

## PERFORMANCE REPORT CARD

### State Personnel System

### Third Quarter, Fiscal Year 2025

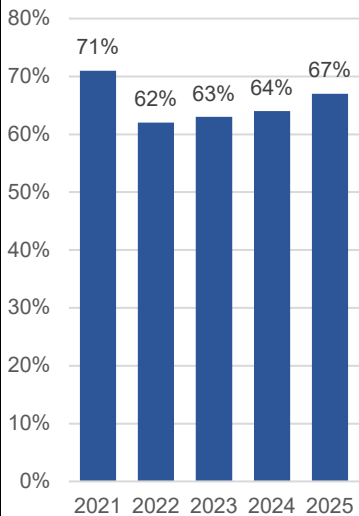
#### ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

#### SPO Performance Dashboard



#### New Employees Completing One Year Probation Period



Source: LFC Files

According to SPO, only 67 percent of new employees complete their probationary period. If retention patterns do not change, more than 1,100 on the 3,400 people hired in FY24 will not complete their one-year probation.

To reverse trends, SPO has encouraged agencies to take advantage of resources such as SPO-led management training courses. Research shows positive relationships with managers are key to retaining employees and encouraging a productive workforce.

Recent pay increases and stabilization of the broader job market helped to improve key metrics related to the state's personnel system, but high turnover and the continued growth in the number of positions within state agencies led to continued high vacancy rates. While retention has improved from lows in 2022 and 2023, more than 30 percent of new employees leave state service within one year of joining.

<b>Budget:</b> \$4,673.0	<b>FTE:</b> 44	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Q1</b>	<b>FY25 Q2</b>	<b>FY25 Q3</b>	<b>Rating</b>
Average number of days to fill a position from the date of posting*		66	64	N/A	63	64	65	Y
Classified service vacancy rate*		23.8%	22.7%	N/A	22.3%	21.8%	21.5%	R
Percent of classified employees who successfully complete the probationary period*		63%	64%	N/A	65%	69%	67%	R
Average classified employee compa-ratio*		98.7%	100.8%	N/A	101.6%	102.0%	102.4%	Y
Average classified employee new hire compa-ratio*		95.5%	96.9%	N/A	97.7%	97.9%	99.5%	G
Number of hires external to state government*		3,109	3,465	N/A	762	685	840	G
Average classified service employee total compensation, in thousands*		\$99.8	\$108.1	N/A	\$111.6	\$112.2	\$112.9	
Cost of overtime pay, in millions*		\$41.1	\$44.8	N/A	\$11.8	\$9.6	\$10.5	
Number of salary increases awarded*		1,660	890	N/A	1,576	319	382	Y
<b>Program Rating</b>		<b>Y</b>	<b>Y</b>					<b>Y</b>

\*Measure is classified as explanatory and does not have a target.

The State Personnel Office (SPO) reports the classified service vacancy rate is 21.5 percent, nearly 20 percent higher than the rate in FY21, but this increase has been primarily caused by significant increases in the number of new positions created. While agencies have been successful at attracting candidates from outside state government, the state must work on retaining these new employees to lower vacancy rates. SPO reports agencies have made significant inroads in reducing the time it takes to fill a position, dropping from 72 days in the first quarter of FY23 to 65 days in the third quarter of FY25. SPO has prioritized working with agencies to reduce the time-to-fill metric.

Providing competitive compensation packages to state employees is key to improving recruitment and retention. On average, total compensation for state employees topped \$112 thousand in FY25, an increase of 6.4 percent from the first quarter of FY24 and 14.8 percent from the first quarter of FY23. Based on information from the U.S. Bureau of Labor Statistics, recent increases in New Mexico have been higher than national benchmarks. However, many agency staff report a lack of competitive pay packages as a barrier to filling positions. Part of this perception is due to the relatively high share of total compensation in fringe benefits offered to state employees. State employees receive nearly 40 percent of their total compensation through benefits, compared with 30 percent for workers in the private sector, based on national data. This amount will increase in the future based on legislation passed during the 2025 legislative session that increased the state's share of health insurance premiums to a minimum of 80 percent of the total cost.