



New Mexico State Personnel Board State Personnel Office

SUSANA MARTINEZ
GOVERNOR

Eugene J. Moser
Director

Nivia L. Thames
Deputy Director

State Personnel Board
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Christine Romero, Vice Chairman

Devon Day Chris Sanchez
Rebecca Long

Interpretative Memorandum 2011 - 009

Date: October 17, 2011

To: Cabinet Secretaries, Agency Heads, and Agency Human Resource Managers

From: Eugene J. Moser, Director *EJM*

Subject: SALARY INCREASES

State Personnel Board (SPB) Rules provides for the administration of the salary schedules¹ specifying the authority and role of the State Personnel Office (SPO). The following provides specific guidelines to agencies that are different from those followed in the past:

1. **Entrance salary**²: The Rule provides that the SPO Director must approve, prior to an applicant's appointment, any entrance salary that is in the principal contributor zone. To ensure that this provision is consistently applied throughout state government, agencies are reminded that in this situation approval by the SPO Director is required **before** an extension of any job offer is made to an applicant. Additionally, upon submittal, all requests for such a salary offer must include all appropriate documentation and justification warranting consideration.
2. **Salary upon in-pay band adjustment**³: The Rule provides that all in-pay band adjustments, up to a maximum of a ten percent salary increase in a fiscal year are subject to approval by the SPO Director, budget availability and appropriate placement in the assigned pay band. Additionally, all in-pay band adjustments will be reviewed by SPO, DFA Deputy Secretary and the Governor's Chief of Staff.

¹ 1.7.4.12 NMAC

² Subsection A, 1.7.4.12 NMAC

³ Subsection C, 1.7.4.12 NMAC

Upon submittal, requests for in-pay band adjustments must include all appropriate documentation and justification warranting consideration of an in-pay band adjustment. Approval by the SPO Director should not be considered automatic and no commitment to an employee should be made prior to approval being received.

3. **Salary upon promotion**⁴: Pursuant to the Rule, agencies are permitted to grant promotional increases. In determining the amount of the increase the agency is required to evaluate and consider the agency's budget availability and placement appropriate in the salary pay band.

You are reminded that approval must be obtained **before** a salary offer is tendered to the employee. In the past, these approvals appear to have been routinely granted; however, moving forward promotional increases above the fifteen percent level will not readily be granted. If an agency wishes to pursue increases above fifteen percent, the request must be supported by documentation justifying the increase for consideration by the Director.

4. **Salary upon transfer**⁵: Pursuant to the Rule, employees transferring either within an agency or between agencies may have their salary adjusted by an agency up to ten percent. Any increase above ten percent requires approval by the SPO Director.

While agencies may have the ability to provide up to a ten percent pay increase upon transfer, realization that these increases have a direct impact upon the state's budget and employee morale should be considered. The Rule encourages agencies to attract staff from other agencies into lateral transfers where the employee will perform duties within the same job while obtaining a higher salary.

All agencies should refrain from granting salary upon transfer increases. Increases less than ten percent, as a result of a lateral transfer, should not be approved absent extenuating circumstances unique to the transfer. Agencies must submit all requests to the SPO Director for consideration and approval before processing increases. These requests must include all appropriate documentation and justification warranting consideration. Because of this the SPO Director has been charged with reviewing all transfer increases and reporting them to the Governor.

⁴ Subsection D, 1.7.4.12 NMAC

⁵ Subsection G, 1.7.4.12 NMAC