



New Mexico State Personnel Board State Personnel Office

**SUSANA MARTINEZ
GOVERNOR**

Eugene J. Moser
Director

Nivia L. Thames
Deputy Director

State Personnel Board
Paul T. Yarbrough, Chairman
Christine Romero, Vice Chairman

Devon Day Chris Sanchez
Rebecca Long

**State Personnel Board Meeting
State Personnel Office
2600 Cerrillos Road
Santa Fe, NM 87505
August 30, 2012
9:00 AM**

Minutes

I. Procedural Items

Call to Order

The meeting of the State Personnel Board was called to order by Chairman Yarbrough at approximately 9:00 a.m. on August 30, 2012, at the State Personnel Office, Santa Fe, New Mexico.

Invocation Stuart Hamilton

Pledge of Allegiance Scott Summerfield

Roll Call

Eugene Moser, Director, State Personnel Office (SPO), called roll and a quorum was established with the following members present:

Paul Yarbrough, Chairman
Christine Romero, Vice Chair
Devon Day
Chris Sanchez

Board Member Long was absent.

2600 Cerrillos Road, Santa Fe, New Mexico, 87505 (505) 476-7759



Approval of Agenda

Board Member Sanchez moved to approve the agenda, seconded by Vice Chairman Romero. Motion carried.

Approval of Minutes – July 27, 2012

Vice Chairman Romero moved to approve the July 27, 2012 State Personnel Board meeting minutes, seconded by Board Member Sanchez. Motion carried.

II. Director's Report

Chairman Yarbrough expressed gratitude for Director Moser returning to work and thanked Deputy Director Thames for a job well done in the absence of Director Moser. In addition, Chairman Yarbrough commended Governor Martinez on an excellent performance and speech at the Republican National Convention.

Director Moser reported the SPO budget hearing in front of the Legislative Finance Committee (LFC) is scheduled for October 26, 2012 at 9:00 a.m. Board members are encouraged to attend.

Director Moser provided background information on the SHARE Executive Team and said the team had not met since February 2007; six months after the implementation of SHARE. The team is currently reviewing discarded processes and putting them in place using available automation. Director Moser noted that the State spends a tremendous amount of energy and money in distributing paychecks to employees. The SHARE system provides direct deposit capabilities and allows employees electronic access to view paychecks and utilize self-service functions. In addition, the team is working with Bank of America to provide debit cards for employees who do not wish to receive direct deposit; there will be no charge to employees. Vice Chairman Romero asked if the recent issues with employee paychecks were related to issues with the SHARE system. Director Moser said it was discovered that payroll crashes periodically; however it typically occurs earlier in the week allowing staff to fix the problem. Staff attempted to fix the problem, but was unsuccessful. The State has since contracted with a vendor to review the entire process and rewrite it. In addition, staff has been shifted around at the Department of Finance and Administration (DFA) in order to achieve different levels of expertise.

Director Moser presented the FY12 4th Quarter Workforce Report and provided an overview on each section.

Ms. Barbara Urioste, Operations Manager, New Mexico EDGE Program, said the program is a means to provide education to public employees. With a mission of better government through education New Mexico EDGE grew to be a nationally recognized certified public manager (CPM) program. Public employees are now not only able to receive an education designed to increase productivity, efficiency and effectiveness, as well as being able to take a nationally recognized certification. Bringing the CPM to New Mexico under the umbrella of the New Mexico EDGE, also provides the needs to expand other governmental entities. After working

with Director Moser, CPM classes are now part of the promotion ladder for state employees. New Mexico EDGE has also worked closely with the New Mexico Municipal League. Endorsement of education is made evident by support of the program and the first graduate from state government.

Ms. Urioste presented Sandy Martinez with the first state employee certificate received from New Mexico EDGE. The certificate is intended to serve the call to continue learning, growing and serving the people of the State to best of her ability. Director Moser added that the program will make a significant difference in State government. The program is designed not only to teach managers how to manage, but teaches aspects of accounting for the business that one leads. Vice Chairman Romero asked how the training is paid for. Director Moser said each agency varies depending on education reimbursement. Information about the program is advertised on the SPO website.

Vice Chairman Romero thanked Director Moser for the Multiple Components of Pay (MCOP) by fiscal year information and said it is a great tool.

Board Member Day expressed concerns with benefits and salaries and bringing them more in line with the private sector. Director Moser said the State is moving in that direction and is looking at every aspect. Salaries are now somewhat competitive with the private sector and benefits have not changed.

Chairman Yarbrough asked what the time frame is for implementing the employee self-serve function in SHARE. Director Moser said it is anticipated it will be available during the current fiscal year.

Chairman Yarbrough asked what is being done to ensure the size of employment in State government fits the needs of tax payers. Director Moser explained that agencies have a number of vacant positions that were budgeted and never filled; therefore funds were channeled into areas that were not appropriated. SPO is authorized to have a number of positions; however is only budgeted for fewer positions. SPO will request approval to fill a majority of authorized positions.

Chairman Yarbrough asked if the overall union membership for classified service employees changed. Director Moser said the percentage remains the same. Director Moser added that the State is currently engaged in a lawsuit before the Supreme Court regarding FY09 union contracts.

III. General Public Comment

No public comment. Chairman Yarbrough expressed concern with no public comment and encouraged the public to participate.

IV. Reduction In Force – State Investment Council

Ken Giles, Executive HR Manager, SPO presented the Reduction In Force (RIF) for the State Investment Council (SIC). Pursuant to State Personnel Board rule 1.7.10.9 NMAC, the SIC is

requesting SPB approval of a RIF plan that is proposed to be effective September 28, 2012. The proposed plan will affect one SIC employee in the classified service.

The plan is requested due to technology changes associated with the State of New Mexico's Private Equity portfolio. These technology changes tied to this portfolio have either been outsourced or automated. The outsourcing and automation will impact SIC's budget by creating annual savings projected to be at least \$59,000. In addition to the monetary savings, SIC anticipates this change will also allow for more timely, accurate and efficient handling of the State's private equity investments. This outsourcing and automation eliminates the job duties for the one position identified.

If approved, the SPO Career Services Bureau will immediately be available for the SIC employee to help begin the search for suitable positions in state government so they may apply as positions become available. Once application is made, the Career Services Bureau will contact the agency to foster interviews. SPO has traditionally worked diligently and closely with all state agencies to place potential RIF candidates prior to the effective date of the RIF.

Upon approval of the plan, SPO will issue an official notice of reduction in force to the affected employee outlining all post RIF reemployment rights afforded for six (6) months by the SPB rules. SPO will continue to make every effort to place the employee affected by the RIF.

Steve Moise, State Investment Officer, State Investment Council (SIC) added that the SIC is implementing best practices, in the human resources area in governance and investments. It has become obvious that this position is not necessary and there is no position within the SIC that would be appropriate for this individual.

Vice Chairman Romero asked if employees affected by RIF's have had success in obtaining other positions within state government agencies. Mr. Giles said there are currently three individuals on the reduction in force list. Prior to that, there were 70 plus individuals on a list; approximately 40 individuals have been placed.

Vice Chairman Romero moved to approve the State Investment Council, Reduction In Force as presented, seconded by Board Member Day. Motion carried.

V. FY14 Budget Request

Director Moser presented the FY14 Budget Request and said SPO is requesting an increase from \$3.9 million to \$4.6 million to fill vacant positions that were unbudgeted in the previous year. In addition, five additional positions are being added. Benefits are increasing from \$3.6 million to \$4.2 million. The remainder of the budget remains relatively the same.

Chairman Yarbrough asked if there were any pay increases for projected salaries. Director Moser said salaries remain flat. Vice Chairman Romero asked if state employees received a cost of living increase in the current fiscal year. Director Moser said there was no cost of living adjustment given. Vice Chairman Romero asked how long it has been since state employees received a three (3) percent cost of living increase. Director Moser said it has been a number of years. Vice Chairman Romero asked if other creative opportunities are being considered to boost morale for state employees. Director Moser said the Governor has been very adamant



about trying to recognize employees with a neutral budget; each agency is approaching it in different ways.

Board Member Day moved to approve the FY14 Budget Request as presented, seconded by Board Member Sanchez. Motion carried.

Director Moser thanked Deputy Director Thames and staff for preparing the FY14 Budget Request. Chairman Yarbrough also thanked Deputy Director Thames and staff on behalf of the Board.

VI. Strategic Plan

FY12 Review – Director Moser provided an overview of the FY12 Strategic Plan. Most activity indicated in the FY12 Strategic Plan has been completed or are in process. In some cases, the completion date had to be deferred due to limited resources or concern.

FY13 Proposed Strategic Plan – Director Moser provided an overview of the FY13 Strategic Plan and proposed activities for the year.

VII. Classification

State Auditor Audit Coordinator

Justin Najaka, State Compensation Director, SPO presented the State Auditor Audit Coordination classification, pay band and alternative pay band. The purpose of the classification is to supervise audits, manage audits and has final authority on all actions except the final audit which has to be signed off by a Certified Public Accountant (CPA). There are five positions that will be effected by the new classification; however there is no fiscal impact to the Office of the State Auditor (OSA). The recommended pay band is a 75 and an alternative pay band of 85. The proposed classification and pay band will allow the OSA to attract qualified applicants.

Hector Balderas, State Auditor, OSA thanked SPO staff and the Board for their work. Mr. Balderas noted the OSA is also working with SPO to streamline the timeframe for hiring processes.

Board Member Day moved to approve the State Auditor Audit Coordinator classification, pay band and alternative pay band as presented, seconded by Board Member Sanchez. Motion carried.

VIII. Selection of Administrative Law Judge Pro-Tem

Director Moser recused himself from the selection of an Administrative Law Judge Pro-Tem in the case of *Romero v. NM State Personnel Office*.

Leonard Padilla, Adjudication Bureau Chief, SPO explained that the case involves a former employee of the SPO. The administrative law judge pro-tem originally selected for the case recused herself and is no longer available to hear the case. Mr. Padilla presented two Administrative Law Judge Pro-Tem's for consideration. The State Personnel Act requires the Administrative Law Judge Pro-Tem to be a state employee.



Vice Chairman Romero moved to select Felicia L. Orth as the Administrative Law Judge Pro-tem in the case of *Romero v. NM State Personnel Office*. Motion carried.

IX. Executive Session

Board Member Sanchez moved to go into Executive Session. The authority for closing the meeting is under the Open Meetings Act NMSA 1978, Section 10-15-1 (H)(3), for deliberations in connection with an administrative adjudicatory proceeding, for the matters listed on the agenda; seconded by Board Member Day:

1. *Armendariz v. New Mexico Corrections Department*; Docket No. 12-012

Director Moser called roll and all members voted in the affirmative. **Motion carried.**

The Board met in Executive Session from approximately 12:00 p.m. to 12:10 p.m. The State Personnel Board discussed in closed session only those matters specified in the Motion to close.

After careful consideration of the proceedings and the Administrative Law Judge's recommendation regarding *Armendariz v. New Mexico Corrections Department*; Docket No. 12-012, **Board Member Day moved to adopt the Administrative Law Judge's recommended decision, seconded by Board Member Sanchez. Motion carried.**

X. Litigation Update

No activity to report.

XI. Other Business

Chairman Yarbrough requested that a letter be sent to Governor Martinez on behalf of the Board congratulating her on her speech at the Republican National Convention. Board Members agreed.

Next Meeting Date: October 12, 2012

XII. Adjournment

With no further business, **Board Member Day moved to adjourn the State Personnel Board meeting at approximately 12:15 a.m., seconded by Board Member Sanchez. Motion carried.**

Approved by:


Chairman Yarbrough
State Personnel Board

Attest:


Eugene Moser, Director

2600 Cerrillos Road, Santa Fe, New Mexico, 87505 (505) 476-7759



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