

**NEW MEXICO**  
**STATE PERSONNEL OFFICE**

FY23

LFC PROGRAM REVIEW

# STATE PERSONNEL OFFICE

## **Vision**

To motivate a creative and inclusive workforce supporting innovation and achievement while serving the state of New Mexico.

## **Mission**

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

# STATE PERSONNEL OFFICE INNOVATION

The State Personnel Office's Strives to support its vision and mission through creative efforts to improve recruitment, retention, and streamline human resources processes for the State.

Standout innovations include:

- FY23 Pay Strategy
- Occupation-based salary schedules
- NMSU Edge
- State of NM Exit Survey
- Access Perks

# DRIVERS FOR FY23 EXECUTIVE RECOMMENDATION

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

- Developed 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

# VACANCY RATES AND COMPA RATIOS

As of August 15, the state's vacancy rate was 24.2%. 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 showed a need to pay higher than mid point to be competitive, the FY23 compensation plan and new salary schedule met the need.
- 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	Vacancy Rate	Average Compa Ratio Apr. 22'	Average Compa Ratio Aug. 22'
General Schedule	11,472	77%	14,867	23%	106%	97%
Architechs Schedule	6	86%	7	14%	98%	97%
Attorney	309	79%	393	21%	101%	102%
Corrections Schedule	972	67%	1,445	33%	97%	97%
Engineers Schedule	825	80%	1,032	20%	103%	104%
Healthcare Schedule	1,209	65%	1,865	35%	98%	100%
IT Schedule	743	78%	949	22%	103%	103%
Peace Officer	155	84%	184	16%		91%
Social Services	624	74%	847	26%	101%	100%
Healthcare Professional	36	67%	54	33%	110%	102%
Grand Total	4,879	75%	6,776	25%	105%	99%

# 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	
	<b>Change Increase</b>	<b>\$2.07</b> <b>20%</b>		<b>Change Increase</b>	<b>\$2.57</b> <b>26%</b>	

# OCCUPATION-BASED SALARY STRUCTURES

Blend of market-based and point-factor approaches implemented when designing salary structures.

- Point-factor establishes the level or pay-band of the classification and considers the requirements, responsibilities, and other aspects required of the classification.
- Market-based means the salary structures are inline with the job market for that industry.
  - Pay ranges within the salary structure allow agencies to have flexibility and increase competitiveness.

# SALARY STRUCTURE-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.

# SALARY STRUCTURE - PAY RANGE

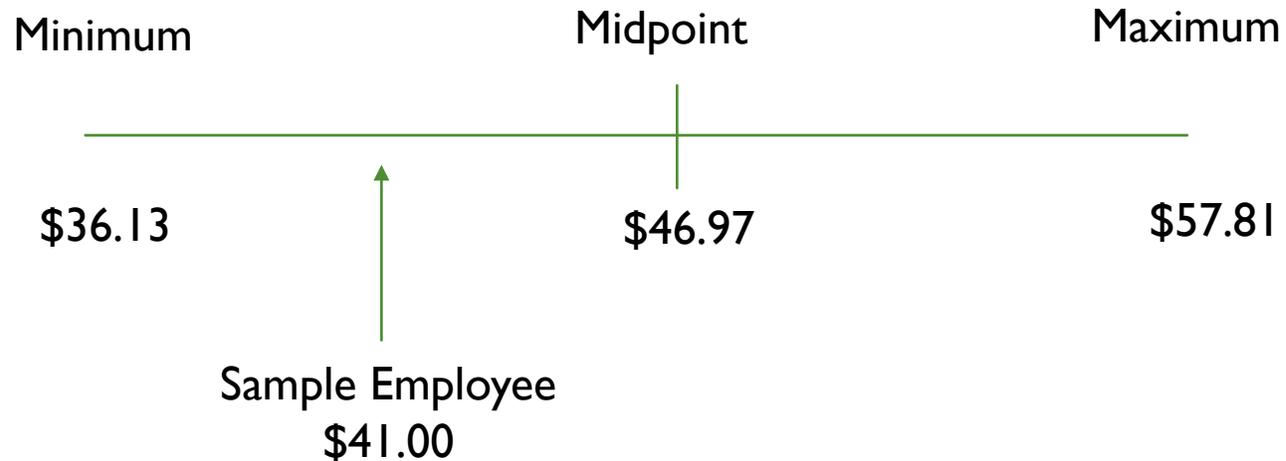
EXAMPLE:

Engineering Schedule

Overall Compa-ratio=104%

Pay-Band=EH

Maximum pay range=123%



$$\text{Compa Ratio} = \$41.00 \div \$46.97 = 87\%$$

# DETERMINE PAY RATES FOR NEW HIRES

Most important factors for agencies to consider:

- Budget availability
- Internal alignment

# AGENCY PRIORITIES

- Conduct audit to identify disparities within classifications, across divisions
- 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
- Communicate needs

# NMSU-EDGE

The State Personnel Office is partnering with NMSU Edge to create a State of New Mexico Human Resources Certification Program

- Give students direct experience in State HR operations
- Certification will substitute for required qualifications

Leverage successes in other service areas

- the State Personnel Office and the Department of Finance and Administration will work with NMSU Edge to create a similar certification program for financial positions.

# STATE OF NM EXIT SURVEY

To improve employee engagement and retention, the State Personnel Office worked with a committee of agency human resources managers to develop a uniform exit survey for all executive agencies.

- Agencies provide access to employees upon exiting
- The State Personnel Office provides agencies responses on a monthly basis.

# STATE OF NM EXIT SURVEY- DATA

Leverage data to empower solutions.

The State Personnel Office will aggregate results and look for answers to the following questions:

- What was the overall experience of employees who exited?
- What did the state do well?
- What did the state do not-so-well?
- What matters most to our employees?
- What can we focus on to increase retention in the future?

# ACCESS PERKS

In an effort to bolster employee retention, in June 2022 the State Personnel Office implemented a new state employee benefit, Access Perks.

State of New Mexico employees can get deals and discounts at local and national restaurants, movie tickets, hotels, and more. There is no cost to employees.

# STREAMLINING PROCESSES

- Resumes- Simplify the recruitment process and gives applicants the option to submit a resume.
- Reduce actions required SPO/DFA review and approval.
- Enhance and provide in-depth HR training.
- Improved agency access to data.
- Improved collaboration and communication with agencies.



THANK YOU!