



New Mexico State Personnel Office

FY12-1st Quarter Workforce Report

Mission: To deliver human capital management programs that advance our state agencies' missions while protecting the rights of our state employees.

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Director's Report

It is the mission of the State Personnel Office (SPO) to provide to the state of New Mexico human resource leadership, direction, guidance and service to maximize state government's ability to better serve the citizens of New Mexico. While this report is done on a quarterly basis, the information provided in the past has been lacking in the provision of data that is reflective of key elements and identifying areas of concern and opportunities for improvement.

The importance of obtaining meaningful data is critical as the state moves forward in addressing the myriad of issues appearing on the horizon. It is evident that the development of reliable and accurate HR metrics will provide state agencies with the pertinent information needed to quickly assess the makeup of the workforce and detect potential challenges in recruiting and retaining qualified employees.

SPO has a responsibility to conduct workforce planning and HR policy analysis on state employment issues. This cannot be done in isolation without the cooperation and agreement of state departments/agencies allowing all stakeholders the opportunity to address and prepare for future state personnel needs. To that end, SPO in the Spring of 2011, reestablished the HR Council consisting of those agencies responsible for the largest employee population in state government. This council is charged with assisting SPO in conducting problem analysis and resolutions to issues that have plagued the state. Additionally, a statewide Training Governance Council was established to focus on the need and development of courses for employees.

Addressing inadequate recruitment tools within New Mexico state government that have impacted the quality of the applicants presented to agencies is an example of this joint governance effort. In June of FY11, SPO began to implement a more flexible and responsive applicant tracking system that addresses the need to test applicants for various classified positions as well as provide certified lists of qualified job applicants to state agencies, both of which are required by the State Personnel Act. This system will be operational on November 1, 2011. This effort necessitated the Compensation and Classification team to recruit over 30 members from throughout state government to collect input from subject matter experts (SMEs) for the development of minimum qualifications for all 867 job classifications in the classified service. Minimum qualification standards for all jobs in state government will assist in placing those applicants best suited for the jobs they are selected.

The State Personnel Office will issue a quarterly report as required by the Accountability in Government Act (AGA). However, it will reflect improved HR metrics that can and will be used in moving forward. The use of accurate data is critical in action planning and it is the intent of this office to report on all metrics established. Moving in the direction of sharing data with all stakeholders, to include the Legislature, is essential to the development of action planning and change.

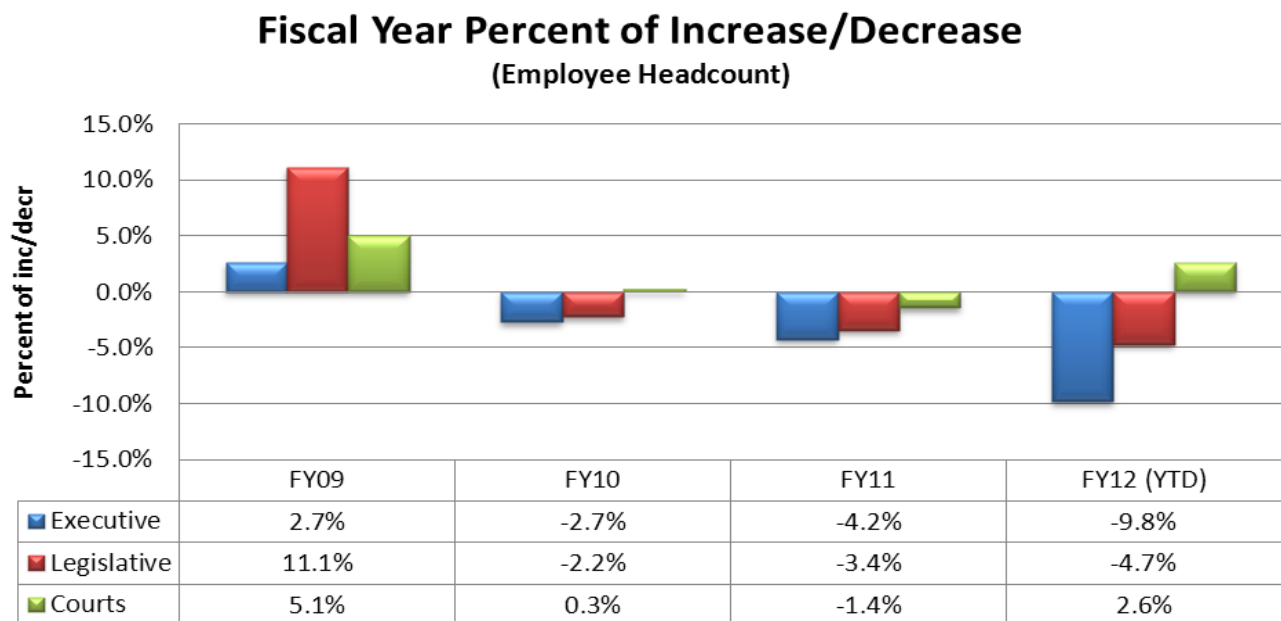
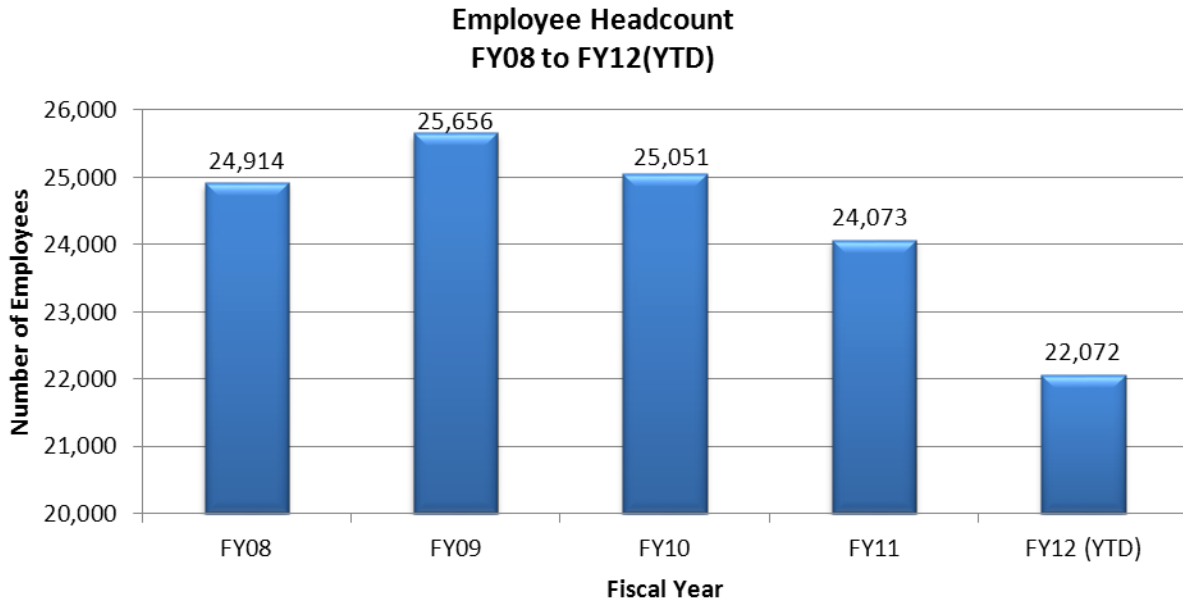
Eugene J. Moser

Director

State Personnel Office

Workforce Overview

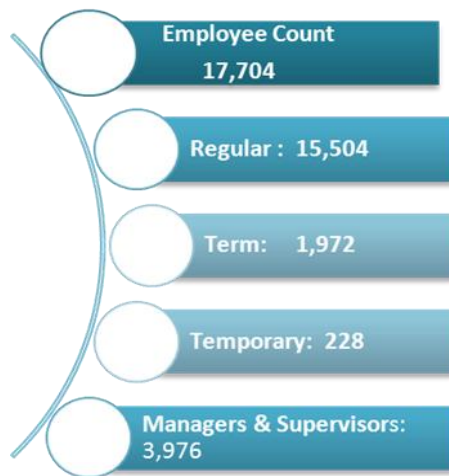
The provision of workforce data allows SPO to identify critical areas that require attention and provide insight into how current policy affects the ability of the state to retain a competent workforce. These metrics are being updated to reflect a change in reporting. As the economy continues to experience issues, the state's workforce continues to decline. Since FY10 the workforce has declined by 2,979 employees in the branches of government. This has been achieved by attrition as a result largely due to not filling vacancies. The following charts illustrate these changes:



Classified Service at a Glance (as of October 1, 2011)

WORKFORCE DATA

| | |
|-----------------------------|--------|
| FULL - TIME EMPLOYEES | 17,773 |
| PART-TIME EMPLOYEES | 402 |
| UNION REPRESENTED EMPLOYEES | 56.16% |
| MINORITY | 63.7% |
| FEMALE | 54.3% |
| MALE | 45.7% |



TOTAL COMPENSATION AS OF October 1, 2011

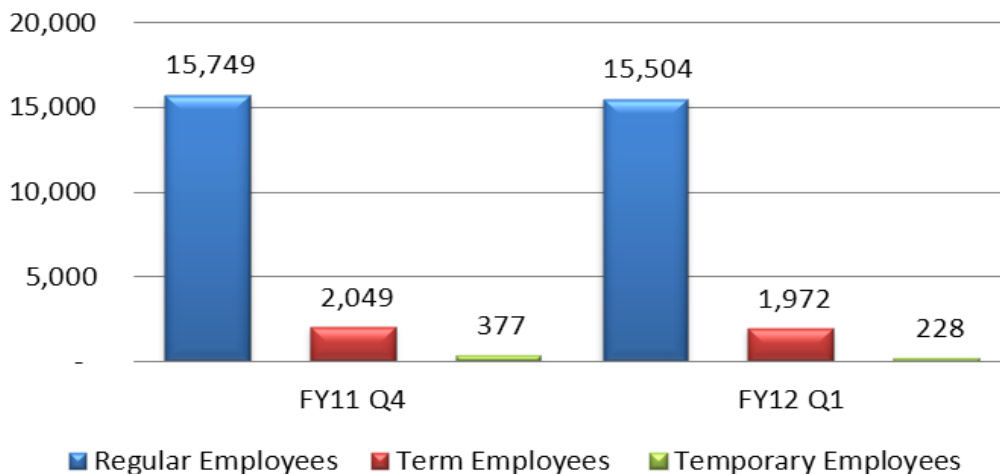
- AVERAGE BASE SALARY
\$ 42,057
- AVERAGE BENEFIT
\$ 27,383
- AVERAGE TOTAL COMPENSATION
\$ 69,440
- AVERAGE STATE EMPLOYEE COMPA-RATIO
102%

Total Classified Compensation

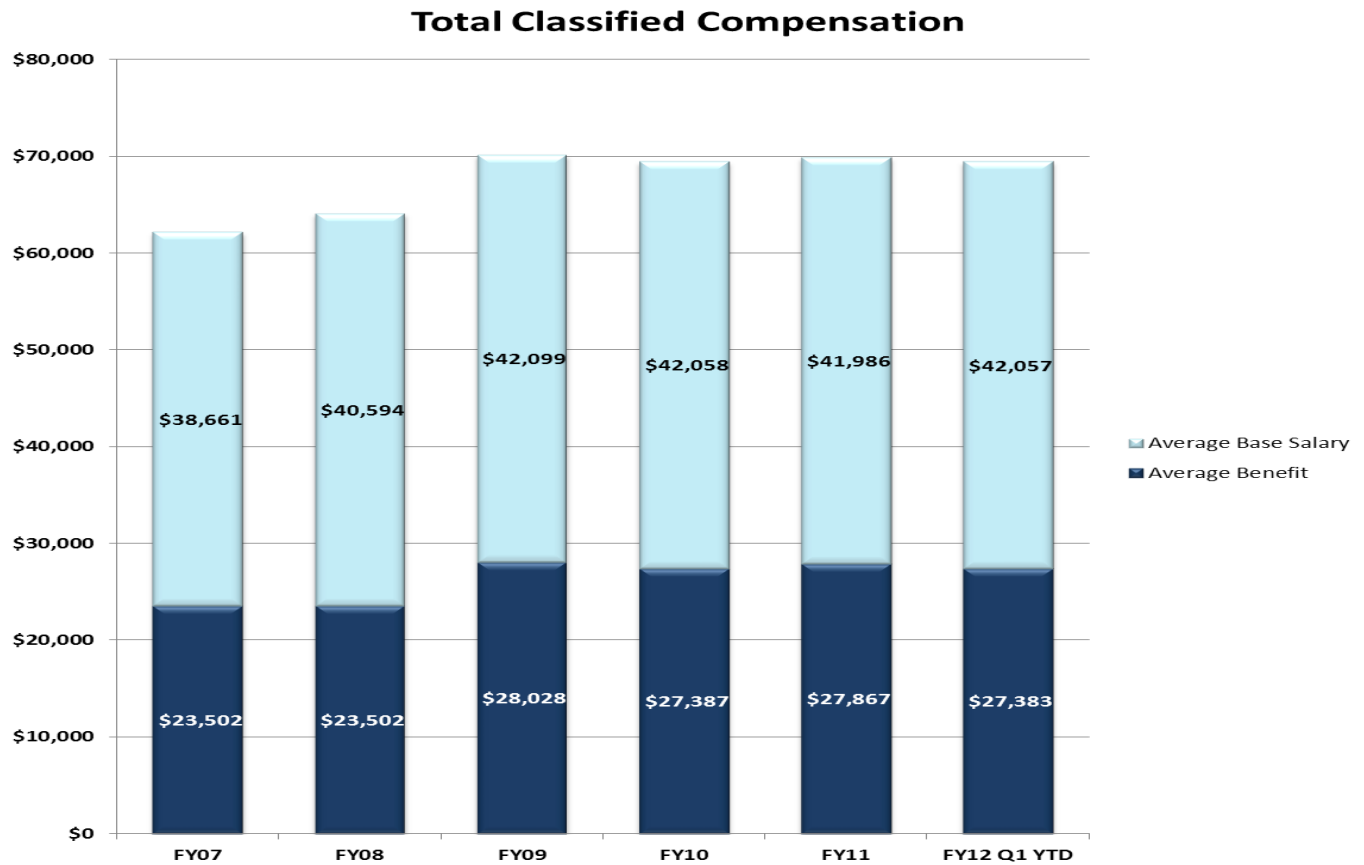
Total compensation is inclusive of an employee's base salary and the cost of the benefits an employee receives contributed by the state. These benefits include retirement, health, and other insurances, FICA, and leave (annual, sick, etc.) provided for the employee.

Concern should be expressed with the impact of benefits. Currently benefits account for 39.4% percent of an employee's total compensation. Many of the benefits are a percentage of the employee's base compensation. Accordingly, as the base pay increases the benefits also increase.

Classified Employees Workforce



Total Classified Compensation



Multiple Components of Pay

The State Personnel Board Rules provide pay mechanisms to enhance recruitment and retention efforts allowing agencies the tools to attract and retain a qualified workforce.

The State Personnel Board, at their November 12, 2010, Public Rules Hearing, adopted to separate the Temporary Recruitment/Retention Differential. It will now reflect recruitment and retention as two separate pay mechanisms effective December 1, 2010. Both of these pay mechanisms are tied to the position rather than the employee, and are based on a percentage of the employees (base) pay rate.

The governor initiated a review of the temporary multiple components of pay (MCOPS) being granted. Temporary MCOPS (TSI, TREC, and TRET) are not intended to be a permanent increase to an employee's base salary. This is confirmed in reviewing such increases for certain employees being carried over for as much as four years despite SPB Rules that prohibit such practice. To prevent this SPO guided agencies to re-examine the job duties of these positions. IPB's establish a permanent pay mechanism that legitimizes the requests and alleviates the time being allocated to process the extensions of the MCOPS.

Temporary Recruitment Differentials (TREC's) are authorized for those positions documented as being critical to the business needs of an agency and addressing problems for those agencies who have demonstrated recruitment difficulty. In FY11 there was a slight increase in the numbers granted. However these are largely attributed to those granted in the first two quarters before the change in administration in January 2011. This can be seen in the FY12 levels granted in the first quarter of FY12.

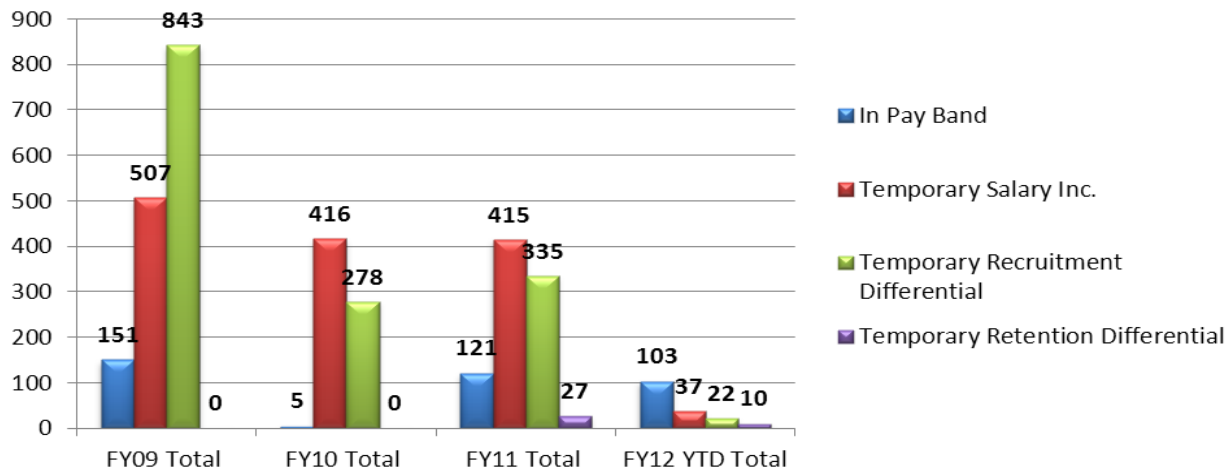
Temporary Retention Differentials (TRET's) are authorized for positions in which it is critical to retain an employee to maintain the business needs of an agency that would otherwise be disrupted if the employee left the position.

Temporary Salary Increases (TSI's) are used when an employee temporarily accepts and consistently performs additional duties that are the characteristics of a job requiring greater responsibility and accountability making it a higher valued job. A TSI is a short-term salary measure that may be used until the conditions of the additional duties and responsibilities cease to exist and may not be extended beyond a one-year period.

Each of these temporary pay mechanisms are reviewed and authorized for various periods of time depending on each individual circumstance and in accordance with SPB rules. In FY11 there was a slight increase in the numbers granted. However these are largely attributed to those granted in the first two quarters before the change in administration in January 2011. This can be seen in the FY12 levels granted in the first quarter of FY12.

In-Pay Band Salary Adjustments (IPB's) provide agencies the latitude to make recommendations to the State Personnel Director for a base compensation increase up to 10 percent within a fiscal year to employees whose performance has demonstrated placement at a higher Compa-Ratio. This pay mechanism allows flexibility for agencies to provide salary growth within the pay band. The Department of Finance and Administration must also review the requests to ensure current and future agency budget availability.

Multiple Components of Pay By Fiscal Year



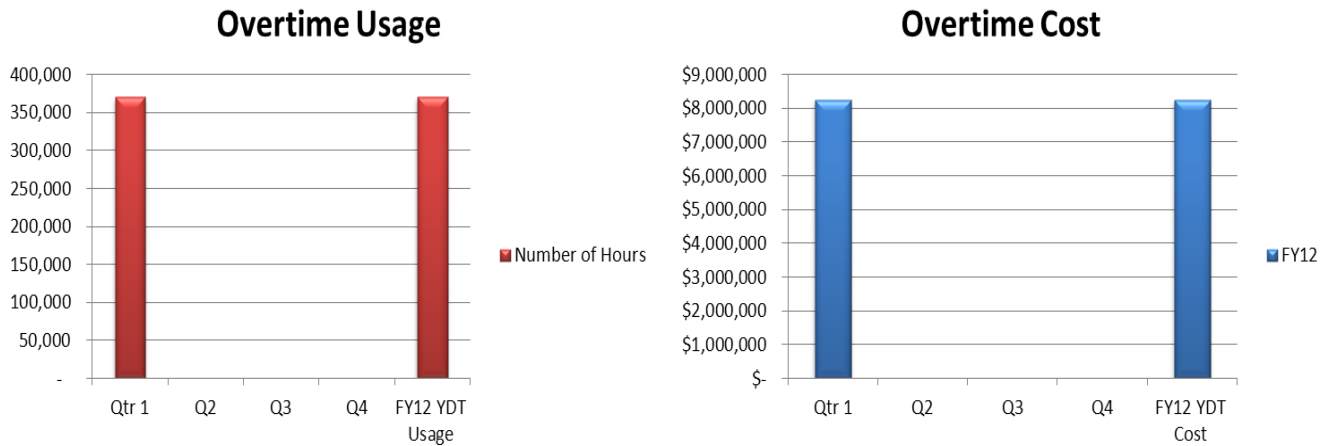
The graph below shows the quarterly activity for each MCOP utilized by the state. The continued decrease in the use of temporary MCOPS (TSI, TREC, and TRET) reflects the agency's compliance with the SPB Rules. The graph also indicates an increase in the use of IPB's. This reflects SPO's evaluation of the improper use of the temporary MCOPS.

The first quarter of FY12 reflects the majority of TSI's was being granted for lead worker pay adjustments mandated by the collective bargaining agreements. SPO is in process of making changes within SHARE to make this an add-on pay adjustment rather than a temporary salary adjustment.

These changes and close monitoring of agency activity has resulted in a significant reduction of temporary increases since January and shows the proper usage of IPB's meeting the needs of the agency while addressing budgetary concerns.

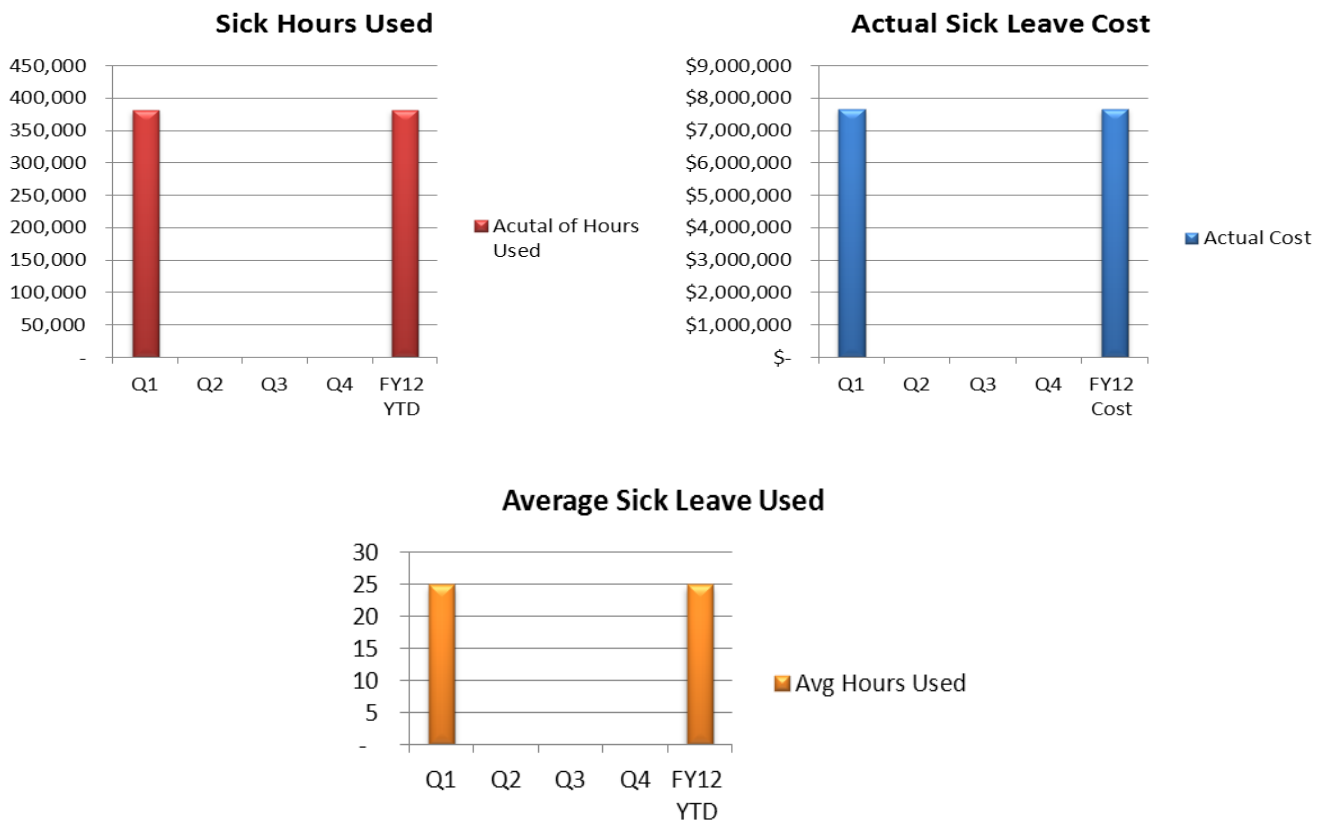
Overtime Usage

The following graphs are new information being reported in FY12 to begin to report metrics which allow cost factors to be reviewed allowing assessment of budgetary impact. The overtime usage graph shows in the first quarter over 350 thousand hours being worked at a cost of a little over 8 million dollars.



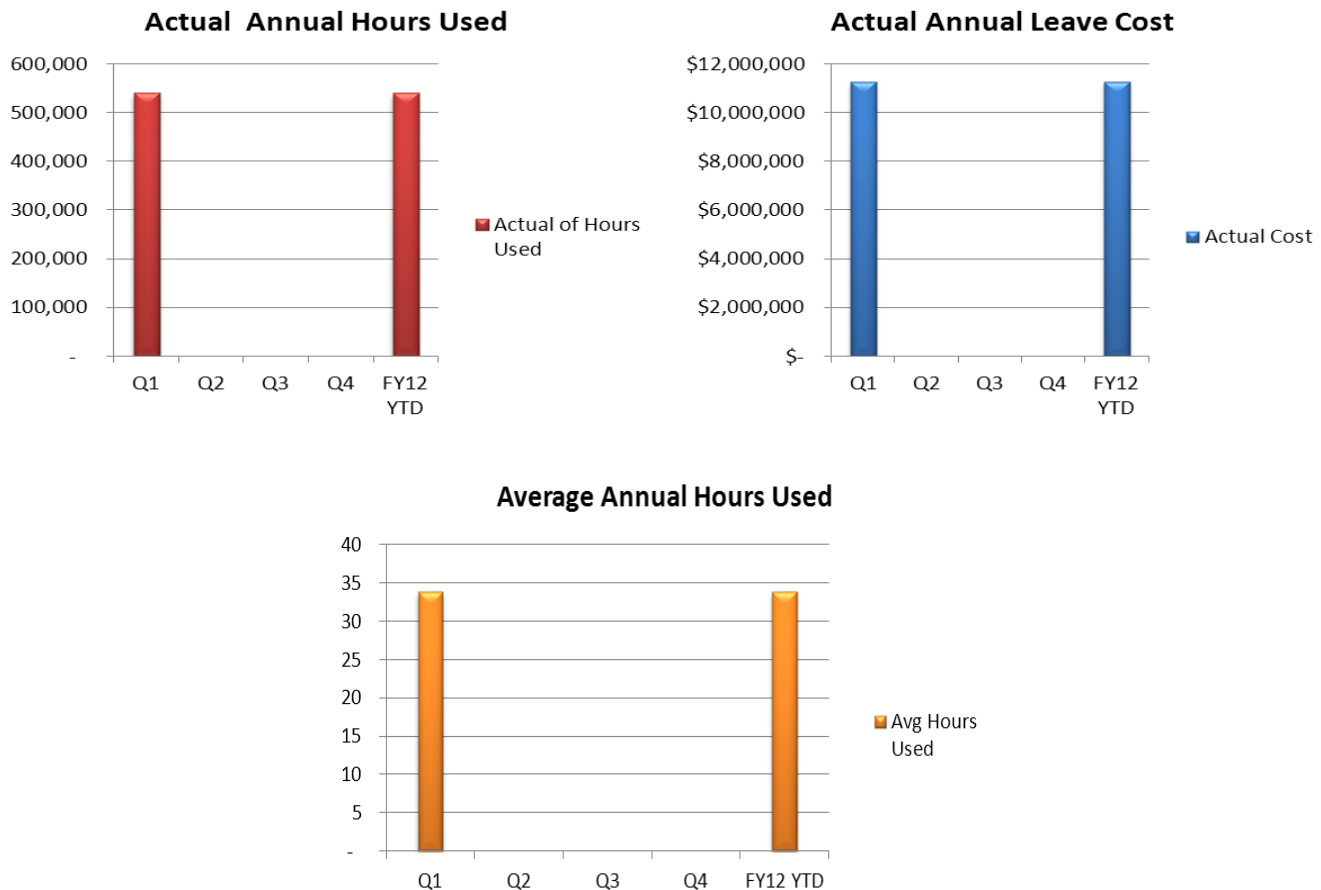
Sick Leave Usage

The following graphs are new information being reported in FY12 to begin to report metrics which allow cost factors to be reviewed to allow assessment on budgetary impact. Employee sick leave usage for the first quarter was in excess of 375 thousand hours at a cost of 7.75 million dollars. This equates to a quarterly average usage in the first quarter of 25 hours per employee.



Annual Leave Usage

The following graphs are new information being reported in FY12 to begin to report metrics which allow cost factors to be reviewed to allow assessment on budgetary impact. Employee annual leave usage for the first quarter was in excess of 540 thousand hours at a cost of 11 million dollars. This equates to a quarterly average usage in the first quarter of 34 hours per employee.



Classified Service Recruitment Trend

SPO is responsible for assisting applicants in conducting job searches and applying for jobs within the state government classified service. In the final quarter of FY11, SPO began the implementation process to introduce a new, more flexible and responsive applicant tracking system through NEOGOV and a web-based pre-employment testing system through Criteria Corporation. The goal of implementing the two systems into the states recruitment module is to comply with the State Personnel Act which requires a competitive merit system and mandates employment testing for all applicants applying for state classified positions.

Applicants will be competitively tested and ranked; the scores will facilitate an applicant's movement through the recruitment process. The provision of competitively ranked applicants will be placed on the qualified job applicants certified list submitted to the recruiting managers.

As the NEOGOV applicant tracking system is implemented, applicants will now be able to apply for multiple positions without having to reenter a separate application for each position applied. Additionally, applicants will now be able to focus job searches by geographic and department preferences allowing the applicant's ability to quickly isolate their job search.

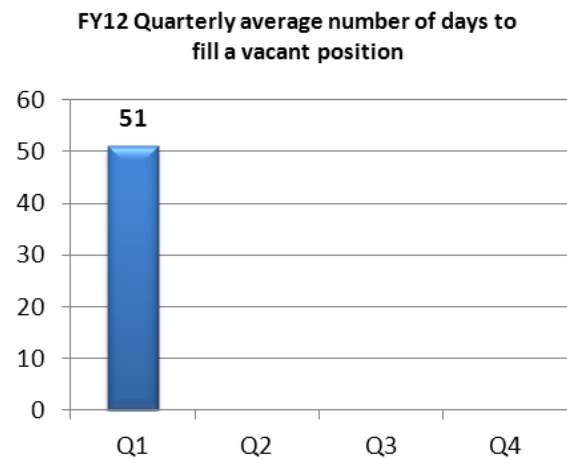
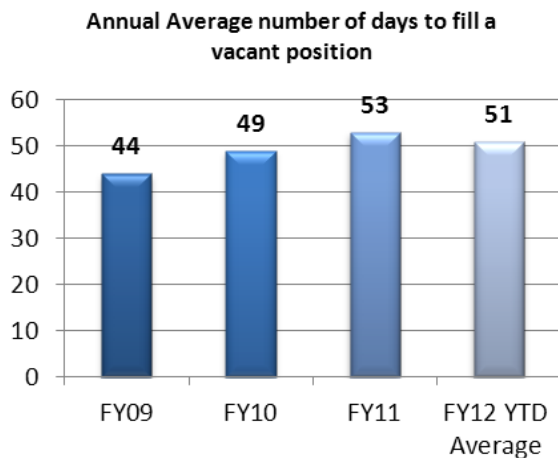
In the first quarter of FY12, there was a decrease in both job postings as well as applications. In this quarter 844 classified service positions were advertised compared to the 947 positions in the fourth quarter of FY11. In this same quarter 46,887 applications were received as opposed to 48,802 in the previous quarter.

The total days to fill a position remain at 51 days in line with the FY11 average. However, it is anticipated that in FY12 as NEOGOV is implemented beginning on November 1, 2011 this time frame should trend to fewer days.

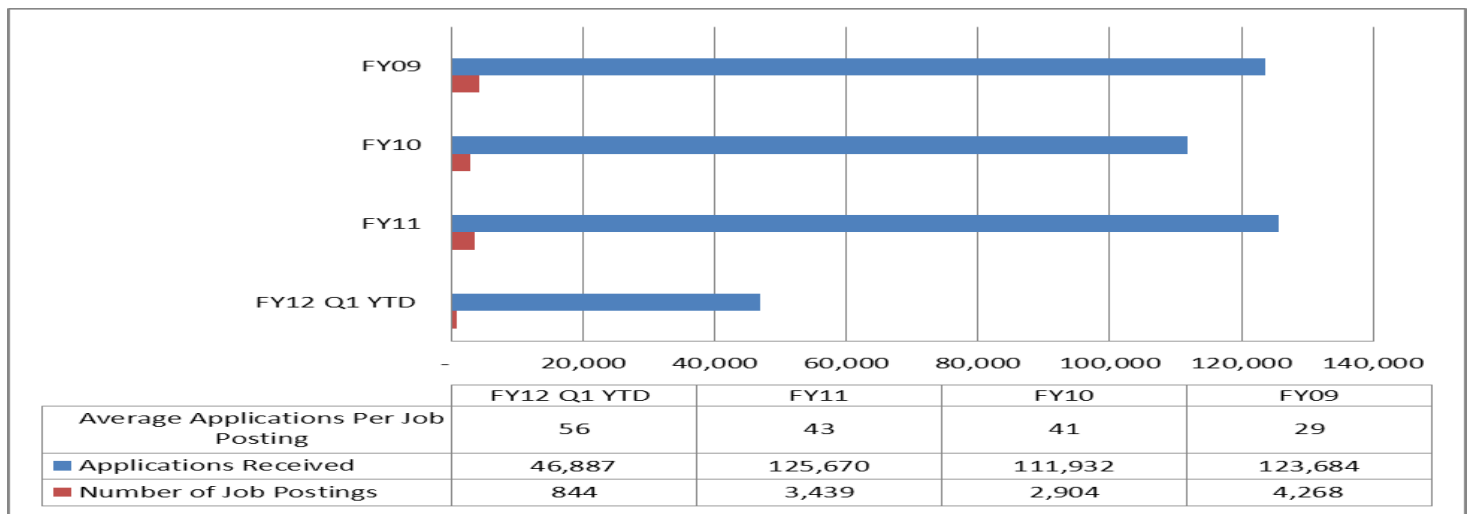
Departments filled 867 positions in the first quarter of FY12; of these selections 441 (49.1%) were internal promotions/transfers of active state employees. The highest recruitment activities in the fourth quarter are with the Departments of Health (113), Corrections (96), Transportation (92), CYFD (77), and Human Services (64). These departments comprise the largest budgeted positions.

Employee selections include all classified appointments and do not reflect “new hires” alone.

Average Number of Days to Fill a Vacant Position



Average Number of Applications Received Per Job Posting by Fiscal Year



FY12 - 1st Quarter Top 20 Advertising Agencies

| Agency | # Job Postings |
|---|----------------|
| Department of Health | 245 |
| Children, Youth & Families Department | 97 |
| Human Services Department | 82 |
| Department of Transportation | 56 |
| New Mexico Corrections Department | 54 |
| Taxation & Revenue Department | 52 |
| Public Education Department | 30 |
| Department of Workforce Solutions | 27 |
| Public Defender | 24 |
| Department of Environment | 23 |
| Regulation & Licensing Department | 20 |
| Department of Public Safety | 17 |
| Department of Vocational Rehabilitation | 13 |
| Aging & Long-Term Services Department | 12 |
| Miners Colfax Medical Center | 9 |
| NM Higher Education Department | 8 |
| Public Regulation Commission | 8 |
| Department of Information Technology | 7 |
| Department of Cultural Affairs | 5 |
| State Land Office | 5 |

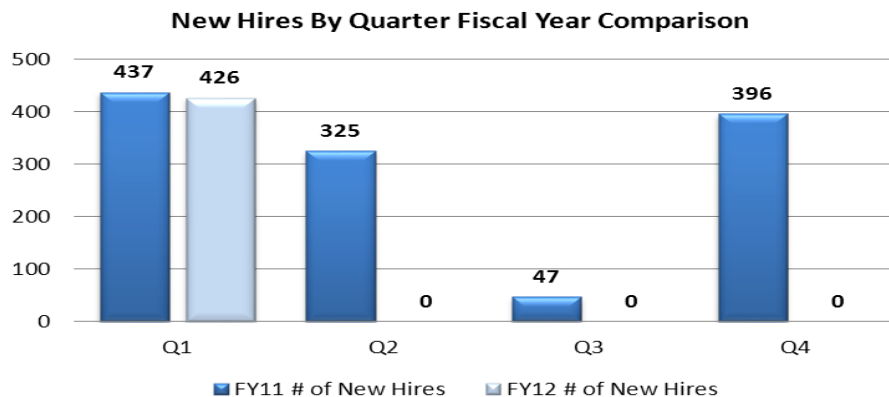
FY12 - 1st Quarter Top Advertised Job Classifications

| Job Classification | # of Job Postings |
|--|-------------------|
| Social Service Community Coordinator | 55 |
| Staff Manager | 24 |
| Office Clerk General | 39 |
| Line II | 20 |
| Psychiatric Technician | 45 |
| Lawyer | 25 |
| Registered Nurse | 14 |
| Family Assistance Analyst | 13 |
| Dietitian & Nutritionist | 13 |
| Accountant & Auditor | 12 |
| Secretary, Except Legal, Medical & Executive | 12 |
| Administrative Operations Manager II | 12 |
| General Manager I | 12 |
| Business Operations Specialist | 20 |

| | |
|---|----|
| Correctional Office & Jailer | 11 |
| Healthcare Surveyor | 10 |
| Behavioral Health Therapist | 10 |
| Highway Maintenance Worker | 18 |
| Management Analyst | 8 |
| Probation Officer & Correction Treatment Specialist | 8 |

Classified Service New Hires

FY12 - 1st Quarter New Hires

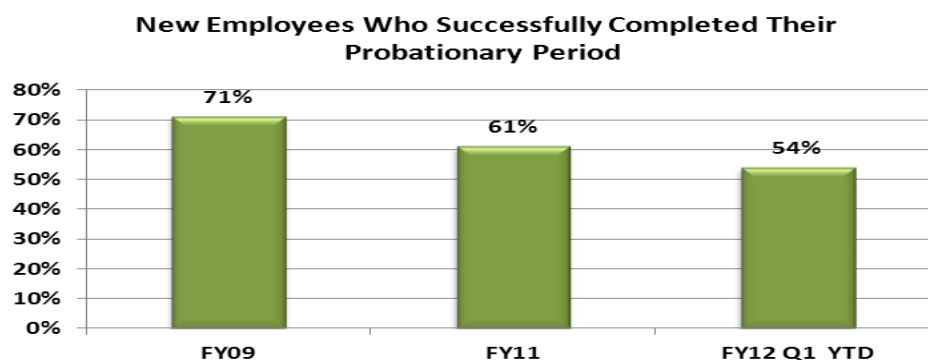


NOTE: Hires represent all non-promotional hires into state government. (Excluded are all internal)

New Employees Who Successfully Completed Their Probationary Period

The Q1 data for FY12 continues to show a decline in the number of employees completing their probationary period. In FY11 there was a 10 percent decrease from FY10 in the number of probationary employees who completed their probationary period. In a poor economic period with the availability of little or no job opportunity, the expectation would be to see more stability or improvement in this metric. This continued decrease remains a major concern.

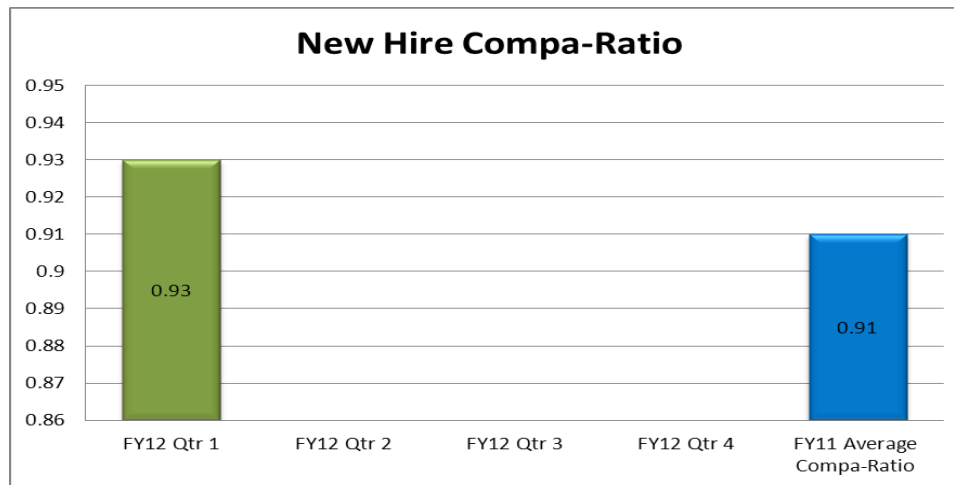
Preliminary analysis indicates that it is largely related to the lack of minimum qualifications for classifications resulting in a number of new hires leaving state government upon realization that they may not be a good fit for the position. Additionally, other contributing factors could include poor interview processes, jobs not adequately described to applicants resulting in not meeting the applicants and/or supervisor expectations. SPO is in process of redesigning management training courses especially with regard to interviewing and selection processes.



**This number is based on New Hires in FY11 Qtr. 1 that completed probationary period during FY12 Qtr. 1*

New Hire Compa-Ratio

The compa-ratio for new hires is well above the expected average and budgeted entry salary. This is indicative of the absence of salary structure adjustments within the past five years resulting in entry salaries of the salary plans lagging behind market.



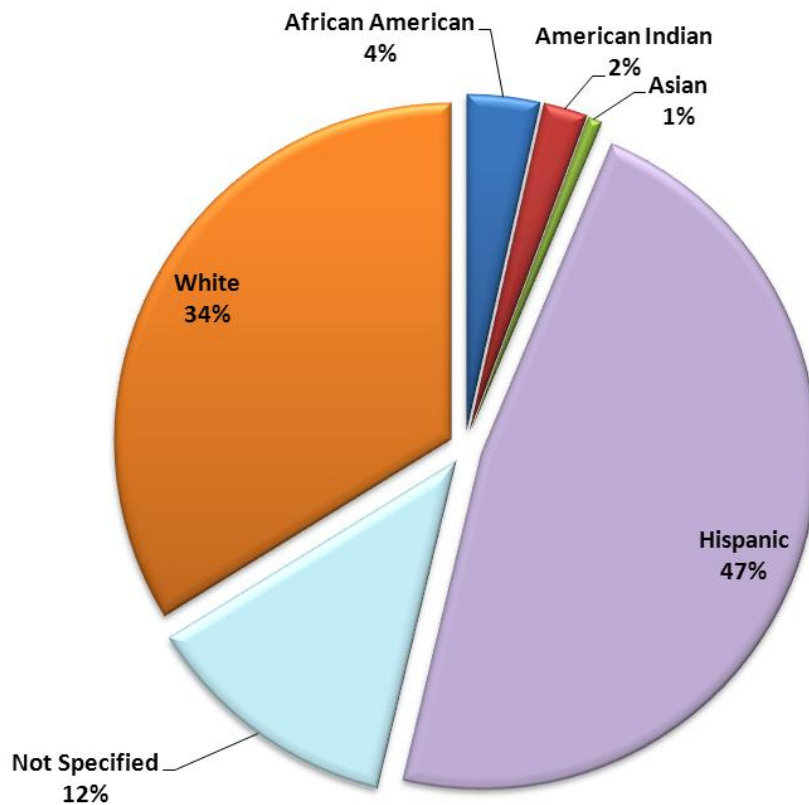
FY12 - 1st Quarter New Hire Compa-Ratio by Pay Band

| Pay Band | Average Compa-Ratio | # of Employees |
|-------------------------------------|---------------------|----------------|
| 25 | 0.90 | 18 |
| 30 | 1.00 | 25 |
| 35 | 1.00 | 18 |
| 40 | 0.94 | 30 |
| 45 | 1.00 | 16 |
| 50 | 0.87 | 67 |
| 55 | 0.85 | 70 |
| 60 | 0.86 | 61 |
| 65 | 1.02 | 33 |
| 70 | 1.01 | 36 |
| 75 | 1.01 | 31 |
| 80 | 1.05 | 5 |
| 85 | 1.02 | 9 |
| 90 | 1.10 | 6 |
| 96 | 0.83 | 1 |
| Average New Hire Compa-Ratio | 0.93 | 426 |

New Hire Demographics

| Ethnicity | Female | Male | Grand Total | % Per Ethnic Group |
|---------------------------|------------|------------|-------------|--------------------|
| African American | 7 | 8 | 15 | 4% |
| American Indian | 6 | 3 | 9 | 2% |
| Asian | | 3 | 3 | 1% |
| Hispanic | 117 | 85 | 202 | 47% |
| Not Specified | 19 | 34 | 53 | 12% |
| White | 78 | 66 | 144 | 34% |
| Grand Total | 227 | 199 | 426 | 100% |
| % Per Gender Group | 53% | 47% | | |

FY12 - 1st Quarter New Hire Percentage per Ethnic Group



New Hire Separations

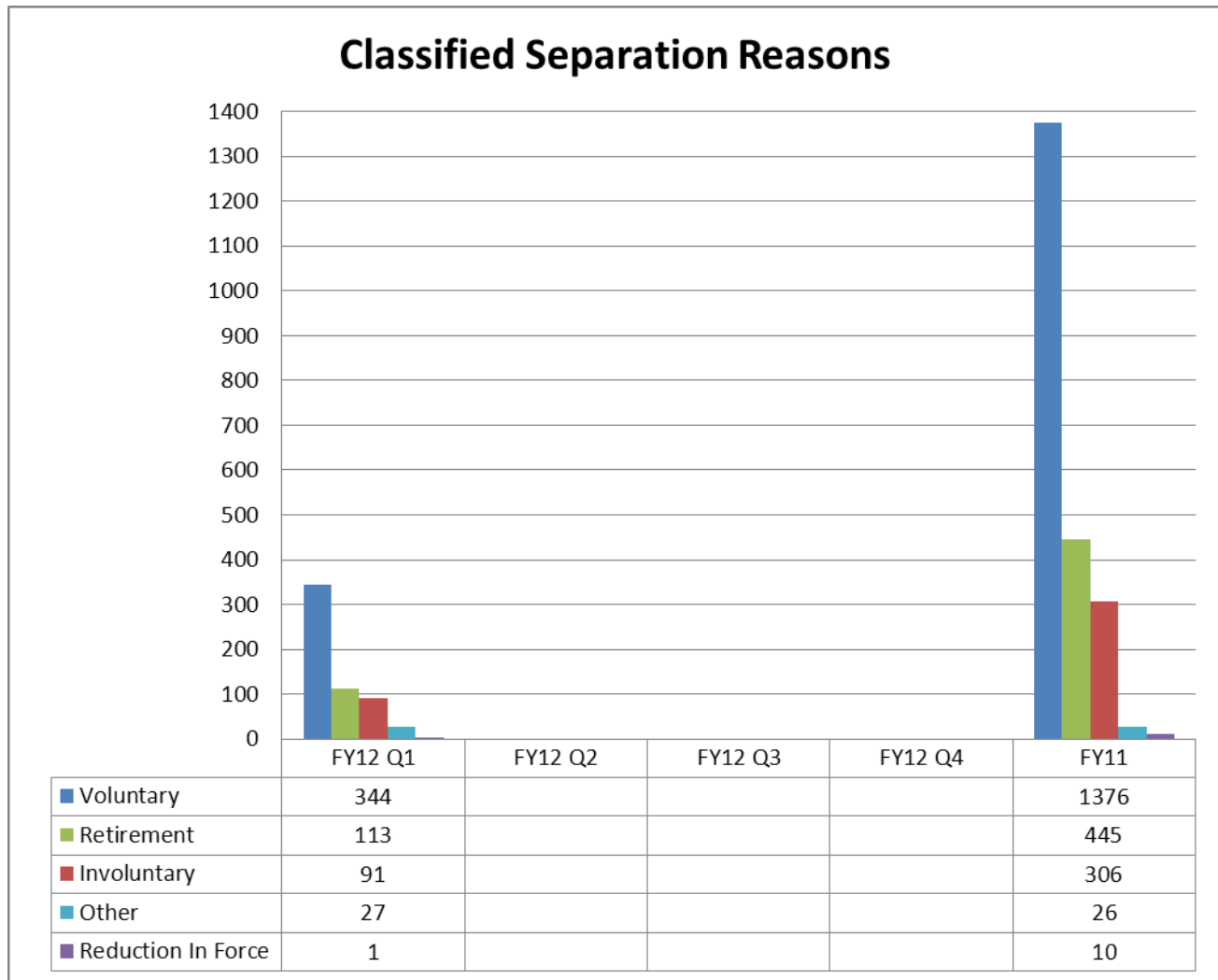
FY12 – 1st Quarter New Hire Separation Reasons

| Separation Reasons | # of Employees |
|-----------------------------------|----------------|
| Accepted New Job (Competitor) | 1 |
| Accepted New Job (Non-Competitor) | 1 |
| End Temporary Employment | 1 |
| Family Reasons | 1 |
| Misconduct | 1 |
| Normal Retirement | 2 |
| Personal Reasons | 5 |
| Position Discontinued | 1 |
| Probation Period Not Completed | 1 |
| Quit without Notice | 2 |
| Resignation | 8 |
| Resignation-Other Position | 1 |
| Unsatisfactory Performance | 1 |
| Total | 26 |

FY12 – 1st Quarter New Hire Separation by Agency

| Agency | # of Employees |
|---------------------------------------|----------------|
| Children, Youth & Families Department | 4 |
| Department of Cultural Affairs | 1 |
| Department of Health | 4 |
| Dept. of Workforce Solutions | 4 |
| Human Services Department | 4 |
| New Mexico Corrections Department | 6 |
| Public Defender | 1 |
| Public Education Department | 2 |
| Total | 26 |

Classified Employee Separations



Classified Separations by Reason

| Separation Reason | Number of Employees |
|-----------------------------------|---------------------|
| Resignation | 188 |
| Normal Retirement | 104 |
| Personal Reasons | 60 |
| Misconduct | 26 |
| Position Discontinued | 25 |
| Accepted New Job (Non-Competitor) | 18 |
| Accepted New Job (Competitor) | 18 |
| Return to School | 17 |
| Health Reasons | 14 |
| Attendance | 11 |
| Relocation | 11 |
| Quit without Notice | 11 |
| Resignation-Other Position | 9 |

| Separation Reason | Number of Employees |
|---|---------------------|
| Family Reasons | 8 |
| Probation Period Not Completed | 6 |
| Death | 6 |
| Unsatisfactory Performance | 6 |
| Disability Retirement | 5 |
| Discharge | 5 |
| Failed Condition of Employment | 4 |
| Vested Retirement | 4 |
| Insubordination | 3 |
| Violation of Rules | 3 |
| Other Medical | 3 |
| End Temporary Employment | 2 |
| Dissatisfied w/Work Conditions | 2 |
| Military | 2 |
| Illness in Family | 1 |
| Dissatisfied with Pay | 1 |
| Mutual Consent | 1 |
| Non Job Connected Medical | 1 |
| Reduction In Force - SPO Board Approved | 1 |
| | 576 |

Classified Separations by Agency

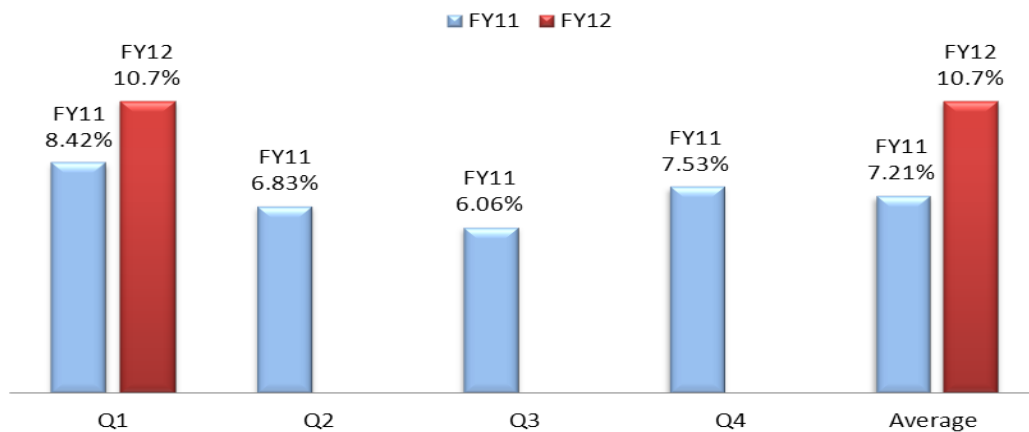
| Agency Name | Number of Employees |
|--|---------------------|
| Department of Health | 129 |
| Human Services Department | 79 |
| New Mexico Corrections Department | 76 |
| Children, Youth & Families Department | 64 |
| Department of Transportation | 40 |
| Taxation & Revenue Department | 23 |
| Public Education Department | 17 |
| Department of Workforce Solutions | 14 |
| Department of Public Safety | 14 |
| Department of Environment | 13 |
| Department of Cultural Affairs | 12 |
| Miners Colfax Medical Center | 12 |
| General Services Department | 10 |
| Public Defender | 7 |
| Regulation & Licensing Department | 7 |
| Department of Game & Fish | 6 |
| Department of Finance & Administration | 5 |
| Economic Development Department | 3 |
| Public Regulation Commission | 4 |
| NM Higher Education Department | 4 |

| Agency Name | Number of Employees |
|---|---------------------|
| Military Affairs | 3 |
| Tourism Department | 2 |
| Aging & Long-Term Services Department | 3 |
| Energy, Minerals & Natural Resources Department | 3 |
| Department of Vocational Rehabilitation | 2 |
| Office of the State Engineer | 2 |
| State Personnel Board | 2 |
| Public Employee Retirement Association | 2 |
| Homeland Security & Emergency Management | 2 |
| Workers Compensation Admin | 2 |
| EXPO New Mexico | 2 |
| Educational Retirement Board | 2 |
| Retiree Health Care Authority | 2 |
| Department of Veteran Services | 1 |
| Department of Indian Affairs | 1 |
| Developmental Disabilities Planning Commission | 1 |
| Gaming Control Board | 1 |
| State Land Office | 1 |
| Commission for the Blind | 1 |
| Com for Deaf/Hard of Hearing | 1 |
| State Treasurer | 1 |
| Total | 576 |

Statewide Classified Turnover Rate

The statewide classified employee turnover rate is 10.7% as shown in the graph. The table illustrates classified employee quarterly turnover rates by department. The statewide agency trend lines in turnover are being tracked and will be watched closely over this fiscal year. It should be noted that this is the first time that information has been presented on all agencies that will allow meaningful analysis.

Statewide Turnover Rate



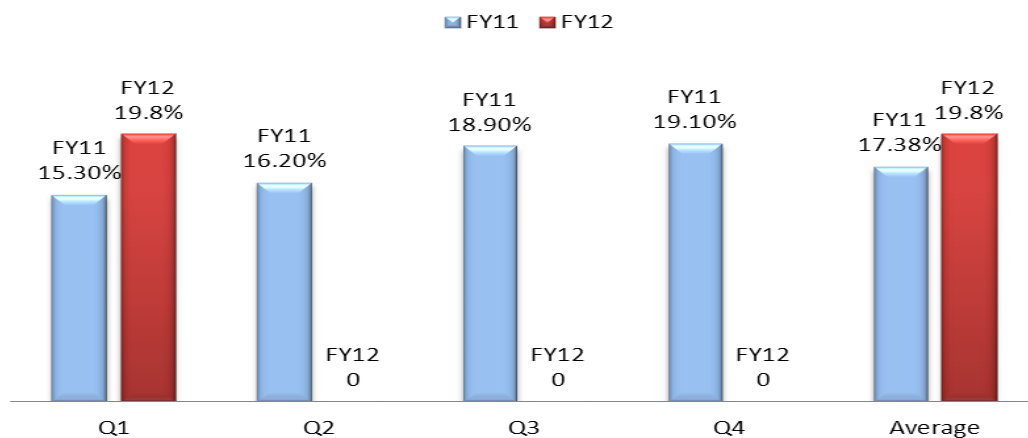
| Business Unit | Agency Name | Q1 | Q2 | Q3 | Q4 | FY12 Average |
|---------------|---|-------|----|----|----|--------------|
| 30800 | State Auditor | 5.0% | | | | 5.0% |
| 33300 | Taxation & Revenue Department | 7.8% | | | | 7.8% |
| 33700 | State Investment Council | 0.0% | | | | 0.0% |
| 34100 | Department of Finance & Administration | 19.0% | | | | 19.0% |
| 34200 | Public School Insurance Authority | 0.0% | | | | 0.0% |
| 34300 | Retiree Health Care Authority | 0.0% | | | | 0.0% |
| 35000 | General Services Department | 4.5% | | | | 4.5% |
| 35200 | Educational Retirement Board | 4.1% | | | | 4.1% |
| 35500 | Public Defender | 9.0% | | | | 9.0% |
| 36100 | Dept. of Information Technology | 2.5% | | | | 2.5% |
| 36600 | Public Employee Retirement Assoc. | 13.1% | | | | 13.1% |
| 36900 | Commission of Public Records | 12.9% | | | | 12.9% |
| 37000 | Secretary of State | 3.7% | | | | 3.7% |
| 37800 | State Personnel Board | 16.7% | | | | 16.7% |
| 39400 | State Treasurer | 18.5% | | | | 18.5% |
| 40400 | Architect Examiners Board | 0.0% | | | | 0.0% |
| 41700 | Border Development Authority | 0.0% | | | | 0.0% |
| 41800 | Tourism Department | 10.6% | | | | 10.6% |
| 41900 | Economic Development Department | 27.8% | | | | 27.8% |
| 42000 | Regulation & Licensing Dept. | 5.1% | | | | 5.1% |
| 43000 | Public Regulation Commission | 10.6% | | | | 10.6% |
| 44600 | Medical Examiners Board | 0.0% | | | | 0.0% |
| 44900 | Board of Nursing | 7.1% | | | | 7.1% |
| 46000 | EXPO New Mexico | 9.1% | | | | 9.1% |
| 46400 | Professional Engineers & Land Surveyors Board | 16.7% | | | | 16.7% |
| 46500 | Gaming Control Board | 5.1% | | | | 5.1% |
| 46900 | State Racing Commission | 0.0% | | | | 0.0% |
| 47900 | Veterinary Examiners Board | 0.0% | | | | 0.0% |
| 49500 | Spaceport Authority | 0.0% | | | | 0.0% |
| 50500 | Department of Cultural Affairs | 5.1% | | | | 5.1% |
| 50800 | Livestock Board | 1.5% | | | | 1.5% |
| 51600 | Department of Game & Fish | 10.5% | | | | 10.5% |
| 52100 | Energy, Minerals & Natural Resources Department | 33.4% | | | | 33.4% |
| 52200 | Youth Conservation Corps | 0.0% | | | | 0.0% |
| 53900 | State Land Office | 6.8% | | | | 6.8% |
| 55000 | Office of the State Engineer | 4.8% | | | | 4.8% |
| 56900 | Organic Commodities Commission | 0.0% | | | | 0.0% |
| 60100 | Commission on the Status of Women | 0.0% | | | | 0.0% |
| 60300 | Dept. of African American Affairs | 33.3% | | | | 33.3% |
| 60400 | Com for Deaf/Hard of Hearing | 9.1% | | | | 9.1% |
| 60600 | Commission for the Blind | 1.8% | | | | 1.8% |
| 60900 | Department of Indian Affairs | 50.0% | | | | 50.0% |
| 62400 | Aging & Long-Term Services Department | 7.0% | | | | 7.0% |
| 63000 | Human Services Department | 12.2% | | | | 12.2% |
| 63100 | Dept. of Workforce Solutions | 9.8% | | | | 9.8% |
| 63200 | Workers Compensation Admin | 5.0% | | | | 5.0% |
| 64400 | Dept. of Vocational Rehabilitation | 4.7% | | | | 4.7% |
| 64500 | Governor's Comm. on Disability | 0.0% | | | | 0.0% |

| Business Unit | Agency Name | Q1 | Q2 | Q3 | Q4 | FY12 Average |
|---|--|--------------|----|----|----|--------------|
| 64700 | Development Disabilities Planning Commission | 6.7% | | | | 6.7% |
| 66200 | Miners Colfax Medical Center | 18.2% | | | | 18.2% |
| 66500 | Department of Health | 9.1% | | | | 9.1% |
| 66700 | Department of Environment | 5.5% | | | | 5.5% |
| 66800 | Office of Natural Resource Trustee | 0.0% | | | | 0.0% |
| 66900 | Health Policy Commission | 0.0% | | | | 0.0% |
| 67000 | Department of Veteran Services | 3.0% | | | | 3.0% |
| 69000 | Children, Youth & Families Department | 7.9% | | | | 7.9% |
| 70500 | Military Affairs | 6.5% | | | | 6.5% |
| 76000 | Adult Parole Board | 25.0% | | | | 25.0% |
| 77000 | New Mexico Corrections Department | 20.6% | | | | 20.6% |
| 78000 | Crime Victims Reparation Commission | 0.0% | | | | 0.0% |
| 79000 | Department of Public Safety | 4.2% | | | | 4.2% |
| 79500 | Homeland Security & Emergency Management | 10.0% | | | | 10.0% |
| 80500 | Department of Transportation | 7.7% | | | | 7.7% |
| 92400 | Public Education Department | 37.6% | | | | 37.6% |
| 95000 | NM Higher Education Department | 21.2% | | | | 21.2% |
| FY12 Classified Statewide Turnover Rate/Q1 | | 10.7% | | | | 10.7% |

Vacancy Rates

High vacancy rates continue to be experienced as agencies continue to have a disproportionate number of unfilled and unbudgeted positions. Due to funding restrictions, agencies continue to experience vacancy factors applied to their budget forcing positions to remain unfilled. The state's current rate is 19.8 percent as compared to FY11's fourth quarter rate of 19.10 percent.

Statewide Vacancy Rate



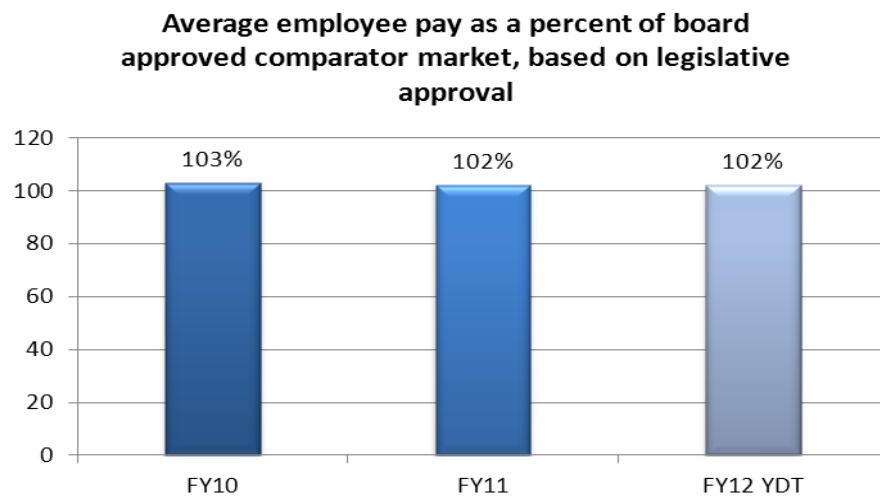
Quarterly Vacancy Rates for the 20 Key Agencies

| Business Unit | Agency | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | FY12 Average |
|---------------|---|--------------|----------|----------|----------|--------------|
| 21800 | Administrative Office of the Courts | 9.2% | | | | 9.2% |
| 23200 | 2nd Judicial District Court | 8.2% | | | | 8.2% |
| 24400 | Bernalillo Metropolitan Court | 12.0% | | | | 12.0% |
| 33300 | Taxation & Revenue Department | 30.4% | | | | 30.4% |
| 35000 | General Services Department | 25.4% | | | | 25.4% |
| 35500 | Public Defender | 19.3% | | | | 19.3% |
| 42000 | Regulation & Licensing Department | 21.2% | | | | 21.2% |
| 50500 | Department of Cultural Affairs | 17.3% | | | | 17.3% |
| 52100 | Energy, Minerals & Natural Res. Dept. | 34.2% | | | | 34.2% |
| 55000 | Office of the State Engineer | 21.4% | | | | 21.4% |
| 63000 | Human Services Department | 22.1% | | | | 22.1% |
| 63100 | Department of Workforce Solutions | 20.0% | | | | 20.0% |
| 64400 | Department of Vocational Rehabilitation | 23.0% | | | | 23.0% |
| 66500 | Department of Health | 19.1% | | | | 19.1% |
| 66700 | Department of Environment | 20.1% | | | | 20.1% |
| 69000 | Children, Youth & Families Department | 17.4% | | | | 17.4% |
| 77000 | New Mexico Corrections Department | 24.6% | | | | 24.6% |
| 79000 | Department of Public Safety | 19.4% | | | | 19.4% |
| 80500 | Department of Transportation | 19.8% | | | | 19.8% |
| 92400 | Public Education Department | 33.3% | | | | 33.3% |
| | State Wide Vacancy Rate | 19.8% | | | | 19.8% |

Compensation Design & Analysis

Average Compa-Ratio

Average employee pay as a percent of board approved eight surrounding states comparator market.



Quality Assurance Bureau

The mission of SPO's Quality Assurance (QA) Bureau is to "Work in partnership with the Board, SPO management and state agencies to provide an objective review process to guide and add value to the delivery of human resource programs." To accomplish this mission, QA endeavors to: provide timely, quality service to the board, the director, and state government agencies on the delivery of human resource program matters; recommend improvements in state government emphasizing economy, efficiency, compliance and effectiveness; and conduct other value-added reviews and projects as requested by the board and director.

QA has been dedicated in developing reports and methods to provide quality information used in reporting to state agencies and in fulfilling Executive and Legislative requests. During FY11 QA has been involved with system reviews of PeopleSoft. During the 4th quarter of FY11 staff became part of the new NEOGOV Recruitment System core team to assist in the integration process as well as the ongoing administration of this system.

In FY12, QA continues its focus on pay mechanisms available for agency use to attract and retain a qualified workforce. Staff within SPO's Agency HR Services Bureau review all Temporary Recruitments and Retention Differentials, Temporary Salary Increases, and In Pay Band adjustments. QA validates and confirms actions to ensure the accuracy of internal reports as well as PeopleSoft system entry.

Training Bureau

The primary objective of the Training Bureau at SPO is to offer consistent training to managers, supervisors and other employees of agencies in state government. The Training Bureau partnered with a variety of state agency trainers to establish two committees regarding statewide training.

- The Training Governance Committee (TGC), which met twice this quarter, plans to meet quarterly to determine future trainings, both in a classroom setting and on-line: and
- An Ethics Training Committee which has met four times this quarter and is currently developing an on-line Ethics course. The committee has been meeting regularly to finalize this course.

While some agencies offer agency specific training programs, SPO trainings are open to all employees throughout state government. In the first quarter of FY12, a total of 156 state employees were trained.

One course, *Managing Employee Performance Using the Fundamentals of Supervision* (MEP), is offered by SPO as mandated by the State Personnel Board Rules – Subsection A of 1.7.9.9 NMAC – “Managers and supervisors must successfully complete a director-approved course of study on employee performance appraisal within 90 days of appointment as a supervisor.”

The MEP course includes the following sections:

- **Supervision and Leadership**
- **Transitioning to Supervisor**
- **Communication Tools for Supervisors**
- **Employee Evaluations**
- **Realigning Employee Performance**
- **Engaging Workplace Conflict**
- **Generational Differences in the Workplace**
- **Ethics in the Workplace**

- **Employment Law**

A total of 108 managers and supervisors completed this one-day training during this quarter. Most of this training was done at the SPO office, but the Training Bureau has delivered the training at other agencies within Santa Fe, upon request. In the first quarter training was specialized and delivered to four other agencies at their offices.

The Training Bureau also offers two-hour “Mini-Courses” to state employees including:

- **Team Building,**
- **Communication in the Workplace,**
- **Customer Service, Professional Writing,**
- **How to Conduct a Good Interview,**
- **How to Interview for a Job, Conflict Resolution,**
- **Making Meeting Matter and**
- **Public Speaking.**

In the first quarter, a specialized training in *Teamwork and Conflict Management* was delivered to 32 employees of one agency and 16 employees at another agency were trained in *Team Building*. Two new courses on *Investigation* and *Progressive Discipline* are near completion. These two courses will be offered by SPO staff to managers and supervisors.

The SPO Training Bureau will continue to expand the training opportunities for all employees in state government.

Adjudication Bureau

The Adjudication Bureau is responsible for conducting evidentiary hearings on appeals filed by classified state employees against whom disciplinary action (suspension, demotion or dismissal) has been taken. Following pre-hearing discovery and exchange of information, the Administrative Law Judge conducts an administrative hearing at which the state agency taking disciplinary action and the affected employee presents evidence and arguments related to the disciplinary action. A majority of hearings are now conducted using video conference. Following the hearing, the Administrative Law Judge prepares written Recommended Decisions for consideration for a final decision by the State Personnel Board.

Although the District Attorney’s Association and the Department of Public Safety have their own personnel boards, employees of those agencies (excluding State Police officers) may select the State Personnel Board to decide their appeals.

In addition, the State Personnel Board is charged with making findings on complaints filed against Workers’ Compensation Judges and forwarding its finding to the Director of the Workers’ Compensation Administration. The Adjudication Division conducts evidentiary hearings for the State Personnel Board for that purpose as well.

If a classified state employee is “separated” from their job as a result of injury or illness (on the job or off the job), the employee has the right to file an appeal and have a hearing on the issue of whether the employee was properly separated from employment.

Classified employees who are covered by a Collective Bargaining Agreement have the option of choosing an outside Arbitrator to decide their appeals of disciplinary action. The Adjudication Bureau receives all requests for arbitration and provides notice to the employee, employer and Union of the request for arbitration.

For the 1st Quarter of FY 2012, the adjudication bureau received 38 appeals; 3 of the appellants (disciplined employees) requested arbitration. For the calendar year to date (which is how appeals are docketed) 112 appeals have been filed;

of which 13 have requested arbitration. If appeals continue to be filed at this rate, it could be another record-setting year for appeals. In calendar year 2010, 147 total appeals were filed.

The parties to 4 of the appeals in the 1st Quarter requested Alternative Dispute Resolution and were assigned a settlement facilitator. 2 appeals were resolved using ADR during the 1st Quarter, saving the participants (including the State of New Mexico) several thousand dollars.

37 appeals reached final disposition in Q1 2012 through State Personnel Board decisions, ADR, other settlement, or dismissal.

The Administrative Law Judges continue to rely solely on videoconferencing to conduct hearings outside Santa Fe. The agency taking disciplinary action is typically assigned to make videoconferencing arrangements between their Santa Fe office and the field office involved in taking disciplinary action. The ALJ conducts the hearing from Santa Fe, while the attorneys (or representatives) and witnesses typically appear at the remote location.

Labor Relations Bureau

The primary initiative of the Labor Relations Bureau (LRB) is partnering with agencies and labor unions to help develop relationships and resolve grievance issues at the lowest possible level. Since the change of administration the bureau has been supporting a seamless transition by evolving relationships both internally and externally while making modifications reflecting our new leadership and maintaining consistent application of three labor contracts.

A total of 56 grievances were filed during this quarter; 41 by AFSCME and 15 by CWA. Out of the total filed, 6 were settled, 0 were withdrawn by the union, 12 timed out and the remaining 38 are continuing through the grievance process. There were 11 Prohibited Practice Complaints filed; 7 by AFSCME, 1 by CWA, 1 by FOP and 2 filed by the State. There were 3 disciplinary appeals before an arbitrator invoked by the employee and/or represented by AFSCME during the 1st quarter.

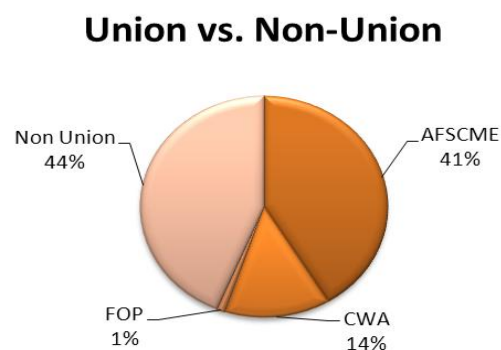
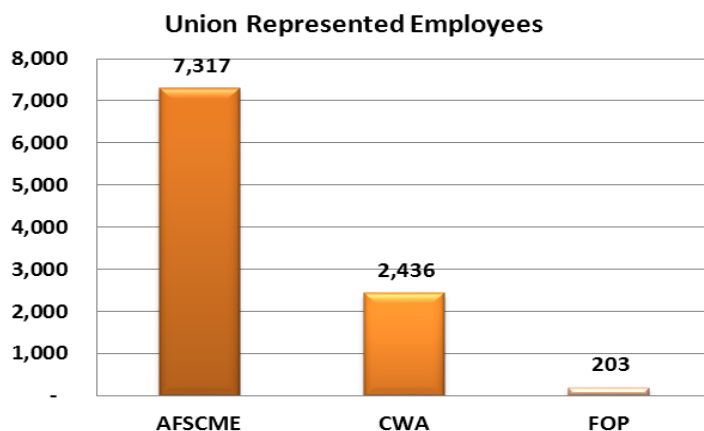
The LRB continues to support state supervisors and managers through a variety of training options and assisting in grievance meetings, PPCs and arbitration hearings. This quarter the LRB conducted four *Living in a Union Environment* training classes. A total of 72 managers and supervisors attended in Albuquerque and Santa Fe.

The LRB was asked to present labor issues within State Government before the Rocky Mountain Public Employer Labor Relations Association (RMPELRA). The RMPELRA focuses on Labor Management and Human Resource issues that affect public sector managers in the Rocky Mountain region as well as regional and national topics dealing with current human resources and labor relations issues.

This quarter the state of New Mexico entered into contract negotiations with the three unions that represent state employees. The LRB is intimately involved with the negotiation process. This process involves negotiating over hours, wages and working conditions that affect over 10,000 state employees.

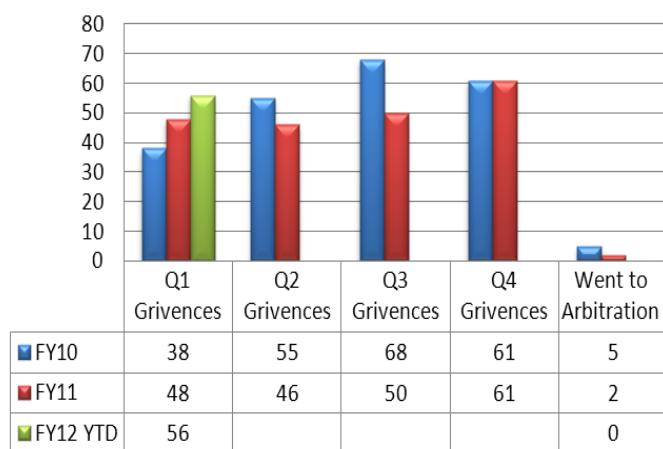
In November and December of 2010, the LRB partnered with the Federal Mediation and Conciliation Service to co-facilitate Interest Based Negotiations between the United States Air Force Materials Command and the American Federation of Government Workers. The negotiations were successful and the LRB received word that the contract was ratified. In September 2011, the LRB was invited to attend a ceremonial dinner. The LRB is honored to have been able to assist the two parties in coming to terms on their new collective bargaining agreement and being a part of their ceremonial dinner.

Union Represented vs. Non-Union

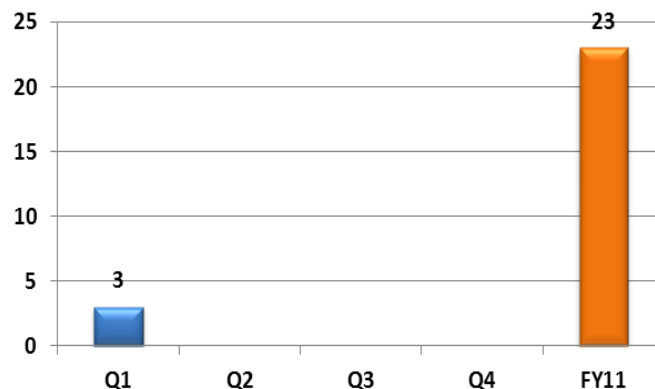


Labor Relations Bureau Performance Measures

Union Grievances resolved prior to formal arbitration



Number of disciplinary actions (union covered) positions appealing to arbitration rather than to SPB



Cost Paid by State for Arbitration

