment D). The results of the benchmark comparisons show a lack of consistent pay even in similar job classifications: a certified nurse practitioner is paid 15 percent *below* market value while a nurse manager is paid 20 percent *over* market value.

Another indication the salary structure is behind the market is the high compa-ratios of new hires. A compa-ratio is the level in the pay range relative to the mid-point, so a compa-ratio of 100 percent is the midpoint of the pay range. Historically, new hires have entered state service at compa-ratios below midpoint, typically around 80 percent, and moved up through the pay range. From FY11 to FY16, the average new hire compa-ratio increased from 91 percent to 97 percent indicating the mid-point of the range has become the entry level for new hires.

In addition to benchmark pay comparison data, salary adequacy may be assessed by factors such as vacancy and turnover rates. Typically, when compensation lags market rates, it takes longer to recruit employees and incumbent employees are more likely to leave the organization for a higher salary elsewhere. In this way, inadequate compensation leads to difficulty in recruitment and retention and increased vacancy and turnover rates.

Occupation-Based Pay Structure

In order to address market-to-pay plan disparities, SPO began advocating for implementation of an occupation-based compensation system in 2012. The occupation-based plan would replace the current, single pay plan with 11 occupation-based groups corresponding to job type. The goal of the new structure is to minimize salary inequities between jobs across agencies and provide policymakers greater flexibility to target salary increases to fix inequities, and address recruitment, retention, and turnover issues. Once implemented, the structure must be kept up-to-date to account for changes in inflation and market demand in different fields.

While SPO made progress over the past four years adding classifications (jobs titles) into the appropriate new occupational group, the executive has yet to deliver a comprehensive compensation plan to the Legislature.

SPO recently completed the salary structure for correctional officers of the New Mexico Corrections Department. The new salary structure uses the entirety of the

Proposed New Occupation Groups

1. Corrections
2. Healthcare
3. Information Technology
4. Protective Services
5. Social Services
6. Engineering
7. General Administration
8. Legal
9. Management
10. Scientific
11. Trades and Labor

\$4.5 million appropriated by the Legislature to increase salary range minimums and fails to address salary compaction. The compaction that will result from the plan may prove detrimental to morale at the department as only employees paid less than the new minimum will receive salary increases while other employees will not receive any salary increase and new hires will be paid commensurate with senior employees. Although law suits alleging pay discrimination between male and female NMCD employees are currently moving through the court system, the SPO plan does not address pay equity.

Failure to provide regular adjustments to the pay structure resulted in nearly 50 percent of state employees being paid outside of the existing structure.

Table 1 identifies the cost to increase compensation and vacancy and turnover rates for occupations facing recruitment and retention difficulty. In the case of nurses, high turnover and vacancy rates reflect high demand for those skills, and the difference in vacancy rates at DOH facilities and the Miner's hospital may signal additional difficulty recruiting nurses to work in rural areas. While this information is useful for determining compensation adequacy, current SPO reports do not contain vacancy and turnover rates by occupation group. Targeted increases could help address irregularities and inequities; however, SPO should set priorities and establish criteria for adjustments, such as how far behind the market salaries are, average time to fill vacant positions, turnover, and public health and safety impact.

Compensation Increase Cost, Vacancy, and Turnover Rates for High-Demand Positions				
Table 1				
	1% Increase Cost (in thousands)	FTE Affected	Annual Turnover Rate	Current Vacancy Rate
CYFD				
Youth Care Specialists	\$120.80	234	22%	26%
CPS Social Workers	\$291.10	517	29%	18%
Nurses	\$15.50	20	Unknown	Unknown
DPS				
State Police Officers	\$864.23	667	7%	20%
Forensic Scientists	\$23.50	44	20%	30%
Dispatchers	\$39.20	102	26%	22%
DOH				
Nurses	\$681.46	321	25%	21%
Miner's Hospital				
Nurses	\$69.32	36	25%	29%
Judiciary				
Judge pay	\$286.46	167		
Court Clerks	\$277.25	700	32%	12%
Statewide Average			14%	13%

Source: LFC Files

Pay Plan Adjustment

In order to prevent the state's compensation structure from falling further behind the market, it is necessary to pursue targeted or cost-of-living adjustments (COLA), or some combination of the two. Of the eight state comparator market used by SPO, LFC surveyed six and found that from FY12 through FY16, five provided COLAs in addition to targeted or merit based increases.

Cost-of-Living Adjustments

Recognizing the tendency of wages to rise with inflation and other market pressures, the Colorado State Department of Personnel and Administration states:

"In order to maintain prevailing compensation and follow projected market movements for salary structures, it is recommended that the State adjust the salary range structure by increasing the FY2015-16 range minimums and range maximums for all occupational groups by 2 percent. *Increasing the salary range would not necessarily result in a corresponding change in salary for individual employees.*"

Legislative Salary Increase History

	CPI	State of NM
FY12	3.2%	0.0%
FY13	2.1%	0.0%
FY14	1.5%	1.0%
FY15	1.6%	3.0%
FY16	0.7%	0.0%
FY17		0.0%

Source: LFC files

Since 2003, the Legislature provided eight across-the-board salary increases, but SPO only adjusted the structure four times. One third of state employees are currently in alternative pay bands and SPO estimates 15 percent of the workforce may be misclassified. The lack of regular adjustments to the pay structure resulted in approximately 50 percent of state employees being paid in excess of the existing structure targets as a direct result of lack of regular salary structure maintenance.

Targeted and Merit-Based Increases

Targeted increases are provided for specific agencies or occupations. The implementation of the occupation-based pay structure will allow policymakers greater ability to target salary increases to occupational groups which are furthest behind the market and face the most significant recruitment and retention difficulties.

Merit-based increases are commonly used to reward individual employee performance and are most often directly related to employee performance reviews. Merit-based increases may also be used to equalize pay within an occupational group based on factors such as time on the job. Most of the states in the eight state comparator market employ either targeted or merit increases to keep pay structures up-to-date.

While SPO states that targeted pay increases are the most effective method of adjusting the salary structure, the executive has not provided the Legislature with a comprehensive compensation plan in several years and did not provide data showing how targeted increases were prioritized. However, the Legislature included targeted pay initiatives in the General Appropriations Act for the past two years; during the 2015 session, \$1.1 million was provided for pay increases for nurses and related staff and in the 2016 session, \$4.5 million for custodial staff salary increases at the Corrections Department, and \$1.25 million for police officer increases.

QUESTIONS

1. What occupation groups has SPO identified as needing targeted increases and how far are the salaries in these groups behind the market?
2. Why hasn't SPO provided benchmark pay comparisons to the Legislature since 2013?
3. Has SPO completed pay studies for all of the occupation groups selected for targeted increases?
4. Despite advocacy for targeted pay increases in the 2016 legislative session, SPO did not provide detail on what positions would be affected, or the methodology for prioritizing targeted groups. Will this information be made available to the Legislature in the future?
5. In 2013, SPO estimated the current salary structure was, on average, 18 percent behind the market. What is the market-to-pay plan gap currently?

CJ/al

The Legislature provided \$5.75 million for targeted salary increases for the New Mexico Corrections Department and the Department of Public Safety during the 2016 session.

Baseline Count of Positions and Employees/Headcount

(20 Largest Agencies)
Aug-16

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY17	Percent Change from August, 2015	Current Agency Vacancy Rate in Percent
Top Twenty Agencies	7/1/08 *	7/1/09 *	7/1/10 *	7/1/11 *	7/1/12 *	7/1/13 *	7/1/14 **	7/1/15 **	7/1/16 **	8/1/16 **		
21800 Administrative Office of the Courts	445.0	438.0	437.0	422.0	419.0	411.0	419.0	418.0	400.0	405.0	-4.3%	10.6%
23200 2nd Judicial District Court	343.0	351.0	344.0	350.0	337.0	350.0	338.0	345.0	329.0	332.0	-4.9%	14.0%
24400 Bernalillo County Metropolitan Court	324.0	327.0	312.0	307.0	305.0	307.0	300.0	303.0	304.0	299.0	0.0%	11.2%
33300 Taxation & Revenue Dept.	1,105.0	1,080.0	1,045.0	962.0	916.0	915.0	976.0	911.0	889.0	877.0	-1.6%	19.9%
35000 General Services Dept.	324.0	320.0	299.0	269.0	246.0	242.0	222.0	242.0	252.0	248.0	-0.4%	21.0%
28000 Public Defender	374.0	363.0	344.0	331.0	327.0	356.0	376.0	353.0	368.0	366.0	2.2%	16.6%
42000 Regulation & Licensing Dept.	297.0	285.0	263.0	239.0	242.0	234.0	245.0	253.0	249.0	248.0	-2.0%	20.4%
50500 Department of Cultural Affairs	543.0	528.0	502.0	455.0	448.0	446.0	434.0	470.0	438.0	429.0	-9.7%	15.8%
52100 Energy, Minerals & Ntrl Rsrchs Dept.	1,051.0	763.0	765.0	809.0	823.0	916.0	700.0	718.0	621.0	618.0	-16.2%	-25.6%
55000 Office of the State Engineer	346.0	331.0	311.0	279.0	273.0	299.0	301.0	300.0	291.0	291.0	-2.7%	17.3%
63000 Human Services Dept.	1,878.0	1,848.0	1,787.0	1,721.0	1,683.0	1,760.0	1,760.0	1,718.0	1,699.0	1,675.0	-1.6%	18.4%
63100 Dept. of Workforce Solutions	476.0	502.0	528.0	501.0	498.0	389.0	430.0	480.0	447.0	447.0	-6.1%	19.9%
64400 Division of Vocational Rehabilitation	298.0	282.0	268.0	237.0	222.0	221.0	238.0	246.0	236.0	248.0	-4.1%	16.5%
66500 Department of Health	3,819.0	3,810.0	3,692.0	3,347.0	3,186.0	3,271.0	3,248.0	3,280.0	3,156.0	3,121.0	-3.1%	17.7%
66700 Department of Environment	672.0	651.0	608.0	560.0	552.0	557.0	568.0	570.0	538.0	533.0	-6.1%	18.8%
69000 Children, Youth & Families Dept.	1,945.0	1,985.0	1,891.0	1,814.0	1,833.0	1,882.0	1,863.0	1,939.0	1,940.0	1,913.0	0.8%	15.5%
77000 New Mexico Corrections Dept.	2,203.0	2,211.0	2,099.0	1,953.0	1,904.0	1,903.0	1,962.0	1,938.0	1,895.0	1,902.0	-1.5%	22.3%
79000 Department of Public Safety	1,140.0	1,132.0	1,096.0	1,053.0	1,027.0	1,062.0	1,038.0	1,057.0	1,067.0	1,069.0	2.4%	16.2%
80500 Department of Transportation	2,460.0	2,377.0	2,219.0	2,055.0	2,040.0	2,169.0	2,152.0	2,216.0	2,104.0	2,147.0	-5.7%	13.7%
92400 Public Education Dept.	291.0	279.0	256.0	237.0	194.0	207.0	222.0	229.0	231.0	222.0	0.0%	7.8%
Total Top 20 Agencies	20,334.0	19,863.0	19,066.0	17,901.0	17,475.0	17,897.0	17,792.0	17,986.0	17,454.0	17,390.0	-3.0%	16.2%
All Other Agencies Total	5,322.0	5,188.0	5,007.0	4,711.0	4,688.0	4,690.0	4,625.0	4,790.0	4,757.0	4,756.0	-0.8%	8.9%
Grand Total	25,656.0	25,051.0	24,073.0	22,612.0	22,163.0	22,587.0	22,417.0	22,776.0	22,211.0	22,146.0	-2.5%	14.8%

* Data from State Personnel Office Report (discontinued after 7/1/13)

** Data From Table of Organizational Listing (TOOL) Reports



Transfers out of the Personal Services and Employee Benefits Category and Reversions

Transfers Out of PS&EB						Reversions	
Agency Code	Agency	Total FY14 Decrease (dollars)	FY15 PS&EB Operating Budget	Total FY15 Decrease (dollars)	Total FY15 Decrease (percent)	FY14 Reversions	FY15 Reversions
11100	LCS		\$4,415,300			\$1,102,202	\$662,761
11200	LFC	\$51,800	\$3,770,500	\$130,000	3.4%	\$65,317	
11700	LESC	\$42,000	\$1,176,300	\$40,000	3.4%	\$64,253	\$116,749
11900	Legislative Building Services		\$2,884,400		0.0%	\$325,543	\$277,332
20500	Supreme Court Law Library	\$49,000	\$648,200		0.0%	\$92,897	\$49,423
20800	NM Compilation Commission		\$519,400	\$30,000	5.8%		
21000	Judicial Standards Commission	\$48,400	\$709,900	\$27,000	3.8%		\$6,093
21500	Court of Appeals	\$70,000	\$5,441,800		0.0%	\$36,804	\$36,480
21600	Supreme Court	\$19,450	\$3,143,900	\$6,052	0.2%	\$4,635	\$676
21800	Administrative Office of the Courts	\$161,000	\$30,002,700	\$98,375	0.3%	\$58,424	\$16,280
21900	Supreme Court Building Commission		\$729,100		0.0%	\$1,119	\$873
23100	First Judicial District Court	\$27,000	\$7,159,500	\$150,000	2.1%	\$145	
23200	Second Judicial District Court	\$102,700	\$25,295,000	\$105,000	0.4%	\$1,811	\$24,335
23300	Third Judicial District Court	\$47,045	\$6,457,800	\$285,860	4.4%	\$13,532	\$26,807
23400	Fourth Judicial District Court		\$2,083,800	\$30,259	1.5%	\$3,709	\$482
23500	Fifth Judicial District Court	\$10,000	\$6,129,200	\$192,000	3.1%	\$46,856	\$96,744
23600	Sixth Judicial District Court	\$127,500	\$2,584,900	\$42,000	1.6%	\$31,296	\$7,486
23700	Seventh Judicial District Court	\$90,000	\$2,278,900	\$90,000	3.9%	\$60,802	\$23,694
23800	Eighth Judicial District Court	\$19,400	\$2,208,500	\$7,800	0.4%	\$2,113	\$9,948
23900	Ninth Judicial District Court	\$35,400	\$3,762,600	\$24,000	0.6%	\$1,405	\$242
24000	Tenth Judicial District Court	\$5,000	\$744,300	\$8,700	1.2%	\$3,908	\$2,235
24100	Eleventh Judicial District Court	\$41,074	\$6,035,900	\$122,700	2.0%	(\$5,801)	\$221
24200	Twelfth Judicial District Court	\$88,000	\$2,978,000	\$75,000	2.5%	\$2,660	
24300	Thirteenth Judicial District Court	\$14,909	\$6,328,200	\$17,000	0.3%	\$8,817	\$12,395
24400	Bernalillo County Metro Court	\$506,900	\$21,037,700	\$220,500	1.0%	\$20,095	\$22,683
25100	First Judicial DA	\$152,500	\$5,060,100	\$100,000	2.0%	\$14,327	\$8,796
25200	Second Judicial DA	\$436,000	\$18,167,700	\$116,300	0.6%		
25300	Third Judicial District Attorney	\$36,887	\$5,361,200	\$132,171	2.5%		\$103
25400	Fourth Judicial District Attorney	\$186,500	\$2,993,100	\$311,600	10.4%	\$908	\$2,072
25500	Fifth Judicial District Attorney		\$4,682,700	\$95,000	2.0%	\$48,923	\$232
25600	Sixth Judicial District Attorney	\$195,900	\$2,792,100	\$171,150	6.1%	\$1,414	\$9,892
25700	Seventh Judicial District Attorney	\$115,000	\$2,347,400	\$223,000	9.5%	\$99,418	\$49,313
25800	Eighth Judicial District Attorney	\$42,000	\$2,517,000	\$119,000	4.7%		\$15,536
25900	Ninth Judicial District Attorney	\$94,051	\$2,717,800	\$145,000	5.3%	\$2,754	\$34,340
26000	Tenth Judicial District Attorney	\$12,345	\$1,070,200	\$41,000	3.8%	\$297	
26100	Eleventh Judicial District Attorney Div. I	\$10,111	\$4,026,300		0.0%	\$1,639	\$4,466
26200	Twelfth Judicial District Attorney	\$40,000	\$2,867,100	\$164,000	5.7%	\$11,135	\$21,560
26300	Thirteenth Judicial District Attorney	\$300,000	\$4,885,000	\$593,000	12.1%	\$152,784	
26400	Administrative Office of the District Attorneys		\$1,316,700	\$6,000	0.5%	\$4,772	\$6,189
26500	Eleventh Judicial District Attorney Div II	\$84,700	\$2,268,000	\$59,000	2.6%	\$34,710	\$10,998
30500	Attorney General	\$266,000	\$15,878,700	\$800,000	5.0%	\$695,248	
30800	State Auditor		\$3,077,600	\$335,000	10.9%	\$35,068	\$143,810
33300	Taxation and Revenue Department	\$135,000	\$60,354,700	\$610,000	1.0%	\$889,295	\$2,069,702
33700	State Investment Council		\$4,503,800		0.0%		
34100	Department of Finance and Administration	\$522,524	\$12,189,200	\$768,225	6.3%	\$2,012,564	\$2,659,683
34200	Public School Insurance Authority		\$938,800		0.0%		
34300	Retiree Health Care Authority		\$1,906,400		0.0%		
35000	General Services Department	\$2,743,800	\$19,248,500	\$1,056,000	5.5%	\$366,005	
35200	Educational Retirement Board		\$5,595,400		0.0%		



Transfers out of the Personal Services and Employee Benefits Category and Reversions

Transfers Out of PS&EB						Reversions	
Agency Code	Agency	Total FY14 Decrease (dollars)	FY15 PS&EB Operating Budget	Total FY15 Decrease (dollars)	Total FY15 Decrease (percent)	FY14 Reversions	FY15 Reversions
35400	NM Sentencing Commission					\$30	
28000	Public Defender Department	\$913,000	\$28,533,700	\$989,000	3.5%	\$3,154	\$98,544
35600	Office of the Governor	\$30,000	\$2,983,600		0.0%	\$429,192	\$232,667
36000	Lieutenant Governor	\$10,000	\$499,700		0.0%	\$49,268	\$56,692
36100	Department of Information Technology	\$2,515,000	\$18,646,300	\$1,768,287	9.5%	\$42,916	\$51,945
36600	Public Employees Retirement Association	\$165,000	\$6,022,400	\$45,000	0.7%		
36900	Commission of Public Records	\$145,000	\$2,569,800	\$110,000	4.3%	\$52,783	\$184,406
37000	Secretary of State	\$100,000	\$4,151,400	\$358,189	8.6%	\$231,785	\$29,012
37800	State Personnel Office	\$256,005	\$4,235,800	\$149,685	3.5%	\$84,489	\$2,595
37900	Public Employees Labor Relations Board		\$163,700		0.0%	\$59	\$1,653
38500	NMFA (Behavioral Health Funds)						\$500,000
39400	State Treasurer	\$145,000	\$3,174,100	\$61,653	1.9%	\$96,117	\$154,588
40400	Board of Examiners for Architects	\$6,100	\$253,700	\$10,082	4.0%		
41600	Sports Authority					\$101,872	
41700	Border Authority		\$314,600	\$21,000	6.7%		
41800	Tourism Department	\$126,000	\$3,965,300	\$306,000	7.7%	\$21,021	\$136,973
41900	Economic Development Department	\$348,445	\$3,825,300	\$204,500	5.3%	\$1,270,216	\$219,523
42000	Regulation and Licensing Department	\$2,829,807	\$19,888,400	\$1,537,790	7.7%	\$176,269	\$1,345,002
43000	Public Regulation Commission		\$11,835,400	\$282,800	2.4%	\$5,725,882	\$49,771
44000	Office of Superintendent of Insurance	\$990,355	\$8,473,300		0.0%	\$4,580,894	\$6,579,164
44600	Medical Examiners Board	\$40,000	\$1,224,300	\$100,000	8.2%		
44900	Board of Nursing		\$1,492,300		0.0%		
46000	New Mexico State Fair		\$5,533,000		0.0%		
46400	State Board Engineers & Land Surveyors		\$562,600		0.0%		\$162
46500	Gaming Control Board	\$140,000	\$3,961,100	\$285,000	7.2%	\$339,257	\$246,200
46900	State Racing Commission		\$1,392,200	\$35,000	2.5%	\$353,341	\$281,328
47900	Board of Veterinary Medicine		\$156,000		0.0%		
49000	Cumbres and Toltec Scenic Railroad		\$127,200		0.0%		
49100	Office of Military Base Planning and Support		\$112,400		0.0%	\$1,107	\$12,882
49500	Spaceport Authority		\$1,464,400		0.0%		
50500	Cultural Affairs Department	\$1,460,000	\$29,746,000	\$1,933,200	6.5%		\$695
50800	Livestock Board	\$80,000	\$4,524,100		0.0%		
51600	Department of Game and Fish	\$395,000	\$20,764,100	\$300,000	1.4%		
52100	EMNRD	\$198,338	\$30,729,400	\$291,805	0.9%	\$111,038	\$22,757
52200	Youth Conservation Corps		\$168,400		0.0%		
53900	State Land Office		\$11,452,400		0.0%		
55000	State Engineer	\$330,000	\$25,585,300	\$130,000	0.5%		\$651,202
60100	Commission on Status of Women					\$60	\$65,971
60300	Office of African American Affairs		\$461,300	\$50,000	10.8%	\$196,403	\$55,917
60400	Commission for Deaf and Hard-of-Hearing		\$1,038,800		0.0%		
60500	MLK commission	\$15,000	\$176,400	\$10,000	5.7%		
60600	Commission for the Blind		\$4,883,100	\$85,000	1.7%		
60900	Indian Affairs Department	\$150,000	\$1,222,700		0.0%		\$1,153,874
62400	Aging and Long-Term Services Department	\$150,000	\$15,598,000	\$13,000	0.1%	\$519,521	\$395,183
63000	Human Services Department	\$2,958,000	\$110,932,500	\$150,000	0.1%	\$22,663,494	\$5,980,397
63100	Workforce Solutions Department		\$33,486,100		0.0%	\$4,924,921	
63200	Workers Compensation Administration	\$73,000	\$8,769,100		0.0%		
64400	Division of Vocational Rehab		\$18,921,700		0.0%	\$911,797	
64500	Governor's Commission on Disability		\$973,000		0.0%	\$8,884	\$24,317

Transfers out of the Personal Services and Employee Benefits Category and Reversions

Transfers Out of PS&EB						Reversions	
Agency Code	Agency	Total FY14 Decrease (dollars)	FY15 PS&EB Operating Budget	Total FY15 Decrease (dollars)	Total FY15 Decrease (percent)	FY14 Reversions	FY15 Reversions
64700	Developmental Disabilities Planning Council	\$94,000	\$972,600	\$6,000	0.6%		
66200	Miners' Hospital of New Mexico	\$85,000	\$12,725,800	\$32,300	0.3%		
66500	Department of Health	\$12,677,650	\$208,742,600	\$4,900,000	2.3%	\$19,212,225	\$1,576,627
66700	New Mexico Environment Department	\$1,083,885	\$49,209,100	\$222,000	0.5%	\$291,280	\$134,663
66800	Office of the Natural Resources Trustee		\$266,400		0.0%	\$1,848	\$23,681
67000	Veterans' Services Department	\$294,000	\$2,349,800	\$145,000	6.2%	\$416,289	\$21,353
69000	Children, Youth and Families Department	\$850,000	\$130,482,200	\$550,100	0.4%	\$9,716,914	\$2,313,890
70500	Department of Military Affairs	\$1,314,300	\$8,118,400	\$786,300	9.7%	\$27,039	
76000	Adult Parole Board		\$351,700		0.0%	\$48,922	\$40,726
76500	Juvenile Parole Board					\$6,242	\$470
77000	Corrections Department	\$6,250,000	\$138,041,300	\$1,323,632	1.0%	(\$757,191)	\$15,808
78000	Crime Victims Reparation Commission	\$89,050	\$1,216,000	\$28,000	2.3%	\$18,176	\$503
79000	Department of Public Safety	\$3,210,000	\$94,647,500	\$558,000	0.6%	\$415,050	\$53,309
79500	Homeland Security Emergency Management	\$397,500	\$4,732,600	\$291,873	6.2%	\$817,700	\$250,616
80500	Department of Transportation		\$148,985,300	\$819,000	0.5%	\$98,814	
92400	Public Education Department	\$84,218	\$19,380,700		0.0%	\$16,180,061	\$20,816,274
92500	PED-Special Appropriations						
94000	Public Schools Facility Authority		\$5,805,400		0.0%		
95000	Higher Education Department	\$354,800	\$4,222,100	\$92,500	2.2%	\$835,368	\$524,357
	Grand Total	\$48,283,349	\$1,620,535,200	\$26,529,388	1.6%	\$96,538,307	\$50,736,327

Source: LFC Files

*Reversion totals reflect amounts transferred to the general fund in each fiscal year, not the fiscal year in which they were budgeted.



Appendix K- Average Salary by Benchmark Classification

Job Code	Job Title	#	New	8 States	% Above
COORDINATOR OCCUPATIONS					
B3031A	FINANCIAL COORDINATOR-A	46	\$57,824	\$62,034	-6.8%
B9039O	EDUCATION ADMINISTRATOR-O	18	\$51,293	\$61,355	-16.4%
B9121O	NATURAL SCIENCES COORDINATOR-O	21	\$33,925	\$41,718	-18.7%
B9151O	SOCIAL & COMMUNITY SERVICE COORDINATOR-O	141	\$44,366	\$42,864	3.5%
BUSINESS AND FINANCIAL OPERATIONS OCCUPATIONS					
C1023O	PURCHASING AGENT, EXCEPT WHOLESALE/RETAIL-O	55	\$37,086	\$44,775	-17.2%
C1031A	CLAIM ADJUSTER, EXAMINER, & INVESTIGATOR-A	16	\$42,786	\$53,546	-20.1%
C1031O	CLAIM ADJUSTER, EXAMINER, & INVESTIGATOR-O - UI	53	\$32,115	\$37,008	-13.2%
C1071O	EMPLOYMENT, RECRUITMENT & PLACEMENT SPECIALIST-O	83	\$31,554	\$36,343	-13.2%
C1072A	COMPENSATION, BENEFIT & JOB ANALYST SPECIALIST-A	26	\$53,976	\$59,147	-8.7%
C1072O	COMPENSATION, BENEFIT & JOB ANALYST SPECIALIST-O	2	\$41,038	\$48,584	-15.5%
C1073O	TRAINING & DEVELOPMENT SPECIALIST-O	18	\$40,664	\$44,476	-8.6%
C1079O	HR, TRAINING & LABOR RELATION SPECIALIST-O	62	\$39,416	\$32,766	20.3%
C1111A	MANAGEMENT ANALYST-A	189	\$45,843	\$54,433	-15.8%
C1111O	MANAGEMENT ANALYST-O	113	\$39,998	\$49,409	-19.0%
C2011A	ACCOUNTANT & AUDITOR-A	107	\$46,509	\$55,657	-16.4%
C2011O	ACCOUNTANT & AUDITOR-O	63	\$40,082	\$44,164	-9.2%
C20122	STATE AUDITOR II	4	\$47,840	\$45,816	4.4%
C20132	TAX AUDITOR II	63	\$40,581	\$38,295	6.0%
C2021O	APPRAISER & ASSESSOR OF REAL ESTATE-O	13	\$41,808	\$46,543	-10.2%
C2051A	FINANCIAL ANALYST-A	20	\$52,707	\$57,419	-8.2%
C2061O	FINANCIAL EXAMINER-O - BANK EXAMINER	2	\$39,832	\$55,723	-28.5%
C2081O	TAX EXAMINER, COLLECTORS & REVENUE AGENTS-O	112	\$33,904	\$30,358	11.7%
COMPUTER AND MATHEMATICS OCCUPATIONS					
D10231	IT BUSINESS ANALYST	52	\$68,474	\$58,985	16.1%
D10251	IT APPLICATIONS DEVELOPER 1	25	\$46,987	\$52,884	-11.2%
D10253	IT APPLICATIONS DEVELOPER 3	131	\$72,093	\$73,749	-2.2%
D10262	IT GENERALIST 2	47	\$72,675	\$89,362	-18.7%
D10272	IT DATABASE ADMINISTRATOR 2	25	\$66,893	\$60,831	10.0%
D10293	IT NETWORK SPECIALIST 3	27	\$60,944	\$59,201	2.9%
D10302	IT TECHNICAL SUPPORT SPECIALIST 2	23	\$42,910	\$47,368	-9.4%
D10303	IT TECHNICAL SUPPORT SPECIALIST 3	50	\$47,278	\$73,604	-35.8%
D2041A	STATISTICIAN-A	1	\$42,370	\$46,150	-8.2%
ARCHITECTURE & ENGINEERING OCCUPATIONS					
E1011O	ARCHITECT, EXCEPT NAVAL-O	1	\$50,960	\$62,760	-18.8%
E1022S	SURVEYOR SUPERVISOR	9	\$65,541	\$58,613	11.8%
E2051A	CIVIL ENGINEER -A	36	\$67,746	\$68,591	-1.2%
E2051B	CIVIL ENGINEER -B	24	\$49,150	\$49,833	-1.4%
E2051O	CIVIL ENGINEER -O	12	\$60,902	\$67,414	-9.7%
E2081A	ENVIRONMENTAL ENGINEER-PE-A	1	\$62,254	\$65,366	-4.8%
E2082O	ENVIRONMENTAL SPECIALIST-NL-O	4	\$50,523	\$52,746	-4.2%



E21520	MINING & GEOLOGICAL SPECIALIST-NL-O	8	\$53,810	\$52,487	2.5%
E30220	CIVIL ENGINEERING TECHNICIAN-NL-O	84	\$31,678	\$37,412	-15.3%
LIFE, PHYSICAL, & SOCIAL SCIENCE OCCUPATIONS					
F10220	MICROBIOLOGIST-O	17	\$41,184	\$50,944	-19.2%
F1023A	ZOOLOGIST & WILDLIFE BIOLOGIST-A	39	\$45,989	\$63,262	-27.3%
F10230	ZOOLOGIST & WILDLIFE BIOLOGIST-O	4	\$36,109	\$51,859	-30.4%
F10320	FORESTER-O	13	\$38,064	\$44,780	-15.0%
F10410	EPIDEMIOLOGIST-O	17	\$51,022	\$51,966	-1.8%
F20310	CHEMIST-O	24	\$39,312	\$50,913	-22.8%
F2041A	ENVIRONMENTAL SCIENTIST & SPECIALISTS, INCLUDING HEALTH-A	82	\$56,618	\$61,570	-8.0%
F20410	ENVIRONMENTAL SCIENTIST & SPECIALISTS, INCLUDING HEALTH-O	143	\$48,589	\$50,692	-4.1%
F20420	GEOSCIENTISTS, EXCEPT HYDROLOGIST & GEOGRAPHERS-O	18	\$51,626	\$53,066	-2.7%
F2043A	HYDROLOGIST-A	4	\$59,717	\$68,138	-12.4%
F3011A	ECONOMIST-A	23	\$59,654	\$56,957	4.7%
F3011S	ECONOMIST SUPERVISOR	1	\$68,682	\$68,667	0.0%
F4092B	FORENSIC SCIENCE TECHNICIAN-B	5	\$31,242	\$39,630	-21.2%
F40920	FORENSIC SCIENCE TECHNICIAN-O	8	\$50,482	\$56,755	-11.1%
COMMUNITY & SOCIAL SERVICES OCCUPATIONS					
G10110	SUBSTANCE ABUSE & BEHAVIORAL DISORDERS COUNSELORS-O	9	\$39,437	\$39,743	-0.8%
G10141	BEHAVIORAL HEALTH THERAPIST	89	\$49,088	\$46,981	4.5%
G10150	REHABILITATION COUNSELOR-O	3	\$35,360	\$45,440	-22.2%
G10290	SOCIAL WORKER, ALL OTHER-O	3	\$39,000	\$40,214	-3.0%
G10501	CHILD SUPPORT LEGAL ASSISTANT 1	106	\$32,885	\$32,880	0.0%
G10601	FAMILY ASSISTANCE ANALYST 1	433	\$32,427	\$33,101	-2.0%
G10901	PROBATION PAROLE OFFICER 1	214	\$35,110	\$45,369	-22.6%
G10902	PROBATION PAROLE OFFICER 2	145	\$40,602	\$59,328	-31.6%
G10910	HEALTH EDUCATOR-O	10	\$41,246	\$45,641	-9.6%
G10920	PROBATION OFFICER & CORRECTIONAL TREATMENT SPECIALIST-O	154	\$33,842	\$38,165	-11.3%
G2011A	CLERGY-A	2	\$46,634	\$41,980	11.1%
LEGAL OCCUPATIONS					
H10110	LAWYER-O	52	\$58,573	\$70,450	-16.9%
H10210	ADMINISTRATIVE LAW JUDGE, ADJUDICATOR-O - DISABILITY CLAIMS	33	\$41,226	\$44,192	-6.7%
H10210	ADMINISTRATIVE LAW JUDGE, ADJUDICATOR-O - HEARING OFFICERS	16	\$44,928	\$58,417	-23.1%
H2011A	PARALEGAL & LEGAL ASSISTANT-A	36	\$42,245	\$42,965	-1.7%
EDUCATION & TRAINING OCCUPATIONS					
I4011A	ARCHIVIST-A	5	\$42,578	\$46,986	-9.4%
I4013A	MUSEUM TECHNICIAN & CONSERVATOR-A	8	\$42,245	\$47,721	-11.5%
I40130	MUSEUM TECHNICIAN & CONSERVATOR-O	14	\$29,203	\$36,367	-19.7%
I4021A	LIBRARIAN-A	13	\$46,842	\$43,547	7.6%
ARTS, DESIGN, ENTERTAINMENT, SPORTS, & MEDICA OCCUPATIONS					
J10240	GRAPHIC DESIGNER-O	6	\$33,197	\$40,834	-18.7%
J30310	PUBLIC RELATIONS SPECIALIST-O	4	\$45,053	\$54,705	-17.6%
HEALTHCARE PRACTITIONERS & TECHNICAL OCCUPATIONS					
K1021S	DENTIST, GENERAL SUPERVISOR	1	\$108,722	\$103,366	5.2%
K10310	DIETITIAN & NUTRITIONIST-O	5	\$43,139	\$47,837	-9.8%
K1051A	PHARMACIST-A	11	\$94,952	\$97,058	-2.2%
K10620	FAMILY & GENERAL PRACTITIONER-O	7	\$127,691	\$154,367	-17.3%

C

2013
Classified Service
Compensation Report
| 64

K1066A	PSYCHIATRIST-A	2	\$164,320	\$196,768	-16.5%
K10701	PHYSICIAN ASSISTANT	9	\$85,280	\$83,567	2.0%
K10801	CERTIFIED NURSE PRACTITIONER	22	\$73,050	\$81,894	-10.8%
K1111A	REGISTERED NURSE-A	181	\$56,472	\$60,788	-7.1%
K1111O	REGISTERED NURSE-O	51	\$49,504	\$52,875	-6.4%
K1123O	PHYSICAL THERAPIST-O	1	\$76,813	\$70,538	8.9%
K1125O	RECREATIONAL THERAPIST-O	22	\$31,013	\$41,505	-25.3%
K1127A	SPEECH-LANGUAGE PATHOLOGIST-A	1	\$80,070	\$57,753	38.6%
K1131A	VETERINARIAN-A	3	\$84,864	\$81,225	4.5%
K2011O	MEDICAL & CLINICAL LAB TECHNOLOGIST-O	8	\$39,438	\$44,919	-12.2%
K2012O	MEDICAL & CLINICAL LAB TECHNICIAN-O	3	\$27,352	\$31,023	-11.8%
K2021A	DENTAL HYGIENIST-A	4	\$49,130	\$48,371	1.6%
K2034O	RADIOLOGIC TECHNOLOGIST & TECHNICIAN-O	5	\$41,642	\$38,214	9.0%
K2052O	PHARMACY TECHNICIAN-O	11	\$30,056	\$28,350	6.0%
K2053O	PSYCHIATRIC TECHNICIAN-O	292	\$24,253	\$25,825	-6.1%
K2061O	LICENSED PRACTICAL & LICENSED VOCATIONAL NURSE-O	22	\$35,152	\$36,878	-4.7%
K9011A	OCCUPATIONAL HEALTH & SAFETY SPECIALISTS-A - OCCUP SAFETY	10	\$37,794	\$46,782	-19.2%
K9011A	OCCUPATIONAL HEALTH & SAFETY SPECIALISTS-A - HEALTH SERV	3	\$40,331	\$50,119	-19.5%
HEALTHCARE SUPPORT OCCUPATIONS					
L1011A	HOME HEALTH AIDE-A	19	\$26,832	\$29,535	-9.2%
L1012O	NURSING AIDE, ORDERLIES, & ATTENDANT-O	108	\$24,086	\$23,680	1.7%
L2011O	OCCUPATIONAL THERAPIST ASSISTANT-O	3	\$35,485	\$61,830	-42.6%
L9091O	DENTAL ASSISTANT-O	3	\$28,683	\$30,212	-5.1%
PROTECTIVE SERVICE OCCUPATIONS					
M2021A	FIRE INSPECTOR & INVESTIGATOR-A	11	\$38,397	\$53,187	-27.8%
M30124	CORRECTIONAL OFFICER CAPTAIN	26	\$49,088	\$56,913	-13.7%
M3012A	CORRECTIONAL OFFICER & JAILER-A	174	\$36,650	\$45,426	-19.3%
M3012O	CORRECTIONAL OFFICER & JAILER-O	803	\$30,451	\$34,439	-11.6%
M3021A	DETECTIVE & CRIMINAL INVESTIGATOR-A	44	\$43,514	\$58,066	-25.1%
M3021O	DETECTIVE & CRIMINAL INVESTIGATOR-O	46	\$37,357	\$40,726	-8.3%
M3031O	GAME & FISH WARDEN-O	35	\$38,584	\$46,528	-17.1%
M40101	EMERGENCY MANAGEMENT SPECIALIST	9	\$45,573	\$53,735	-15.2%
M9032O	SECURITY GUARD-O	58	\$24,086	\$28,450	-15.3%
M9032S	SECURITY GUARD SUPERVISOR	8	\$29,120	\$34,737	-16.2%
FOOD PREPARATION AND SERVING RELATED OCCUPATIONS					
N2012O	COOK, INSTITUTION AND CAFETERIA-O	27	\$22,922	\$23,242	-1.4%
BUILDING & GROUNDS CLEANING and MAINTENANCE OCCUPATIONS					
O2011O	JANITOR & CLEANER, EXCEPT MAIDS & HOUSEKEEPING CLEANERS-O	45	\$21,008	\$22,187	-5.3%
SALES & RELATED OCCUPATIONS					
Q3031O	SECURITIES, COMMODITIES, & FINANCIAL SERVICES SALES AGENTS-O	6	\$80,371	\$60,170	33.6%
OFFICE & ADMINISTRATION SUPPORT OCCUPATIONS					
R3011O	BILL & ACCOUNT COLLECTOR-O	1	\$27,269	\$35,089	-22.3%
R3031O	BOOKKEEPING, ACCOUNTING, & AUDITING CLERKS-O	7	\$26,395	\$30,828	-14.4%
R4031O	COURT, MUNICIPAL & LICENSE CLERK-O	10	\$27,498	\$31,923	-13.9%
R4121A	LIBRARY ASSISTANT, CLERICAL-A	2	\$22,942	\$32,694	-29.8%
R50332	DISPATCHER 2	79	\$32,157	\$40,440	-20.5%
R6011A	EXECUTIVE SECRETARY & ADMINISTRATIVE ASSISTANTS-A	77	\$37,898	\$45,278	-16.3%



2013
Classified Service
Compensation Report
| 65

R60140	SECRETARIES, EXCEPT LEGAL, MEDICAL, & EXECUTIVE-O	153	\$26,728	\$28,290	-5.5%
FARMING, FISHING, & FORESTRY OCCUPATIONS					
S2093A	FARMWORKER, FARM & RANCH ANIMAL-A	12	\$36,629	\$42,465	-13.7%
CONSTRUCTION & EXTRACTION OCCUPATIONS					
T2031O	CARPENTER-O	2	\$31,283	\$34,435	-9.2%
T2111O	ELECTRICIAN-O	8	\$34,133	\$40,071	-14.8%
T2152O	PLUMBER, PIPEFITTER, & STEAM FITTER-O	1	\$29,994	\$38,464	-22.0%
T4011O	CONSTRUCTION & BUILDING INSPECTOR-2	5	\$43,202	\$51,216	-15.6%
INSTALLATION, MAINTENANCE, & REPAIR OCCUPATIONS					
U3011A	AIRCRAFT MECHANICS & SERVICE TECHNICIANS-A	2	\$59,571	\$53,745	10.8%
U3023A	AUTOMOTIVE SERVICE TECHNICIANS & MECHANICS-A	14	\$32,802	\$36,809	-10.9%
U3031A	BUS & TRUCK MECHANICS & DIESEL ENGINE SPECIALISTS-A	23	\$34,528	\$43,819	-21.2%
U9021O	HEATING, AIR CONDITIONING, & REFRIGERATION MECHANICS &	2	\$30,430	\$38,801	-21.6%
U9042O	MAINTENANCE & REPAIR WORKER, GENERAL-O	33	\$29,328	\$32,113	-8.7%
PRODUCTION OCCUPATIONS					
V8099O	PLANT & SYSTEM OPERATOR, ALL OTHER-O	8	\$37,336	\$39,594	-5.7%
TRANSPORTATION & MATERIAL MOVING OCCUPATIONS					
W2011A	AIRLINE PILOT-A	2	\$60,237	\$61,493	-2.0%
W60511	MTD TRANSPORTATION INSPECTOR	66	\$28,933	\$38,726	-25.3%
MANAGER OCCUPATIONS					
X20000	LINE II - CURATOR	1	\$53,955	\$46,420	16.2%
X20000	LINE II - LABOR EMPLOYMENT SPECIALIST	5	\$42,537	\$57,507	-26.0%
X20000	LINE II - HISTORIC SITE ADMINISTRATOR	6	\$45,962	\$58,193	-21.0%
X20000	LINE II - PARK MANAGER	26	\$42,285	\$46,785	-9.6%
X50000	ADMIN/OPS II - BUILDING MANAGER	1	\$58,240	\$58,510	-0.5%
X30000	STAFF - VOCATIONAL REHABILITATION	8	\$58,799	\$61,003	-3.6%
X40000	ADMIN/OPS I	87	\$66,394	\$62,150	6.8%
X40350	ADMIN/OPS I - IT	17	\$83,429	\$52,118	60.1%
X50000	ADMIN/OPS II - FINANCIAL INSTITUTIONS	1	\$58,351	\$86,111	-32.2%
X50000	ADMIN/OPS II - HUMAN RESOURCES	12	\$74,430	\$73,953	0.6%
X50000	ADMIN/OPS II - STATE RECORDS	3	\$65,542	\$62,488	4.9%
X50400	ADMIN/OPS II - NURSING	10	\$74,173	\$84,247	-12.0%
X60000	GENERAL I - CHIEF FINANCIAL OFFICER	1	\$94,484	\$89,776	5.2%
X60000	GENERAL I - COMPENSATION & CLASSIFICATION	1	\$80,960	\$80,493	0.6%
X60000	GENERAL I - CONSTRUCTION PROJECT MANGER	1	\$71,055	\$60,587	17.3%
X60150	GENERAL I - ENGINEERING	44	\$89,461	\$107,167	-16.5%
X60400	GENERAL I - NURSING	3	\$86,798	\$67,091	29.4%

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					# FTE	NM Salary	State Avg.	% above/below mkt
COMPUTER AND MATHEMATIC OCCUPATIONS								
D10231	IT BUSINESS ANALYST				59	\$71,760	\$58,427	22.8%
D10251	IT APPLICATIONS DEVELOPER 1				22	\$51,126	\$56,796	-10.0%
D10253	IT APPLICATIONS DEVELOPER 3				137	\$74,027	\$69,627	6.3%
D10262	IT GENERALIST 2				57	\$73,611	\$89,717	-18.0%
D10272	IT DATABASE ADMINISTRATOR 2				27	\$68,381	\$60,012	13.9%
D10293	IT NETWORK SPECIALIST 3				35	\$63,731	\$59,019	8.0%
D10302	IT TECHNICAL SUPPORT SPECIALIST 2				21	\$45,573	\$52,301	-12.9%
D10303	IT TECHNICAL SUPPORT SPECIALIST 3				48	\$49,795	\$72,934	-31.7%
D2041A	STATISTICIAN-A				3	\$35,942	\$47,443	-24.2%
ARCHITECTURE AND ENGINEERING OCCUPATIONS								
E10110	ARCHITECTS - A				8	\$60,091	\$67,660	-11.2%
E1022S	SURVEYOR SUPERVISOR				8	\$74,901	\$64,186	16.7%
E2051A	CIVIL ENGINEER -A				32	\$71,386	\$73,666	-3.1%
E2051B	CIVIL ENGINEER -B				28	\$50,627	\$51,513	-1.7%
E2051O	CIVIL ENGINEER -O				17	\$61,526	\$68,459	-10.1%
E2082O	ENVIRONMENTAL SPECIALIST-NL-O				6	\$53,269	\$52,433	1.6%
E2152O	MINING & GEOLOGICAL SPECIALIST-NL-O				3	\$59,301	\$47,111	25.9%
E3022O	CIVIL ENGINEERING TECHNICIAN-NL-O				90	\$36,130	\$41,292	-12.5%
X6015O	GENERAL I - ENGINEERING				45	\$91,874	\$95,793	-4.1%
COMMUNITY AND SOCIAL SERVICES OCCUPATIONS								
G1011O	SUBSTANCE ABUSE & BEHAVIORAL DISORDERS COUNSELORS-O				5	\$36,150	\$43,098	-16.1%
G10141	BEHAVIORAL HEALTH THERAPIST				103	\$50,814	\$48,459	4.9%
G1015O	REHABILITATION COUNSELOR-O				2	\$35,922	\$46,793	-23.2%
G1029O	SOCIAL WORKER, ALL OTHER-O				4	\$43,222	\$42,088	2.7%
G10501	SOCIAL & COMMUNITY SERVICE COORDINATOR-O				157	\$45,802	\$44,278	3.4%
G10501	CHILD SUPPORT LEGAL ASSISTANT 1				99	\$33,696	\$35,085	-4.0%
G10601	FAMILY ASSISTANCE ANALYST 1				478	\$33,072	\$33,837	-2.3%
G10901	PROBATION PAROLE OFFICER I				128	\$37,835	\$46,232	-18.2%
G10902	PROBATION PAROLE OFFICER II				83	\$45,989	\$60,609	-24.1%
G1091O	CLERGY-A				3	\$46,925	\$43,791	7.2%
G1091O	HEALTH EDUCATOR-O				4	\$44,034	\$48,961	-10.1%
G1092O	PROBATION OFFICER & CORRECTIONAL TREATMENT SPECIALIST-O				87	\$36,650	\$38,769	-5.5%
HEALTHCARE PRACTITIONERS AND TECHNICAL OCCUPATIONS								
K1021S	DENTIST, GENERAL SUPERVISOR				1	\$113,099	\$117,826	-4.0%
K1031O	DIETITIAN & NUTRITIONIST-O				3	\$42,869	\$49,225	-12.9%
K1051A	PHARMACIST-A				9	\$95,514	\$101,678	-6.1%
K1062O	FAMILY & GENERAL PRACTITIONER-O				4	\$126,630	\$165,265	-23.4%
K10661	CLINICAL PSYCHOLOGIST I				13	\$65,936	\$68,160	-3.3%
K1066A	PSYCHIATRIST-A				1	\$151,466	\$196,409	-22.9%
K10701	PHYSICIAN ASSISTANT				4	\$90,043	\$89,712	0.4%
K10801	CERTIFIED NURSE PRACTITIONER				23	\$78,749	\$92,680	-15.0%
K1111A	REGISTERED NURSE-A				181	\$59,405	\$68,396	-13.1%
K1111O	REGISTERED NURSE-O				32	\$51,958	\$60,621	-14.3%
K1123O	PHYSICAL THERAPIST-O				1	\$75,712	\$65,197	16.1%
K1125O	RECREATIONAL THERAPIST-O				24	\$32,635	\$40,238	-18.9%
K1131A	VETERINARIAN-A				2	\$79,477	\$83,442	-4.8%
K2011O	MEDICAL & CLINICAL LAB TECHNOLOGIST-O				6	\$39,832	\$46,342	-14.0%
K2012O	MEDICAL & CLINICAL LAB TECHNICIAN-O				2	\$29,432	\$32,115	-8.4%
K2021A	DENTAL HYGIENIST-A				5	\$52,229	\$45,664	14.4%
K2034O	RADIOLOGIC TECHNOLOGIST & TECHNICIAN-O				4	\$43,306	\$45,111	-4.0%
K2052O	PHARMACY TECHNICIAN-O				11	\$29,249	\$31,439	-7.0%
K2053O	PSYCHIATRIC TECHNICIAN-O				277	\$24,877	\$25,986	-4.3%
K2061O	LICENSED PRACTICAL & LICENSED VOCATIONAL NURSE-O				21	\$33,030	\$39,853	-17.1%
K9011A	OCCUPATIONAL HEALTH & SAFETY SPECIALISTS-A - OCCUP SAFETY				14	\$41,808	\$37,286	12.1%
K9011S	OCCUPATIONAL HEALTH & SAFETY SPECIALISTS-SUPV - HEALTH SERV				4	\$41,038	\$51,148	-19.8%
X6040O	GENERAL I - NURSING				3	\$91,478	\$75,938	20.5%
HEALTHCARE SUPPORT OCCUPATIONS								
L1011A	HOME HEALTH AIDE-A				17	\$25,875	\$32,135	-19.5%
L1012O	NURSING AIDE, ORDERLIES, & ATTENDANT-O				96	\$24,274	\$25,686	-5.5%
L2011O	OCCUPATIONAL THERAPIST ASSISTANT-O				3	\$36,920	\$53,307	-30.7%
L9091O	DENTAL ASSISTANT-O				3	\$29,869	\$31,858	-6.2%
PROTECTIVE SERVICE OCCUPATIONS								
M2021A	FIRE INSPECTOR & INVESTIGATOR-A				11	\$40,019	\$52,066	-23.1%
M3012A	CORRECTIONAL OFFICER CAPTAIN				26	\$50,502	\$58,428	-13.6%
M3012A	CORRECTIONAL OFFICER & JAILER-A				179	\$37,128	\$47,852	-22.4%
M3012O	CORRECTIONAL OFFICER & JAILER-O				773	\$31,075	\$37,091	-16.2%
M3021A	DETECTIVE & CRIMINAL INVESTIGATOR-A				48	\$45,614	\$61,475	-25.8%
M3021O	DETECTIVE & CRIMINAL INVESTIGATOR-O				33	\$39,291	\$41,663	-5.7%
M3031O	GAME & FISH WARDEN-O				30	\$42,224	\$53,209	-20.6%
M40101	EMERGENCY MANAGEMENT SPECIALIST				10	\$49,213	\$56,578	-13.0%
M9032O	SECURITY GUARD-O				57	\$26,478	\$31,814	-16.8%
M9032S	SECURITY GUARD SUPERVISOR				8	\$32,406	\$36,258	-10.6%
R50332	DISPATCHER 2				50	\$33,842	\$42,380	-20.1%
CONSTRUCTION AND EXTRACTION OCCUPATIONS								
T4051A	HIGHWAY MAINTENANCE WORKER-A				253	\$36,088	\$43,839	-17.7%
T4051O	HIGHWAY MAINTENANCE WORKER-O				413	\$31,845	\$35,836	-11.1%
T4051S	HIGHWAY MAINTENANCE WORKER SUPV				60	\$41,662	\$55,947	-25.5%



PERFORMANCE REPORT CARD

State Personnel Office

Fourth Quarter, Fiscal Year 2016

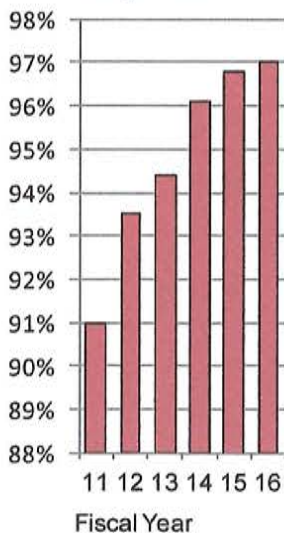
KEY ISSUES

The current salary structure has fallen behind the broader labor market rates resulting in difficulty in recruiting and retaining well-qualified employees. SPO developed a new compensation structure to address this, but has not completed many of the salary studies needed to prioritize needs and estimate costs to align salaries to market rates.

AGENCY IMPROVEMENT PLANS

Submitted by agency? No
Timeline assigned by agency? No
Responsibility assigned by agency? No

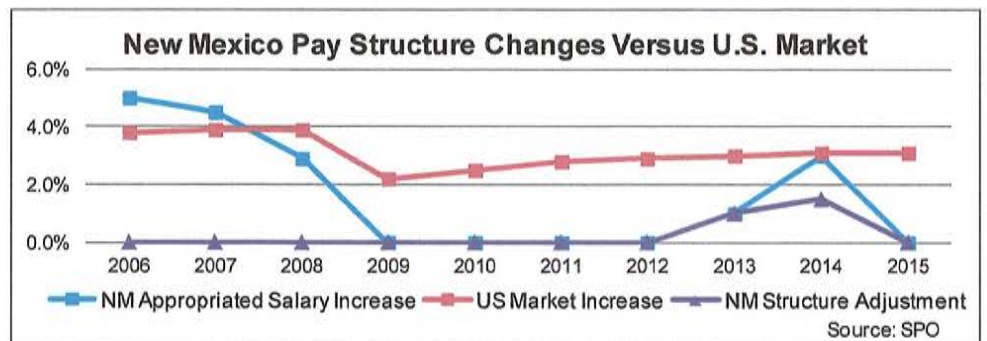
Average New Hire
Compa-Ratio



Source: SPO

The State Personnel Office (SPO) is responsible for developing and maintaining the state's compensation plan. To this end, SPO developed the framework for an occupation-based classification structure to address problems in recruitment and retention but has yet to completely implement it. Additionally, SPO has not completed many classification studies needed to align salaries to market rates. Without these studies, prioritizing needs and estimating costs will be difficult.

The current pay structure has fallen significantly behind market pay rates for many job classifications due to lack of regular adjustment. The graph below shows that even in years when the Legislature provided across-the-board salary increases, SPO often did not adjust the pay structure.



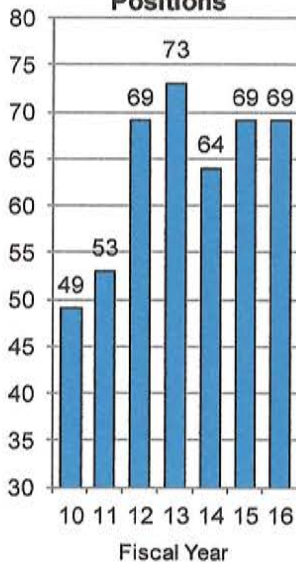
Allowing the salary structure to fall behind market rates resulted in salary compaction as the gap between the salaries of new employees and more tenured employees shrinks. The narrowing gap between new hire salaries and average salaries is determined by compa-ratios, or salary divided by midpoint. New hire compa-ratios increased from 91 percent to 97 percent from FY11 to FY16. Over this same period, the average state employee compa-ratio remained constant at 102 percent. Compaction may lead to low morale and higher turnover as employees seek to increase their salaries by moving between agencies.

Salary structure inadequacy encouraged state agencies to pursue salary increases on a case-by-case basis resulting in pay for the same job varying significantly from agency to agency. In FY15, in pay band salary increases were provided to 2,708 employees, 17 percent of the total workforce. This ad hoc approach to compensation results in significant interagency turnover.

In addition to salary compaction and the wide-spread use of in pay band salary increases resulting from an out-of-date salary plan, 35 percent of workers are assigned to alternative pay bands and SPO estimates another 15 percent may be misclassified to justify compensation increases.

State Personnel Office. In addition to general pay structure inadequacy, the time to fill vacant positions remained constant at 69 days while turnover

Average Number of Days to Fill Vacant Positions



Source: SPO

**Time to Fill Positions
4th Quarter, FY16**

Agency	Days to Fill
CYFD	76
DOH	66
Corrections	100
Miner's Hospital	40

Source: SPO

increased from 11.4 percent in FY15 to 14.7 percent in FY16. Taken together, long times to fill positions and increased turnover likely contributed to a 2 percent increase in the vacancy rate from FY15.

While fiscal constraints will require agencies to maintain high vacancy rates for the foreseeable future, it is important that SPO work with agencies to reduce the time to fill positions ensuring the State of New Mexico does not lose high-quality applicants due to hiring wait times of over two months. SPO has not proposed an action plan for increasing hiring efficiency or reducing turnover.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Classified service vacancy rate	15.0%	13.2%	13.0%	15.2%	R
Average number of days to fill a position from the date of posting	64	69	55	69	R
Average state classified employee compa-ratio	100%	101%	95%	102%	R
Average state classified employee new-hire compa-ratio	96%	97%	91%	97%	R
New employees who successfully complete their probationary period	68%	67%	75%	70%	Y
Classified employees voluntarily leaving state service	6.1%	11.4%	14.0%	14.7%	Y
Classified employees involuntarily leaving state service	New	2.3%	4.0%	2.1%	G
State employee average overtime usage per month, in hours	16.0	15.5	12.0	16.2	R
State employees receiving overtime	17%	16%	25%	17%	G
Program Rating					R

LESC HEARING BRIEF: TEACHER COMPENSATION: SALARY, BENEFITS, AND REGIONAL COMPETITIVENESS

AGENCY: Public Schools

DATE: July 13, 2016

PURPOSE OF HEARING:
Comparing total teacher compensation in New Mexico and surrounding states.

WITNESS:
Joseph Simon, Fiscal Analyst, LESC; Dr. Richard Sims, Chief Economist, National Education Association; TJ Parks, Superintendent, Hobbs Municipal Schools

PREPARED BY: Joseph W. Simon

EXPECTED OUTCOME:
Develop a better understanding on how teacher compensation compares with other states in order to attract and retain high quality teachers

Teachers and Student MEM
(in thousands)

	Teachers	MEM
FY08	21.3	323.7
FY15	21.1*	331.2

Source: PED Statbook

*Estimate

BACKGROUND INFORMATION

Over the past few years, some New Mexico school districts have had trouble filling vacancies before classes start. Despite an increase in state equalization funding, there are fewer teachers in New Mexico's public schools than there were before the recession. While teacher shortages are not unique to New Mexico, declining enrollment in teacher preparation programs has forced New Mexico school districts to compete with other states to both recruit new teachers and retain experienced teachers.

According to data from the Public Education Department (PED), teacher counts reached a high of 21,336 during the 2007-2008 school year. By the 2014-2015 school year there were nearly 7,500 more students — but fewer teachers — in New Mexico's classrooms. Anecdotal evidence suggests that one reason fewer students are pursuing teaching degrees is the perception that teacher pay is low and not keeping up with pay in other fields. Even after a student decides on a career in teaching, he or she may be drawn across state lines if another school district offers a more generous salary or benefits package.

This brief compares estimates of total compensation packages for teachers in seven states: Arizona, Colorado, Nevada, New Mexico, Oklahoma, Texas, and Utah. In addition, it will look at national-level data from the U.S. Census Bureau and the Bureau of Labor Statistics to compare teaching with other professions but comprehensive state-specific data is not readily available. Additionally, there are significant differences within states. This makes it extremely difficult to provide an accurate regional comparison.

Teacher Compensation in Selected States. The table below shows the average salary for classroom teachers in New Mexico and surrounding states, along with information on health insurance, retirement contributions, and retirement payouts after 30 years of service.

State	Avg. Salary	Employer Health Contrib.	Ret. Contrib. (%)		Ret. Benefit % of salary	Soc. Sec.
			Employee	Employer		
Arizona	\$45,477	(1)	11.4	11.4	69%	YES
Colorado	\$50,039	(1)	8.0	19.2	75%	NO
Nevada	\$56,943	(1)	14.5 or 0	14.5 or 28	68%	NO
New Mexico	\$47,163	60% of premium	10.7	13.9	71%	YES
Oklahoma	\$44,921	at least \$527/mo.	7.0	9.5	60%	YES
Texas	\$51,758	at least \$225/mo.	7.2	6.8	69%	NO
Utah	\$46,042	\$13,878/yr.	0	10.0	45%	YES

Source: LESC Analysis

(1) Information not available.

**Top States for Teacher Pay
2015-2016**

New York	\$77,957
Massachusetts	\$76,981
California	\$72,842

**Low States for Teacher Pay
2015-2016**

South Dakota	\$42,025
Mississippi	\$42,744
Oklahoma	\$44,921

Source: National Education
Association

**Minimum Teacher Salaries
in New Mexico
2016-2017**

Level 1	\$34,000
Level 2	\$42,000
Level 3	\$52,000

Source: General Appropriation Act of
2016

**Average Teacher Salaries
(in thousands)**

	1970	1980	1990	2000
US	54.0	48.7	58.5	58.4
NM	48.8	45.4	46.1	45.5

Source: National Center for Education
Statistics
Constant 2015 dollars, adjusted for
inflation based on national CPI.

TEACHER SALARIES

Average Regional Salaries. According to data compiled in the National Education Association's (NEA) annual *Rankings of States and Estimates of School Statistics*, New Mexico ranks in the middle of the states in the region, behind Nevada, Texas, and Colorado averages, but above averages in Utah, Arizona, and Oklahoma. All of these states were below the estimated national average of \$58,064 for the 2015-2016 school year. The NEA survey reported only statewide averages; within a state there is often considerable differences in average salaries across different school districts, licensure levels, or levels of experience.

According to the Education Commission of the States, 17 states currently have statewide minimum salary schedules for teachers, including two of the surveyed states. Texas has a minimum salary of \$28,080 and Oklahoma has a minimum of \$31,600; but nothing prohibits local school districts from setting starting salaries at a much higher level. New Mexico was not included in the list; however, New Mexico has adopted a statutory minimum salary and the general appropriation acts of 2014, 2015, and 2016 set minimums in excess of statutory minimums.

**Average Teacher Salaries in Select States
FY16 Average and Change from FY15**

	Average Salary	Change from FY15
United States	\$58,064	\$644
Nevada	\$56,943	\$240
Texas	\$51,758	\$1,045
Colorado	\$50,039	\$211
New Mexico	\$47,163	\$538
Utah	\$46,042	\$194
Arizona	\$45,477	\$71
Oklahoma	\$44,921	\$(396)

National Education Association, *Rankings and Estimates* (May 2016)

Long-Term Salary Growth. At the national level, public elementary and secondary school teachers have seen real wage increases since the 1970s but average salaries remain below the 1990 average when adjusted for inflation. Salary growth in Texas and Colorado was similar to the national pattern, but average salaries have gone down in real terms for teachers in Arizona and Utah. In Nevada and New Mexico, average salaries in 2015 were below the inflation-adjusted average from 1970, but real salaries have grown since 2000.

Although, at the national level, average teacher salaries have seen long-term salary growth, so too have other occupations. According to data from the U.S. Census Bureau, median earnings for education professionals with bachelor's degrees are lower than in many other fields, including construction and maintenance, business and financial services, and sales. Median earning in education surpass only five of the industries listed: production, social services, office support, agriculture, and service.

Earnings Over Time. Using data from the 2010 American Community Survey, the U.S. Census Bureau estimated expected earnings over time by bachelor's degree field and occupation. According to the estimates,

The U.S. Census Bureau calls these statistics "Synthetic Work-Life Earnings" because they do not represent actual earnings, but estimates of earning over time. They do not account for job history, only the salaries of respondents at different points in their career.

According to the U.S. Census Bureau, synthetic work-life earnings help show how small salary differences can add up over time.

The U.S. Census Bureau did not calculate earnings for occupations with fewer than 10,000 respondents in their survey.

education majors with only a bachelor's degree had the lowest lifetime earnings of any field — less than half of the top field (engineering), but also below those with degrees in business, social sciences, communication, and the liberal arts. Even within academic majors, teachers tend to have lower lifetime earnings than many other professions and those with education degrees that go into other fields earn more.

Estimated Lifetime Earnings of Bachelor Degree Holders
by Major and Occupation
(in thousands)

Major	Occupations		
	Elementary Teacher	Secondary Teacher	All
Biology, Agriculture, and Environmental Sciences	\$1,857	\$2,163	\$2,288
Business	\$1,785	\$2,006	\$2,563
Communications	\$1,943	(1)	\$2,333
Computers, Mathematics and Statistics	\$1,872	\$2,080	\$3,044
Engineering	(1)	(1)	\$3,349
Liberal Arts and History	\$1,963	\$1,824	\$2,046
Literature and Languages	\$1,865	\$1,921	\$2,083
Physical and Related Science	\$1,855	(1)	\$2,527
Psychology	\$1,760	(1)	\$2,001
Science and Engineering-Related Fields	\$1,857	\$1,836	\$2,587
Social Science	\$1,928	(1)	\$2,406
Visual and Performing Arts	\$1,929	\$1,771	\$1,966

Source: U.S. Census Bureau, American Community Survey, 2010.

(1): Insufficient sample size

Estimated Lifetime Earnings of Education Majors
(in thousands)

Occupation	Lifetime Earnings		
	Bachelor's	Master's	Advanced
Sales Representatives	\$2,601		
Registered Nurses	\$2,276		
Accountants and Auditors	\$1,977		
Education Administrators	\$1,945	\$2,871	
Secondary School Teachers	\$1,921	\$2,300	
Office and Administrative Supervisors	\$1,835		
Elementary and Middle School Teachers	\$1,803	\$2,226	\$2,233
All Occupations	\$1,798	\$2,260	\$2,461
Special Education Teachers	\$1,786	\$2,233	
Retail Sales	\$1,706		
Office Clerks	\$1,235		
Teacher Assistants	\$1,013		

Source: U.S. Census Bureau, American Community Survey, 2010

As the two preceding tables show, teachers tend to earn less than the average of all occupations for all degree fields except education, and even then the difference is negligible. It is important to note that teacher earnings usually increase if the teacher obtains a post-graduate degree and teachers are more likely than other bachelor degree holders to obtain a post-graduate degree.

NMPSIA Contributions Monthly, FY16

	EE	ER
High Plan		
Emp. Only	\$233	\$349
Two Party	\$443	\$665
Family	\$592	\$888
Low Plan		
Emp. Only	\$158	\$237
Two Party	\$332	\$499
Family	\$443	\$665

Source: New Mexico Public Schools Insurance Authority

Gross Premiums for Statewide Health Plans Monthly, 2016

	Emp.	Family
High Plan		
NM	\$582	\$1,480
OK*	\$527	\$1,601
TX	\$614	\$1,521
Low Plan		
NM	\$396	\$1,108
OK	\$346	\$1,071
TX	\$325	\$1,231

Source: LESC analysis

*Excludes plans available only in certain zip codes. Some of these plans are more expensive.

Albuquerque Public Schools does not participate in the statewide health insurance plan, but the employer share is the same.

HEALTH INSURANCE

For some public employees, the second most valuable form of compensation is employer contributions to a health insurance plan. Generally, health insurance contributions are not a given percent of base salary (unlike retirement contributions), so the relative value will vary based on the employee's salary and coverage level. In New Mexico, a teacher with a base salary of \$47,000 who receives family health insurance coverage can receive employer health insurance contributions of between 17 and 23 percent of base salary (\$7,976.40 to \$10,652.64).

In most of the surveyed states there was some variation between school districts in the cost of health insurance. Even in two states with statewide insurance plans, districts are free to set employer contributions as long as statutory minimums are met.

Texas. The Texas Teacher Retirement System (TRS) operates a statewide health insurance plan for teachers. Currently, around 90 percent of school districts representing about half of Texas teachers receive benefits from the plan. Texas law requires school districts to contribute \$150 per employee, per month (the state contributes \$75 on behalf of participating school districts). These minimums have not changed since the plan opened in 2003, but gross premiums have increased dramatically. In school districts where employers pay the minimum (about 20 percent of covered employees in FY15), the cost of employee contributions has more than doubled since 2003 — increasing from 29 percent to 59 percent of premiums. Fewer than 1 percent of covered employees receive more than \$475 per month in employer contributions.

Oklahoma. Oklahoma requires employer contributions equal to 100 percent of the employee only premium for the most expensive statewide plan (there are some plans that are only available in certain zip codes, some of these are more expensive). Employees selecting a less expensive plan may use the excess to pay for family health insurance premiums, for dental or vision coverage, or receive a cash refund. Employees not receiving health insurance can receive a cash payment (currently about \$70 per month). Currently, the state appropriates money to cover employer contributions; however, there have been recent proposals to divert some of this money to fund base salary increases.

The tables below show premiums for statewide health insurance plans in effect January 2016.

Employer Contributions for Statewide Health Insurance Plans (percent of gross premium)

	Most Expensive		Least Expensive	
	Emp. Only	Family	Emp. Only	Family
New Mexico	60%	60%	60%	60%
Oklahoma*	100%	33%	100%	49%
Texas	37%	15%	69%	18%

Source: LESC analysis of documents from the responsible agency in each state

*Excludes plans available only in certain zip codes; some are more expensive.

Employer Contributions in Texas

TRS-ActiveCare, FY15

Contribution	Percent of Employees
\$225	19.8%
\$226-\$275	31.1%
\$276-\$325	28.3%
\$326-\$375	11.4%
\$376-\$425	3.1%
\$426-\$475	5.4%
\$476-\$525	0.2%
\$526 and Up	0.7%

Source: Texas Teacher Retirement System

School District Contributions. As noted above, there is considerable variation in employer contributions between school districts in most states. Average school district health insurance costs were available for only one state. The Utah State Board of Education publishes an annual report which includes the average salary and teacher benefits by district. According to the 2015 report, the average cost of health insurance was \$13,878 per employee.

General statewide averages in other states were not readily available. Because of this, LESC staff looked for information on employer and employee health insurance contributions for individual school districts in each of the selected states. It is important to note that these school districts were selected based on available information and are not necessarily representative of the state as a whole.

Share of Health Insurance Premiums in Selected Districts

Least expensive plan in effect January 2016

(percent of gross premium)

State	District	Employee		Employer		Flat Employer Contribution*
		Single	Family	Single	Family	
NM	All	40%	40%	60%	60%	NO
AZ	Mesa	2%	62%	98%	38%	Within Plan
AZ	Flagstaff	0%	58%	100%	42%	YES
AZ	Paradise Valley	0%	33%	100%	67%	YES
CO	Durango	0%	53%	100%	47%	NO
CO	Denver	0%	55%	100%	45%	YES
CO	Archuleta County	17%	48%	83%	52%	YES
TX	Midland	0%	62%	100%	38%	YES
TX	Plano	24%	79%	76%	21%	YES
TX	Most TRS Districts (\$275)	19%	78%	81%	22%	YES

Source: LESC analysis of documents from school districts' websites

*Flat employer contributions: district contributes the same dollar amount, regardless of coverage level.

As the table above shows, most school districts contributed a flat dollar amount, regardless of the level of coverage selected by the employee. It is unclear that this is representative of how most other school districts in these states operate.

Example: El Paso Independent School District (EPSID). Because the above table presents the least expensive plan only, it shows the lowest employee contribution possible for school districts that contribute a flat amount. To show how employee shares can rise quickly in these cases, a detailed look at the plans offered by EPSID follows.

Employee Health Insurance Contributions, EPSID

(percent of gross premium)

	Low Plan	Medium Plan	High Plan
Employee Only	0%	8%	30%
& Children	29%	43%	56%
& Spouse	52%	61%	71%
& Family	65%	67%	71%

Source: El Paso Independent School District benefits website.

**Retiree Health Care
Contributions, FY16**
percent of salary

	Employee	Employer
CO		1.0%
NM	1.0%	2.0%
TX	0.7%	0.6%

Source: LESC analysis

Arizona aggregates contributions for pension and retiree health insurance.

In Nevada, both Clark County Schools (Las Vegas) and Washoe County School District (Reno) offer retirees access to group health insurance.

Retirees in Oklahoma may continue with the statewide teacher group insurance plan. The retirement system subsidizes premiums by about \$100 per month. The Oklahoma plan is funded on a pay-as-you-go basis.

Utah has a Medicare supplement plan for retired employees (including teachers) but no funding source is indicated.

EPISD contributes \$435 per month for each employee, more than most school districts that are covered by the statewide plan in Texas. According to TRS, 51 percent of covered employees were in school districts that contributed less than \$275 per month.

Summary. New Mexico appears to have more expensive health insurance than neighboring states for teachers that need employee only coverage, but New Mexico school districts pay a higher share of premiums for employees who have family coverage. Some employers pay as little as 21 percent of family health insurance premiums. Most school districts that were surveyed offered employees a flat dollar, rather than covering a percentage of health insurance premiums.

RETIREMENT

Contributions. All seven states surveyed had statewide pension plans for public school teachers. Employer and employee contributions are generally set by statute; however, in some cases individual school districts may elect to pay some or all of an employee's required contributions. The table below lists employer (ER) and employee (EE) retirement contributions. All seven of the states surveyed operated some form of defined benefit plan.

Employee (EE) and Employer (ER) Retirement Contributions
(percent of salary)

	EE	ER	Soc. Sec.	Total	ER Share (%)
Arizona	11.4%	11.4%	YES	35.3%	50%
Colorado*	8.0%	19.2%	NO	27.2%	70%
Nevada (1)	14.5%	14.5%	NO	29.00%	50%
Nevada (2)*	0.0%	28.0%	NO	28.00%	100%
New Mexico	10.7%	13.9%	YES	37.00%	54%
Oklahoma	7.0%	9.5%	YES	28.90%	54%
Texas	7.2%	8.3%	NO	14.00%	49%
Utah	0.0%	10.0%	YES	22.4%	72%

Source: LESC analysis of state pension plan documents

*Employees pay for a portion of employer contributions through salary reductions.

Utah. New employees (Tier 2) in Utah have the option of enrolling in a "hybrid" defined benefit/401(k) or in a defined contribution plan. Employers contribute 10 percent of each employee's salary, regardless of plan. Employers also contribute an amount equal to 9.94 percent of each Tier 2 employee's salary to amortize Tier 1 benefits. For members of the hybrid plan, 8.22 percent goes to the defined benefit plan and 1.78 percent to the employee's 401(k).

Nevada. Nevada gives local school districts two options for paying employee contributions. School districts can either opt to pay an amount equal to 28 percent of each employee's base salary (half of this amount is to be paid by the employee through a salary reduction) or by deducting and matching 14.5 percent of employee base pay. One important difference between the plans is that members who leave employment before vesting are not eligible to receive any refund if the district is paying all contributions. Although documents from the pension system

Instructional Staff Salary Spending per Pupil FY14

Texas	\$3,934
Colorado	\$3,620
New Mexico	\$3,595
Nevada	\$3,180
Oklahoma	\$2,883
Arizona	\$2,855
Utah	\$2,562

Instructional Staff Benefit Spending per Pupil FY14

Nevada	\$1,272
New Mexico	\$1,249
Utah	\$1,193
Colorado	\$983
Oklahoma	\$977
Arizona	\$889
Texas	\$626

Source: U.S. Census Bureau, Public Education Finances: 2014

indicate the choice belongs to the school districts, in the districts reviewed, the plan was specified in a collective bargaining agreement.

In most of the surveyed states teachers were eligible for Social Security benefits. In these states, employers and employees are each required to pay 6.2 percent in Old Age, Survivors, and Disability Insurance taxes. These employees will see additional income during retirement.

With all sources accounted for, New Mexico teachers have the highest retirement contributions, with just over half of contributions being funded by employers. Colorado has the highest share, which can be partially explained by increases to employer contributions to decrease the pension system's unfunded liability.

Retirement Benefits. In each of the surveyed states, retirement payouts are determined by a statutory formula. To examine the relative differences, LESC staff calculated retirement benefits for a retiree with 30 years of service, assuming the average salary for pension calculations equaled the statewide average salary reported above. The table below shows the results.

Hypothetical Retirement Calculation Teacher with 30 years of service and average salary

	Salary	Multiplier	Pension	% of Salary	Social Security
Arizona	\$45,477	.0230	\$31,379	69%	YES
Colorado	\$50,039	.0250	\$37,529	75%	NO
Nevada	\$56,943	.0225	\$38,437	68%	NO
New Mexico	\$47,163	.0235	\$33,250	71%	YES
Oklahoma	\$44,921	.0200	\$26,953	60%	YES
Texas	\$51,758	.0230	\$35,713	69%	NO
Utah	\$46,042	.0150	\$20,718	45%	YES

Source: LESC analysis of pension plan materials

Under these assumptions, New Mexico retirees receive a relatively high percent of their salary in pension benefits, and could potentially see more with more than 30 years of service. In addition, the above calculation does not account for Social Security benefits. Those states with higher pension benefits (both in dollars and as a percent of salary) are not covered by Social Security. If an employee in this scenario has a little less than \$5,500 in annual Social Security benefits, the New Mexico employee would have the largest retirement payout, although these calculations do not account for benefits from the 401(k) portion of Utah's hybrid pension plan; benefits from this plan would depend on the performance of the plan's investments.

Summary. New Mexico had the highest level of total retirement contributions in the region. Employers funded just over half of all retirement contributions, which is somewhere in the middle of states in the region. While contributions are a bit higher in New Mexico, it appears benefits, depending on the amount of Social Security, may be higher in New Mexico than in other states.

CONCLUSION

Although, at least nationally, the salaries of public school teachers do appear to be keeping pace with inflation, teacher salaries still lag behind similarly educated people in other professions. With increasing focus on high-tech jobs, more students who might otherwise go into teaching could be attracted to the relatively high salaries of these fields.

For those who do decide to pursue a teaching career, average salaries in New Mexico are in the middle when compared with surrounding states. But health insurance benefits appear to be more equalized than in surrounding states, meaning employees with less expensive insurance may end up paying more in New Mexico than they would in surrounding states. This may be particularly important for young employees who are just entering the teaching profession and do not yet have a spouse or family. Teachers in this position may not consider what impact life changes may have on their total compensation and may be attracted by a higher base salary and cheaper "employee only" benefits.

Likewise, total retirement income appears to be higher in New Mexico than in surrounding states, but costs per employee are higher and only about half of these benefits are funded by employer contributions. Teachers looking to enter the profession may be more concerned about the immediate effect on take home pay and less concerned with the delayed benefits those contributions fund.

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