



2016 Classified Service Compensation Update



Presented to the Legislative Finance Committee

December 8, 2016



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
- ✓ Engineering, Surveying and Architecture underway ==> Started May 12, 2016



Corrections

Current vs. New Hourly Salaries and Compa Ratios

Job Classifications	# of EEs	Average Current Hourly Salary	Average Current Compa Ratio	Average New Hourly Salary	Average New Compa Ratio
CADET	17	\$12.35	79.7%	\$14.00	85.0%
CORRECTIONAL OFF & JAIL-O (Correctional Officer)	739	\$14.94	86.4%	\$16.35	83.0%
CORRECTIONAL OFF & JAIL-A (Sergeant)	180	\$17.79	93.9%	\$18.68	85.6%
CORRECTIONAL OFFICER LIEUTENANT	77	\$20.74	99.1%	\$20.99	87.3%
CORRECTIONAL OFFICER CAPTAIN	26	\$24.28	104.2%	\$24.27	92.1%
CORRECTIONAL OFFICER MAJOR	4	\$28.18	95.5%	\$28.00	91.9%
CORRECTIONAL DEPUTY DIRECTOR ADULT PRISONS	2	\$45.00	88.6%	\$45.00	85.8%
CORRECTIONAL DEPUTY WARDEN (MAX. SEC)	11	\$34.53	90.2%	\$35.73	84.8%
CORRECTIONAL WARDEN (MIN SECURITY)	1	\$33.36	87.1%	\$35.00	83.1%
CORRECTIONAL WARDEN (MAX SECURITY)	2	\$37.70	85.7%	\$40.00	85.2%
CORRECTIONAL CLASSIFICATION BUREAU CHIEF	1	\$29.12	86.9%	\$32.00	83.9%
CORRECTIONAL CLASSIFICATION MANAGER	1	\$24.83	95.0%	\$28.00	84.2%
CORRECTIONAL UNIT MANAGER	19	\$27.13	80.9%	\$32.00	83.9%
CORRECTIONAL (STIU) COORDINATOR	3	\$26.55	101.6%	\$28.67	86.2%
STIU INVESTIGATOR	1	\$22.40	96.1%	\$24.00	84.0%

- ☞ 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



Information Technology

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



Engineering, Surveying & Architecture

- ⌘ Kicked off Engineering study on May 12, 2016
- ⌘ Established study process similar to Information Technology
- ⌘ Will affect over 1,000 FTE
- ⌘ Most positions (64%) at the Department of Transportation
- ⌘ Key focus is to describe the work more accurately and to address both licensed v. non-licensed work being performed



Moving Forward

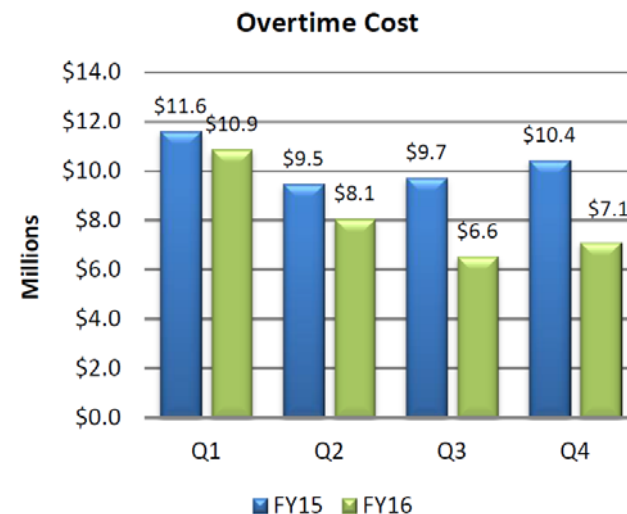
∞ SPO is creating a new classification structure with 11 new salary structures:

- ✓ Corrections
- ✓ Information Technology
- Engineering and Architecture
- Protective Services
- Social Services
- Healthcare and Healthcare Support
- General Administration
- Legal
- Management
- Scientific
- Trades and Labor



Current System Administration

- ☞ Statewide Classified Vacancy Rate – 15.2% (4,849 Statewide-All)
- ☞ Over 30% of classifications have an APB assignment
- ☞ Average New Hire compa-ratio – 96.8%
- ☞ 70% of new hires complete their probationary period
- ☞ Overtime (FY16)
 - \$32.7 Million (**Down from \$41.2 Million in FY15*)
- ☞ Turnover
 - Voluntary – 14.7%
 - Involuntary – 2.1%



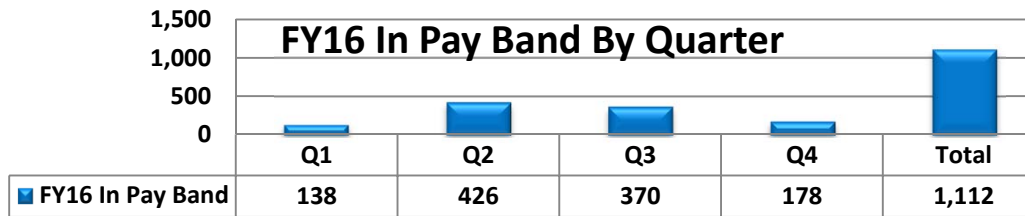
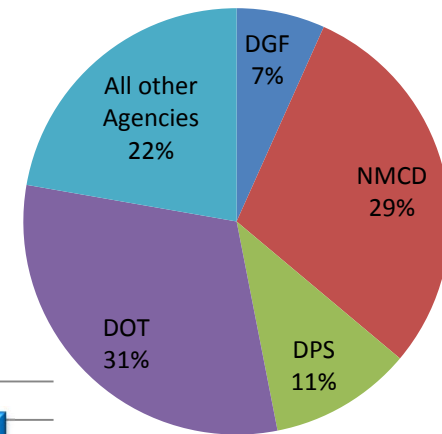


In Pay Band Salary Adjustment Efforts

In FY16, 1,112 In Pay Bands (IPBs) were used to specifically target critical positions:

- DOT – 345 IPBs - \$580,988
- NMCD – 329 IPBs - \$705,533
- DPS – 121 IPBs - \$493,229
- DGF – 75 IPBs - \$285,929
- All Other Agencies – 249 IPBs - \$1,188,091

FY16 IPB By Agency



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.



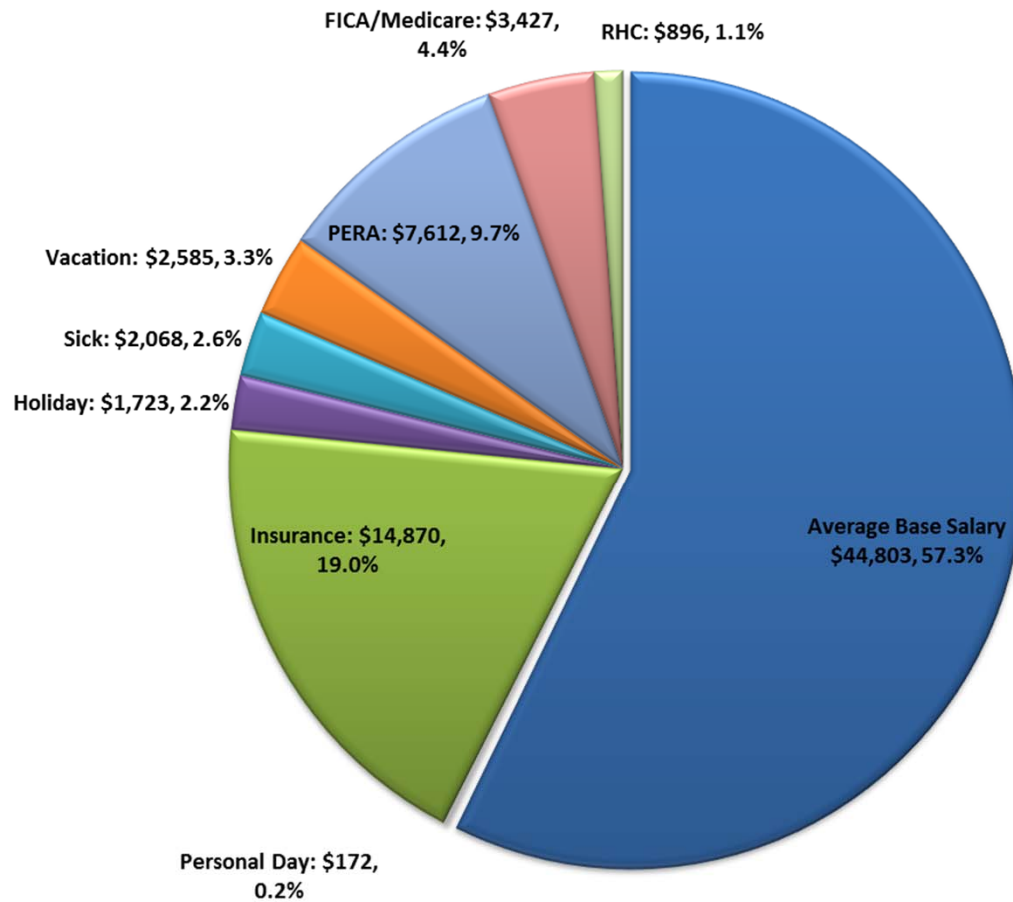
Employer Costs for Employee Compensation vs. New Mexico

🌀 New Mexico continues to offer a rich benefits package that is out of balance with national comparator groups

Compensation Component	Civilian Workers	Private Industry	State & Local Government	State of New Mexico
Wages and salaries	68.6%	69.7%	63.3%	57.3%
Benefits	31.4%	30.3%	36.7%	42.7%
Paid leave	6.9%	6.9%	7.2%	8.4%
Supplemental pay	3.1%	3.6%	0.9%	0.0%
Insurance	8.8%	8.0%	12.1%	20.2%
Health (as part of insurance)	8.3%	7.6%	11.8%	19.1%
Retirement and savings	5.1%	3.9%	10.6%	
Defined benefit	3.2%	1.7%	9.8%	9.7%
Defined contribution	2.0%	2.2%	0.8%	0.0%
Legally required	7.5%	7.9%	5.9%	4.4%



Classified Employee Total Rewards





Total Compensation Comparison

- ☞ The ratio of Wages/Salaries to Benefits in New Mexico is unbalanced when compared to the surrounding eight states and other ECEC data

