

NEW MEXICO STATE PERSONNEL OFFICE



FY22 and FY23

Compensation Overview

LEGISLATIVE INCREASES: FY22 (CURRENT FY)

The following legislative increases are in effect for FY22. Employee eligibility is contingent on anniversary date, final evaluation and position eligibility.

Increase	Appropriated	Effective Date	Note
Frontline Worker Pay	2021 Legislative Session	July 1, 2021	Specific to agency and position duties
1.5% Salary Increase	2021 Legislative Session	July 1, 2021	Must complete probation by June 30, 2022.
3% Salary Increase	2022 Legislative Session	April 1, 2022	Must complete probation by June 30, 2022.

SPO Board has approved a 3% shift in the Occupational and General salary schedules by 3%.



LEGISLATIVE INCREASE: FY23

The FY23 Budget Bill (HB2) includes salary increases for FY23. SPO has worked in partnership with AFSCME and CWA representatives on a compensation strategy that will achieve the \$15/hr. minimum pay rate for State of New Mexico employees while also addressing compaction.

FY23 Compensation Strategy for employees within the [General Salary Schedule](#)

- Two-phased increase
 1. Compa Ratio Multiplier
 2. Pay Band Multiplier

The multipliers result in a minimum hourly pay rate to \$15/hr. while addressing compaction.

FY23 Compensation Strategy for employees within the [Occupational Salary Schedules](#)

- Provide a 4% increase to all employees*

** For the workers that remain below \$15/hr. a larger increase will be necessary.*



DRIVERS FOR FY₂₃ EXEC. REC.

The State Personnel Office worked in partnership with Union partners to formulate the Executive's FY23 compensation recommendation. The outcomes:

- Developed on a strategy in partnership with Unions to ensure transparency and collaboration.
- Established a minimum rate of pay for State of New Mexico classified employees = \$15/hr.
- Simultaneously addressed compaction issues that stem from raising minimum pay rates only.
- Proposed a responsible increase to total payroll while strategically focusing on employees paid the least.

Remaining Goal

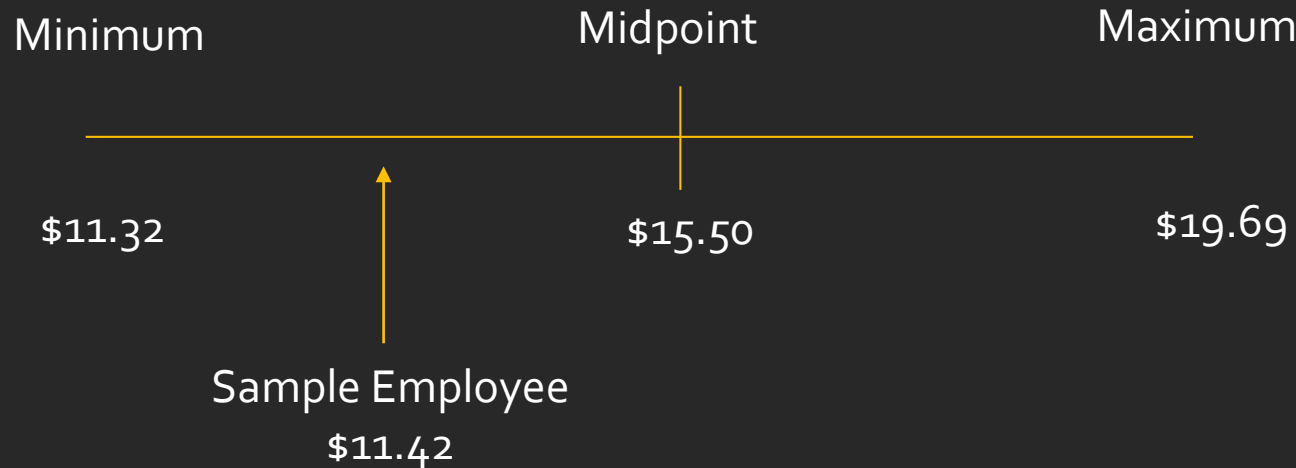
- Increase pay ranges in the General Salary Schedule to increase competitiveness for future hires.
 - This is in the works.



CALCULATING COMPA RATIO

Typically, an agency will budget vacant positions at the cost of the midpoint hourly rate.

The Compa Ratio tells us where an employee's hourly rate rests relative to the midpoint of a pay band. The lower the compa ratio, the more room an agency has to increase pay without changing a pay band.



$$\text{Compa Ratio} = \$11.42 \div \$15.50 = 74\%$$



APPROPRIATE PLACEMENT

According to State Personnel Board rules, **Appropriate placement** means those elements to be considered in determining pay upon hire, promotion, transfer or reduction including the employee's education, experience, training, certification, licensure, internal pay equity, budgetary availability and, when known and applicable, employee performance.

Applicant			\$22.656000	\$22.656000	BA/BS: Bachelor's Degree	3.75
	Name	Position Number	Hourly	Hourly w/ MCOP	Education	# Years Related Experience
+	Employee 1	10109575	\$23.135294		Bach/Psychology	4.39
+	Employee 2	00042891	\$23.487461		Bach/Criminology	5.30
+	Employee 3	00042897	\$24.276677		Mast/Sociology	5.21
+	Employee 4	00042885	\$24.273725		Bachelors	7.38
+	Employee 5	00042886	\$24.860019		Bachelors	13.48
+	Employee 6	00042892	\$26.113720		Bachelors	24.66



PAY EQUITY CHALLENGES

Addressing pay inequities has been a years-long priority. Challenges exist for various reasons – agency budget availability, historical agency vacancy rates, changes to minimum wage, agency location, etc.

Example of an Unintentional Pay Inequity Change in State Min. Wage

Worker 1			Worker 2			
	Starting Pay	Starting Annual		Starting Hourly	Starting Annual	
FY18	\$10.25	\$21,320.00	FY18	\$9.75	\$20,280.00	
	Rec. Increase	New Hourly Rate		Rec. Increase	New Hourly Rate	
FY19	3.0%	\$10.56	FY19	3.0%	\$10.04	
FY20	4%	\$10.98	FY20	4%	\$10.44	
FY21	1%	\$11.09	FY21	1%	\$10.55	
FY22	1.5%	\$11.50	FY22	1.5%	\$11.50	Min Wage Change
FY22	3%	\$11.85	FY22	3%	\$11.85	
FY23	4%	\$12.32	FY23	4%	\$12.32	
	Change Increase	\$2.07 20%		Change Increase	\$2.57 26%	



COMPA RATIO MULTIPLIER – GEN. SALARY SCHEDULE

All employees within the General Salary Schedule will receive an initial increase based on their Compa Ratio at the start of FY23. Only Base Pay will be used to calculate Compa Ratio.

Example:

Employee X has a base pay rate of \$14.18 in a Pay Band 35.

Compa Ratio = 1.09 or 109%

Multiplier = 2.5%

Initial Increase = \$14.18 X 2.5% = **\$0.35 cents**

Compa Ratio	.55-.88	.89 - .92	.93 - .94	.95	.96	.97	.98	.99
Multiplier	18%	16%	15%	13%	12%	11%	10%	9%

Compa Ratio	1 – 1.01	1.02-1.03	1.04-1.05	>1.06
Multiplier	8%	6%	5%	2.5%



PAY BAND MULTIPLIER – GEN. SALARY SCHEDULE

All employees within the General Salary Schedule will receive a secondary increase based on their Pay Band at the start of FY23.

Example:

Employee X has a base pay rate of \$14.18 in a Pay Band 35.

Initial Increase: $\$14.18 \times 2.5\% = \0.35

Secondary Increase: $\$14.18 \times 20\% = \2.84

Total Increase: $\$0.35 + \$2.84 = \$3.19$

New Rate: $\$14.18 + \$3.19 = \$17.37$

Pay Band	25	30	35	40	45	50	55	60	65	>65
Multiplier	25%	22%	20%	18%	8%	3%	3%	2.5%	2%	1.5%



OCCUPATIONAL SALARY SCHEDULES

All employees within the Occupational Salary Schedules will receive a 4% increase to their base rate of pay at the start of FY23.

Example:

Employee X has a base pay rate of \$20.77 in a Pay Band SD within the Social Service Salary Schedule.

Total Increase: $\$20.77 \times 4\% = \0.83

New Rate: $\$20.77 + \$0.83 = \$21.60$

Note: There are currently employees within the Health Care Salary Schedules that make less than \$15/hr. SPO is working to increase the pay rate for these employees to at least \$15/hr. while addressing compaction, as necessary.



GOV. EXEMPT AND STATE POLICE SALARY SCHEDULES

All employees within the Gov. Ex. And State Police Salary Schedules will receive a 4% increase to their base rate of pay at the start of FY23. These employees do not need to complete their probationary period.

Example:

Employee X has a base pay rate of \$28.77 in Pay Band DPC within the State Police Salary Schedule.

Total Increase: $\$28.77 \times 4\% = \1.15

New Rate: $\$28.77 + \$1.15 = \$29.92$



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VACANCY RATES AND COMPA RATIOS

As of April 25, the state's vacancy rate was 23.6%. Vacancy rates vary by salary plan. Compa Ratios show how compensation is being used within each salary plan.

- Average Compa Ratio for the General Salary plan shows a need to pay higher than mid point to be competitive.
- Low average Compa Ratios for Corrections and Healthcare plans show that agency's have room to be competitive within the existing pay bands.

Vacancy Rates by Salary Plan

Salary Schedule	Filled Positions	Filled Rate	Vacancies	Vacany Rate	Average Compa Ratio
General Schedule	11633	77.98%	3285	22.02%	106%
Architechs Schedule	7	77.78%	2	22.22%	98%
Corrections Schedule	1040	71.82%	408	28.18%	97%
Engineers Schedule	810	78.87%	217	21.13%	103%
Healthcare Schedule	1159	62.04%	709	37.96%	98%
IT Schedule	770	82.44%	164	17.56%	103%
Attorney	296	79.36%	77	20.64%	101%
Social Services	644	77.68%	185	22.32%	101%
Healthcare Professional	37	67.27%	18	32.73%	110%
Grand Total	16396	76.40%	5065	23.60%	105%



AGENCY PRIORITIES

- Conduct audit to identify disparities within classifications, across agencies.
- Increase the impact of Talent Acquisition efforts through paid marketing and agency coordination.
- Establish models for worker pipeline development that address critical vacancies.
- Automate the process through which actions are routed and processed across agencies.
- Implement strategies that allow for stakeholder feedback and process improvement measures.



QUESTIONS

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