New Mexico State Personnel Office

FY13 4th 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

The State Personnel Office's (SPO) mission is to provide to the State of New Mexico human resource leadership, direction, and service to maximize state government's ability in serving the citizens of New Mexico. SPO issues a quarterly report, as required by the Accountability in Government Act (AGA), to address HR metrics established within the General Appropriations Act (GAA). As time goes on, this report will constantly be modified to identify other metrics to facilitate and enhance the State's ability to evaluate HR issues impacting management throughout state government. Constantly reviewing these metrics is critically important in order to identify and address the myriad of challenges currently impacting the State's workforce.

SPO is required, and expected, to conduct and lead workforce planning and policy development throughout state government on human resource issues. To accomplish this mission SPO, while working in partnership with the State Personnel Board and state agencies, endeavors to:

- Provide timely and quality service to the Board, the Governor, and state government agencies on the delivery of human resource programs;
- Recommend improvements in state government emphasizing economy, efficiency, compliance, effectiveness; and
- Conduct value-added reviews and projects as requested by the Board and/or Director.

The state currently faces a myriad of classification and compensation issues in addition to impending retirement that requires accurate and timely data.

Sincerely,

Eugene J. Moser
Director

Workforce Overview

Since FY09 the state's workforce demographics show a significant change due largely to retirements, normal attrition, and budgetary limitations. SPO has initiated the following to begin to stabilize and increase a qualified work force through:

- An on-line application process (NEOGOV),
- Revisions of classification requirements to closely align job duties with requisite minimum qualifications required for these positions, and
- Initiation of a compensation review to make State classifications competitive with both the public and private sector.
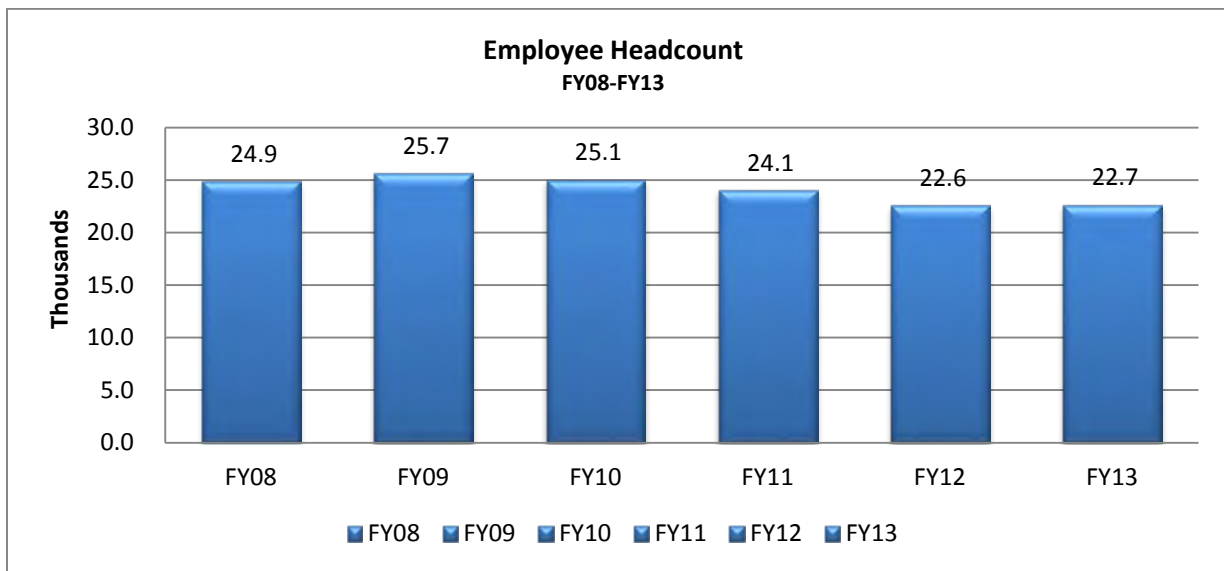
State employee levels shown for FY13 increased slightly by 0.3% over FY12. From FY10 through FY12 the reduction in employees (-13.5%) in the classified service occurred without major layoffs. This is largely due to a continued assessment of the need to fill vacant positions and poorly designed and restrictive non-competitive compensation plans, employee retirements, resignations. The following graph illustrates this impact.

	FY09	FY10	FY11	FY12	FY13 (YTD)
Executive	2.7%	-2.7%	-4.2%	-6.6%	0.3%
Legislative	11.1%	-2.2%	-3.4%	0.6%	-3.5%
Courts	5.1%	0.3%	-1.4%	-2.6%	0.1%
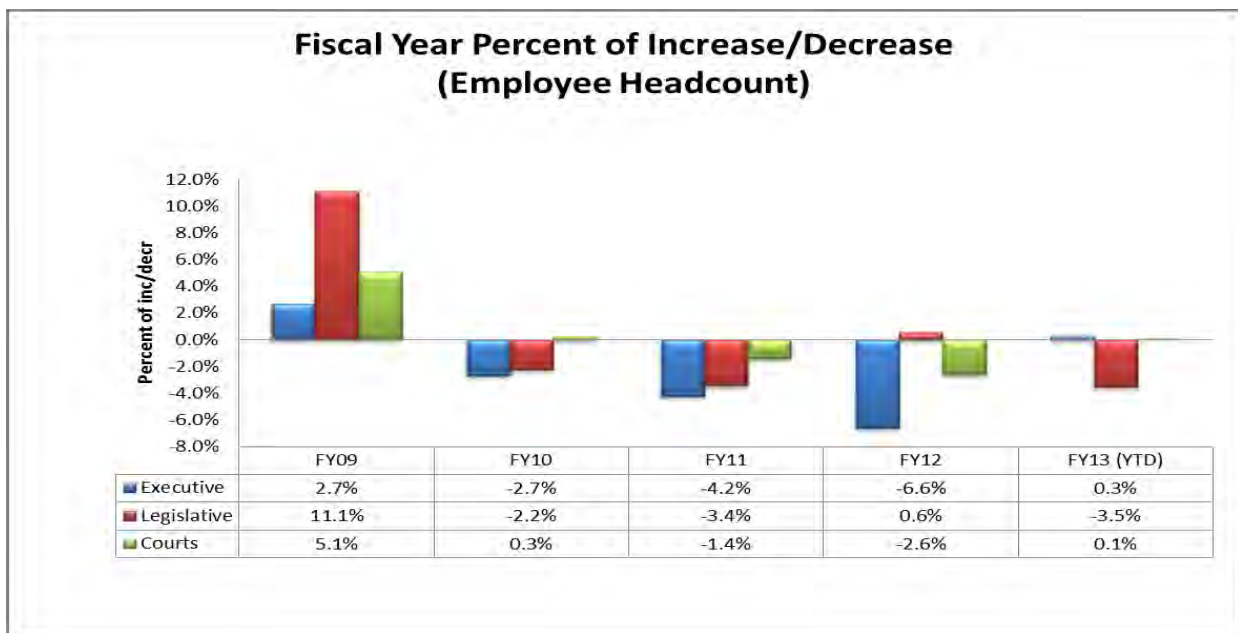
Classified Services at a Glance (June 30, 2013)

Workforce Data	
Union Represented Employees	56.5%
Minority	62.8%
Female	54.4%
Male	45.6%

Total Employees: 17,911

Regular: 15,578

Term: 1,973

Temporary: 360

Managers & Supervisors: 3,855
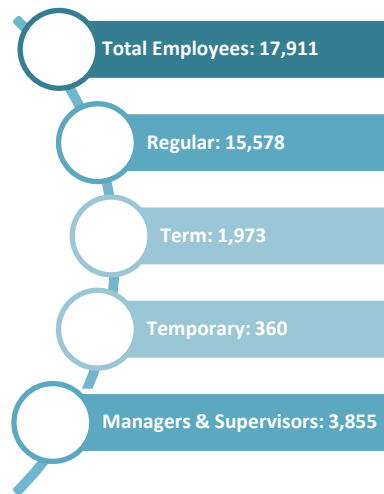
TOTAL COMPENSATION
AS OF
June 30, 2013
- AVERAGE BASE SALARY **$41,850**
- AVERAGE BENEFIT **$28,107**
- AVERAGE TOTAL COMPENSATION **$69,956**
- AVERAGE CLASSIFIED EMPLOYEE COMPA-RATIO **99.5%**

FY13 Classified Employees Workforce

	Q1	Q2	Q3	Q4
Regular Employees	15,429	15,530	15,598	15,578
Term Employees	1,946	1,970	1,975	1,973
Temporary Employees	250	247	223	360

Total Compensation

Total compensation is an industry standard in assessing employee average base salaries as compared to benefits provided by the employer. Benefit expenditures provided by the State includes retirement, health and other insurances, FICA, and leave (annu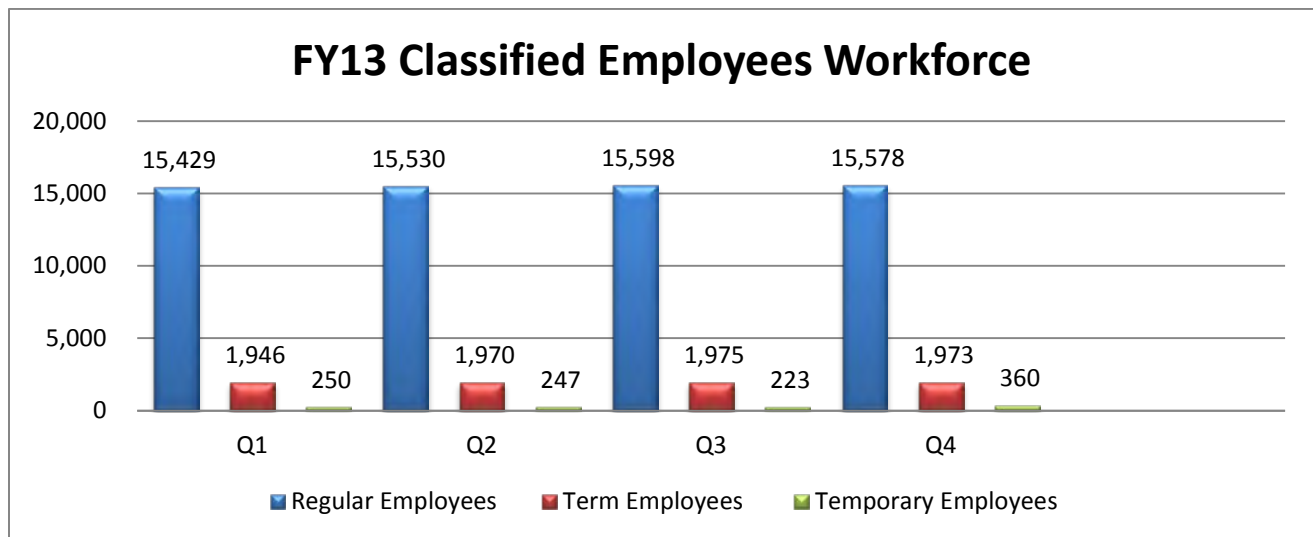al, sick, etc.) costs. The following graph shows the significant growth in the average benefit expenditures by the State rising significantly. The FY09 increase was largely due to legislative changes in both employee retirement and Retiree Health Care insurance contributions. However, in FY14 benefit costs as a percentage of total compensation will significantly rise as health care insurance rates will significantly increase. Between FY07 and FY09 average benefits account for 39.5% of an employee's total compensation package. Over this same period base the average compensation (salary) expenditures rose 8.8% as compared to the growth rate of 19.2% for benefit costs. Anticipated FY14 increases in benefit costs will continue to exaggerate this separation.

Total Classified Compensation

Chart legend:
- Average Base Salary
- Average Benefit

|	FY07	FY08	FY09	FY10	FY11	FY12	FY13 Q4
Average Base Salary	$38,661	$40,594	$42,099	$42,058	$41,986	$41,912	$41,850
Average Benefit	$23,502	$23,502	$28,028	$27,387	$27,867	$27,328	$28,107
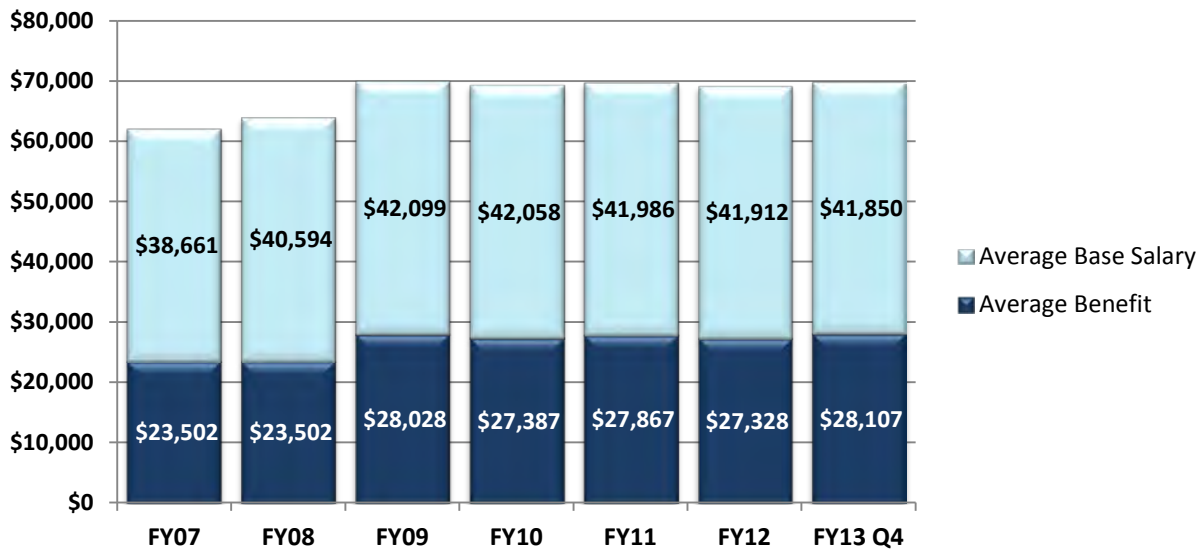
The increase in benefit expenditure directly impacts the State's ability to address the competitiveness of employee base compensation.

Multiple Components of Pay (MCOP)

Various pay mechanisms permitted through the State Personnel Board (SPB) Rules were developed as mechanisms to enhance recruitment and retention efforts to attract and retain a qualified workforce. These were not developed to be permanent resolutions. The following provisions within the SPB Rules are currently authorized:

- **Temporary Recruitment Differentials** (TREC) are allowed for positions determined to be critical to meet the business needs of an agency experiencing difficulties in recruitment.

- **Temporary Retention Differentials** (TRET) provide a methodology to retain an employee critical to meet the business needs of an agency that would otherwise be disrupted if an employee left the position.

- **Temporary Salary Increases** (TSI) are provided when an employee temporarily accepts and consistently performs additional duties characteristic 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.

- **In-Pay Band Salary Adjustments** (IPB's) are allowed to increase an employee's base compensation up to 10% within a Fiscal Year provided the employee's performance has demonstrated placement at a higher compa-ratio. This pay mechanism allows for salary growth within the Pay Band. The Department of Finance and Administration must also review IPB's to ensure current and future agency budget availability.

These temporary provisions were developed largely due to budgetary restrictions for pay increases since FY09; however, in most cases these temporary increases were not terminated as required by SPB rules. In FY11 SPO began to ensure compliance with SPB rules. This resulted in a major initiative beginning to properly review and classify positions resulting in minimal impact to employee pay while remaining within budgetary allocations and complying with SPB rules. It must be pointed that the State's pay structure has not been addressed since 2001 compounding the loss of retiring employees in many critical positions throughout state government and impacting the State's ability to attract and retain qualified applicants. The following graph shows the impact of these efforts in a significant decrease in all temporary MCOPs. This effort in conjunction with pay plan initiatives will continue to result in both retention and recruitment of state employees.

Multiple Components of Pay By Fiscal Year
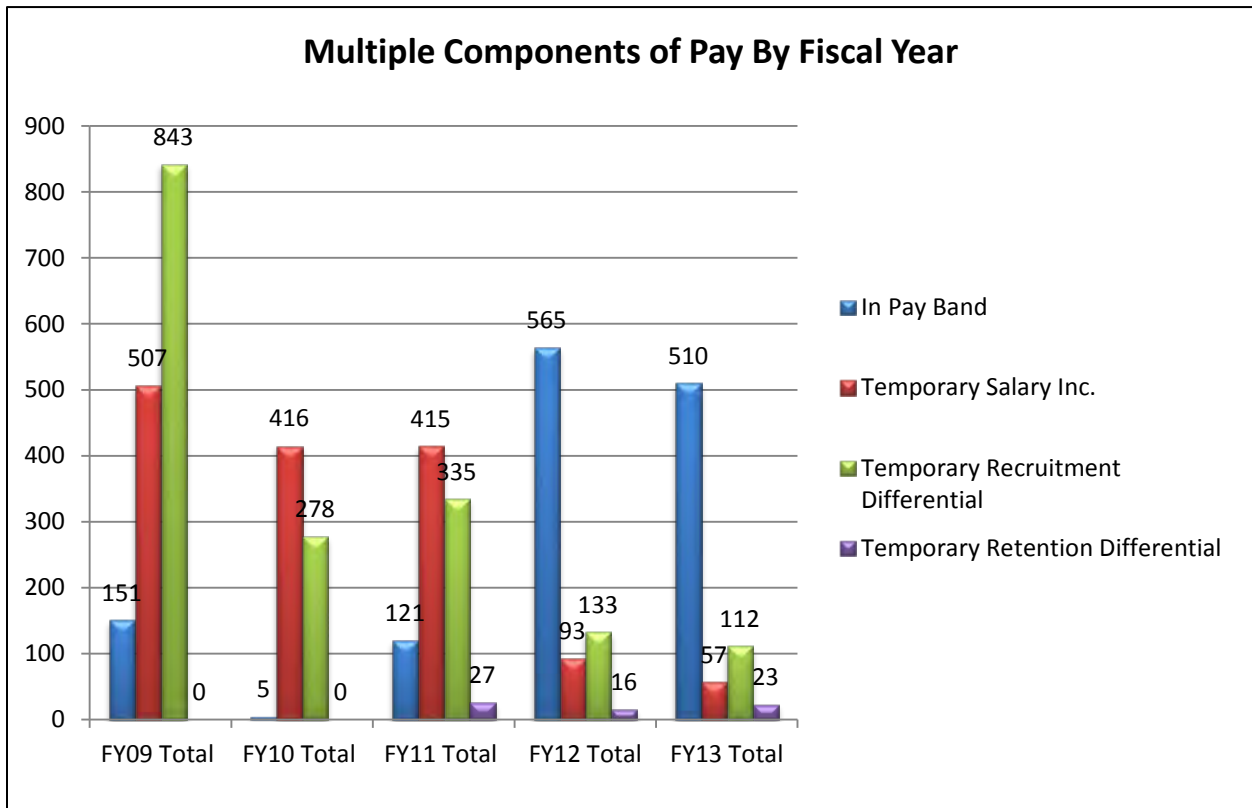
The continued decline in the average compa-ratio is largely due to revisions of pay levels for classifications and an increase in the number of state employees retiring due to changes in the State's retirement plans. Evaluation review of other states' activity in addressing this issue is being conducted by SPO for possible implementation.

Average Employee Compa-Ratio
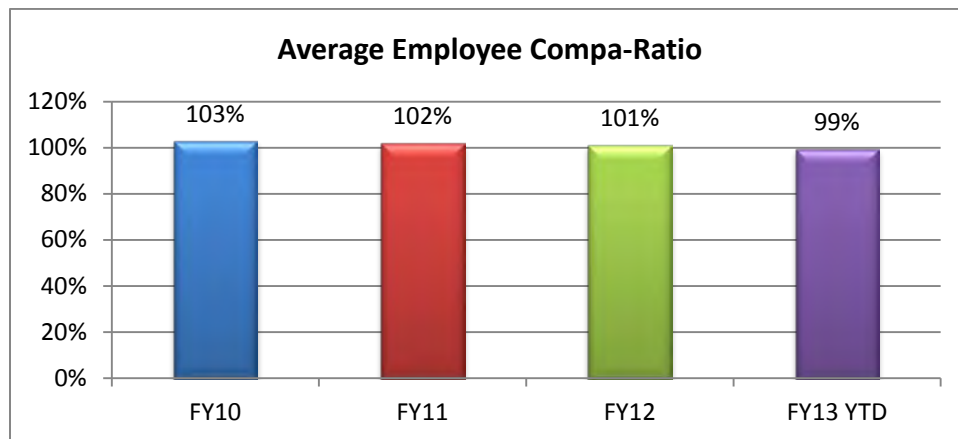
Annual Key Performance Measures

Performance evaluation remains a critical tool in assessing the quality of the workforce, recognizing employee efforts, activities and providing guidance in employee development. Performance Evaluations are a requirement outlined within the SPB Rules and Regulations. However, without a linkage to pay increases many employees and supervisors feel this activity is not worth the effort. However, research demonstrates an evaluation, even absent linkage to pay, creates the opportunity to not only recognize and document performance, but to create a non-threatening manner in improving the quality of the workforce. In FY13 approximately 95 percent of eligible employees were evaluated.

Since the initiation of minimum qualification standards for all classifications under the Personnel Act there was a number of employees completing their probationary period have remained flat. This is partly a direct result of reestablishment of

minimum qualifications for classifications and in part due to the necessity of conducting a classification and compensation review.

Percent of departments/agencies with over ninety percent of personnel evaluations completed

New Employees Who Successfully Completed Their Probationary Period

This Number is based on New Hires in FY12 that completed probationary period during FY13
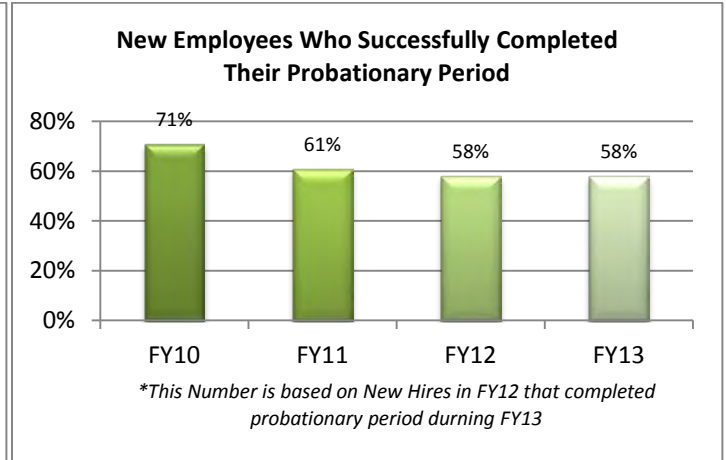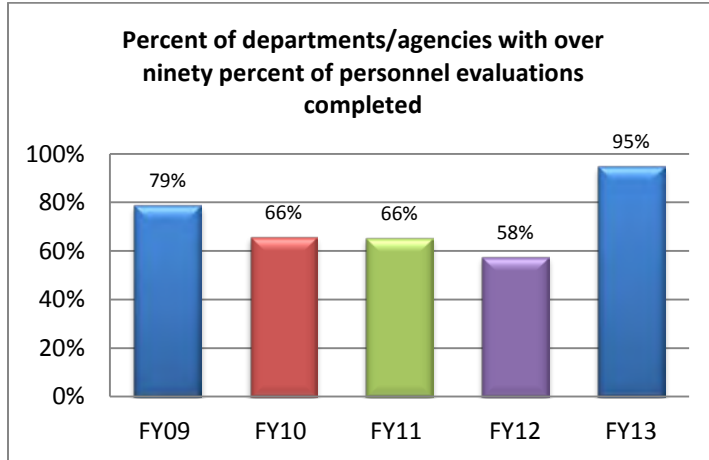
Overtime

FY13 overtime costs increased as the impact of employee retirement activity was experienced. The overtime cost shows both straight time and time and one half for eligible employees.

Overtime Cost
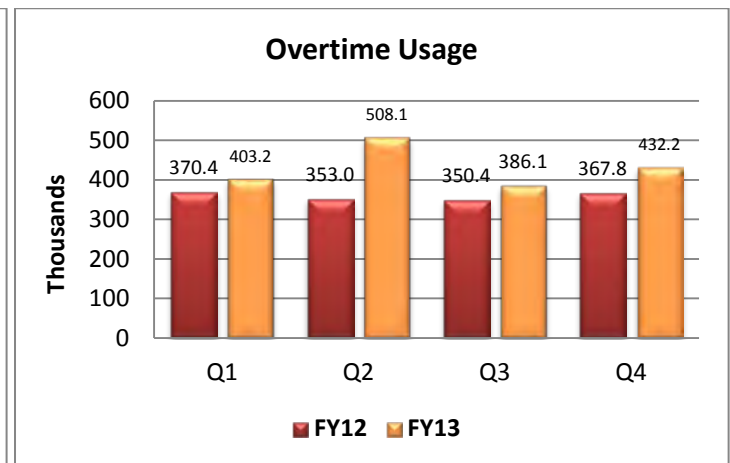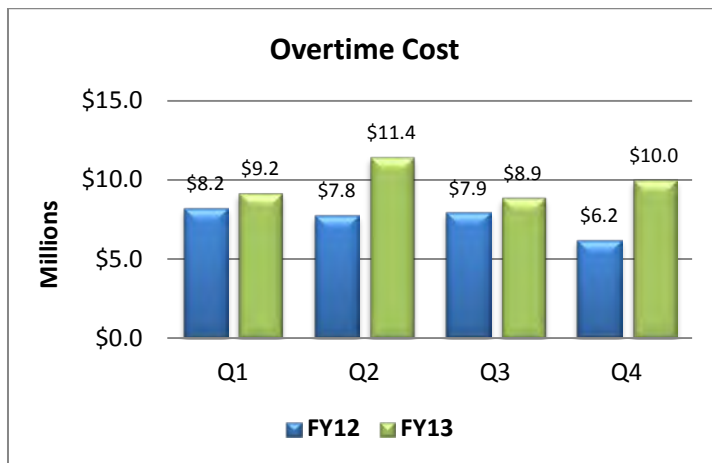
Overtime Usage

Note: The above graphs account for both overtime accrual and payout at straight time and time and a half

Monthly Average number of Hours Worked Per Employee

Average Percentage of Employee Receiving Overtime Per Month
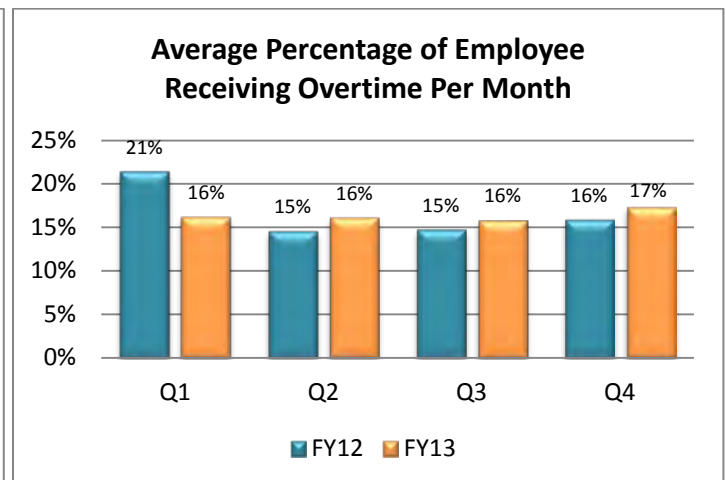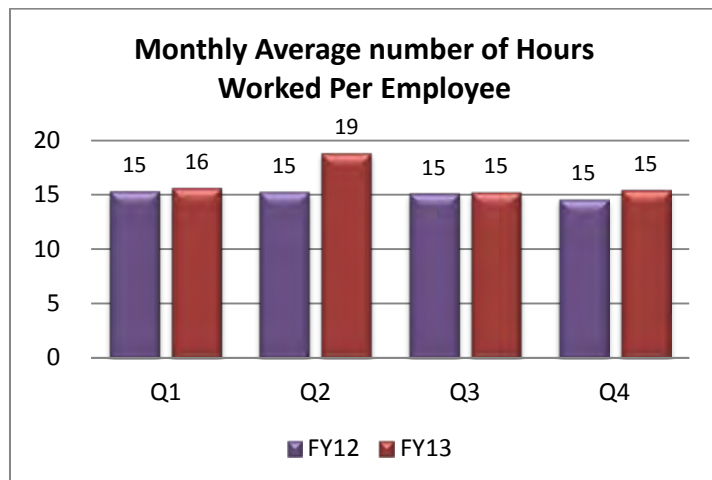
Sick Leave

Sick leave usage through the 4th quarter of FY13 slightly decreased from FY12 with employees during the 4th quarter using approximately 3 days of sick leave.

Sick Leave Cost

Sick Leave Hours Used
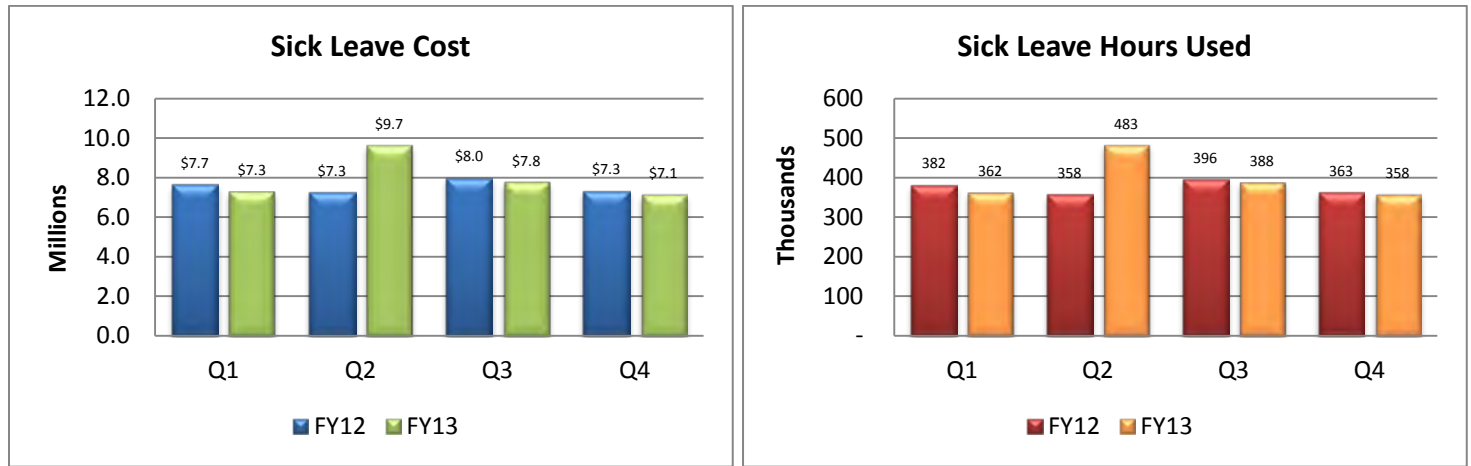
Annual Leave

The following graphs show annual leave usage through the 4th quarter of FY13 and its associated budgetary impact. During the 4th quarter of FY13 annual leave use was approximately 3.6 days per employee.

Actual Annual Leave Cost

Actual Annual Leave Hours Used
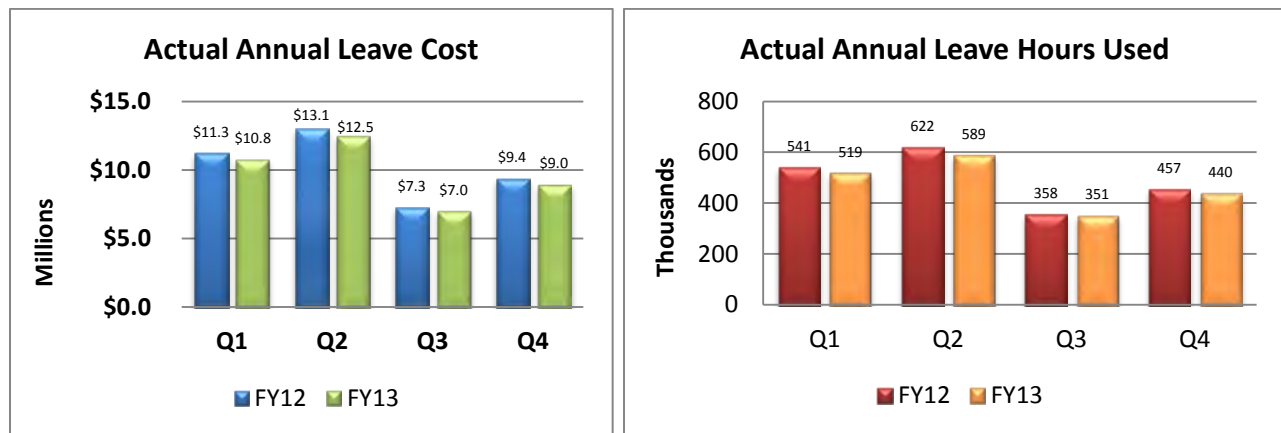
Classified Service Recruitment Trend

SPO is responsible for not only assisting applicants applying for jobs within the state's classified service, but also ensuring the most qualified applicants are referred to fill vacant positions. Beginning the second quarter of FY12 SPO implemented NEOGOV which is a not only a more flexible and responsive applicant tracking system but also brings the State into compliance with the Personnel Act. The NEOGOV applicant tracking system is currently being utilized by over seventeen (17) states in addition to thousands of municipal and county governments. Since, implementation all applicants for classified positions are now competitively ranked. The significant changes allow the State to rank qualified job applicants on certified lists submitted to recruiting managers. This system maintains indefinitely each applicant's application in its database. This allows an applicant the ability to apply for multiple positions at any time without having to reenter separate applications for each position.

Additionally, the NEOGOV system facilitates an applicant's ability to track their progress online through the recruitment process and to be able to focus their job search by geographic and department preferences thus quickly isolating their job search.

The following illustrates the growth over the past year and a half in both the number of positions being advertised and the expansion of the pool of applicants for consideration. This could not have been achieved without having an on-line and dynamic recruitment tool. However, the number of days to fill a position increased largely due to a dramatic increase in positions being processed, advertised and screened without an increase in SPO's recruitment staff processing applications. To address this issue, sooner rather than planned, utilization and training of agency HR staff in assessing, scoring and ranking applicants was implemented. This is evidenced in the following data and following graphs.

- In FY12 200.8 thousand applications were received and processed for 4.8 thousand jobs advertised.
    - This illustrates the dramatic increase not only in the number of positions advertised but also the number of applications received as compared to the prior fiscal year.
- In FY13 206.8 applications were received representing a 33.5% increase over FY12 for 5,652 jobs advertised also representing a 19.6% increase over FY12.
    - In the 4th quarter of FY13, as agencies strived to fill budgeted positions, 1,457 classified positions were advertised as compared to 1,283 positions for the same quarter of FY12. In this same time frame 61.2 thousand applications were received as opposed to 47.6 thousand, a 28.6% increase, for the same quarter when compared to FY12.
- The number of hits to each department job postings demonstrates an increased exposure of vacancies and applicant interest in state positions.

Job Postings by Quarter

	Q1	Q2	Q3	Q4
FY12	844	1,105	1,493	1,283
FY13	1,402	1,357	1,436	1,457

Applications by Quarter

	Q1	Q2	Q3	Q4
FY12	46,887	43,337	62,935	47,599
FY13	53,596	38,025	53,887	61,232

Number of Applications Per Job Posting By Fiscal Year

	FY13	FY12	FY11	FY10	FY09
Applications Received	206,740	200,758	125,670	111,932	123,684
Number of Job Postings	5,652	4,725	3,439	2,904	4,268
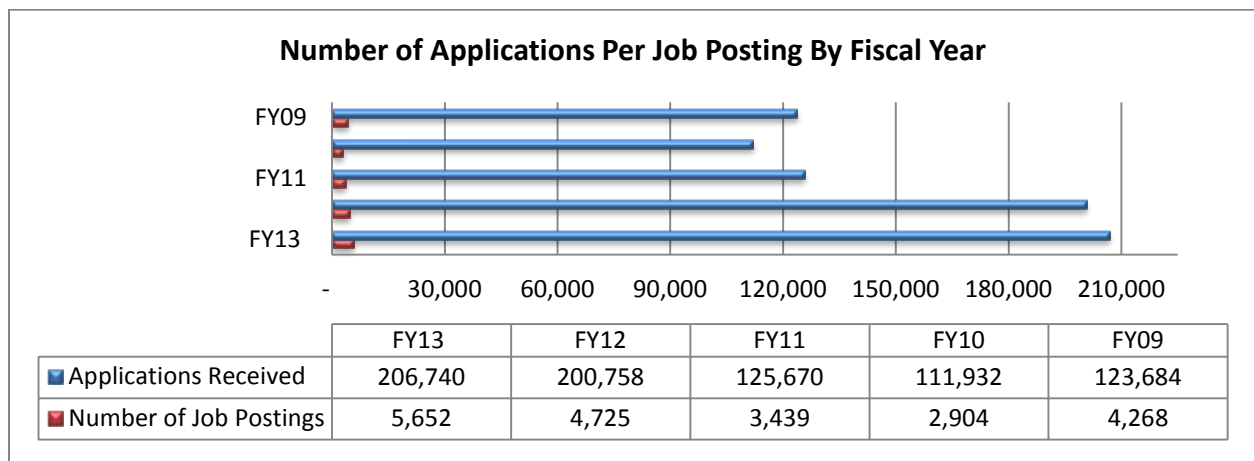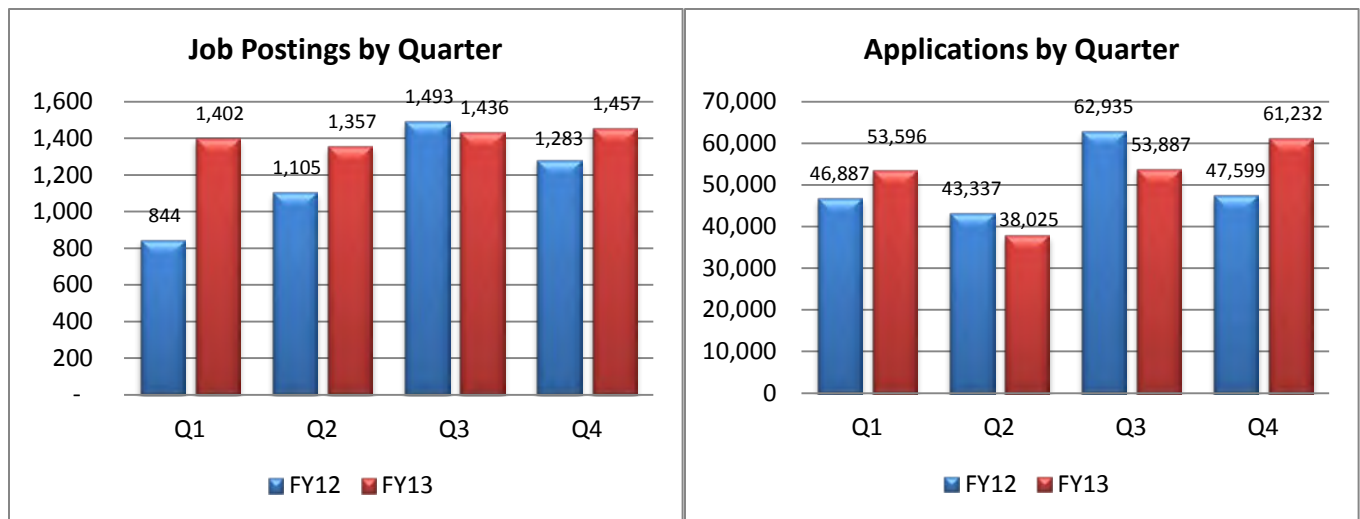
The volume of applications received, departments not closing out posted positions when positions have been filled, and applicants' either refusal or reluctance to be interviewed impacted the average days to fill a position. This has been addressed by providing reviews of job posting data, closing out positions over a shortened period rather than allowing continuous posting. SPO is actively working with departments to implement various strategies to reduce the time frame associated with this measure.

FY09-FY12 Annual average number of days to fill a vacant position

FY09	FY10	FY11	FY12	FY13
44	49	53	69	73
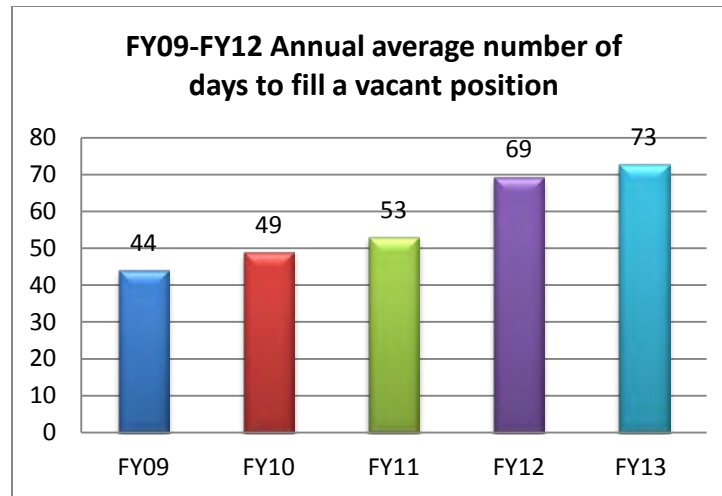
FY13 – 4th Quarter Top 20 Advertising Agencies

Agency	# of Job Postings	# of Views
Department of Health	272	175,128
Children, Youth & Families Department	197	131,799
Department of Transportation	158	52,983
Human Services Department	118	72,068
Taxation & Revenue Department	114	48,365
New Mexico Corrections Department	102	40,095
Department of Public Safety	84	64,514
Public Defender	45	21,674
Department of Environment	38	24,747
Department of Cultural Affairs	34	28,390
Energy, Minerals & Natural Resources Department	29	13,235
Department of Game & Fish	26	17,235
Miners Colfax Medical Center	26	12,199
Department of Workforce Solutions	25	24,288
Department of Finance & Administration	22	10,686
Public Regulation Commission	21	7,988
Office of the State Engineer	1	12,604
Regulation & Licensing Department	16	8,279
Public Education Department	15	12,521
Aging & Long-Term Services Department	13	8,976

FY13 – 4th Quarter Highest Job Classification Activity

Classification	# of Postings	# of Views
Staff Manager	38	28,137
Highway Maintenance Workers-Operational	33	9,740
Registered Nurses-Advanced	29	11,998
Management Analyst-Advanced	29	21,307
Police and Sheriff's Patrol Officers-Operational	25	25,034
Line Manager II	22	14,316
Probation Parole Officer I	22	11,024
Administrative Operations Manager II	22	18,344
Court, Municipal, and License Clerks-Advanced	18	7,417
Office Clerks, General-Advanced	17	12,500
Office Clerks, General-Operational	17	6,090
General Manager I	17	10,230
Probation Officer & Correction Treatment Specialist-Operational	16	10,959
Tax Examiners, Collectors & Rev Agent-Operational	16	6,144
Environmental Scientists & Specialist-Operational	15	9,542
Financial Specialist, All Other-Operational	15	6,650
CPS Investigation Case Worker	15	9,393
Secretary, Except Legal, Medical, & Exec-Operational	15	6,335
Social & Community Service Coordinator-Advanced	15	15,770
Behavioral Health Therapist	15	8,841

Classified Service Hires and Terminations

In FY13 over three thousand (3,090) positions in the state's classified service were filled. This is directly attributed to continued efforts to fill and properly classify vacant budgeted positions as the prior administration's ban on filling <u>any</u> positions. This created a positive impact upon the delivery of services has shown an improvement of employee morale throughout state government as workloads have diminished.

However, the poorly designed and maintained competitive pay and classification systems continue to impact the State's ability to attract and retain qualified applicants. The data demonstrates a clear interest exists in the State's vacancies. However, when seeing the entry pay level being so low, on average 39% behind market, the number of actual applicants significantly decreases. Unfortunately, the actual hire rate is closer to the mid-point of the salary range for the position but that information is not available to the potential applicant when they are strolling through the website. SPO is currently working to remedy this through a comprehensive compensation and classification review to make the pay structure more competitive. The next section addresses this issue more in detail.

Additionally, the impact and expressed concern by employees to changes in the State's retirement system has increased the egress of employees. So, while the State's hiring activity has dramatically increased since FY11 by 156%, this effort is just maintaining levels as employees retire.

New Hires by Fiscal Year (FY09-FY13)

Classified Hires by Fiscal Year

FY	Value
FY09	2,813
FY10	1,735
FY11	1,205
FY12	2,193
FY13	3,090

Classified Separations By Fiscal Year

FY	Value
FY10	2,486
FY11	2,163
FY12	2,332
FY13	2,962
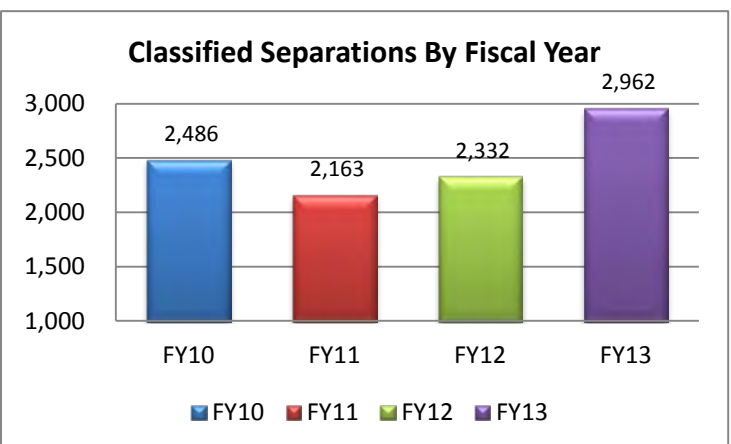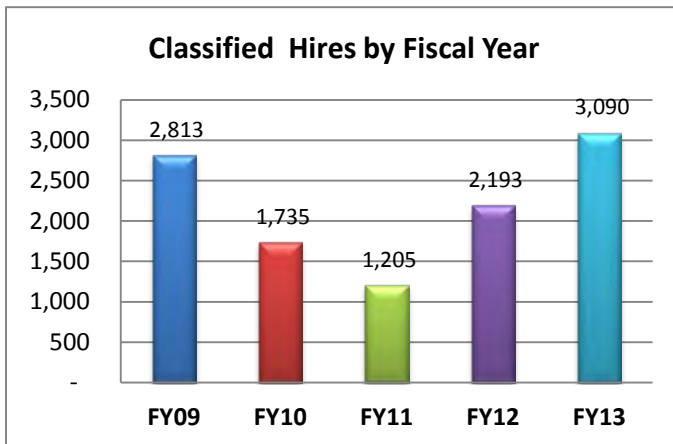
FY13 New Hires & Separations By Quarter

New Hires By Quarter Fiscal Year Comparison

Quarter	FY12	FY13
Q1	426	856
Q2	598	686
Q3	504	832
Q4	665	716

Separations By Quarter

Quarter	FY12	FY13
Q1	576	690
Q2	635	949
Q3	511	586
Q4	610	737
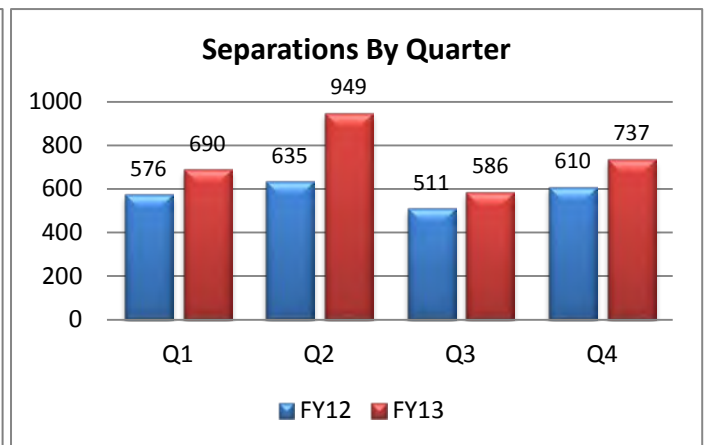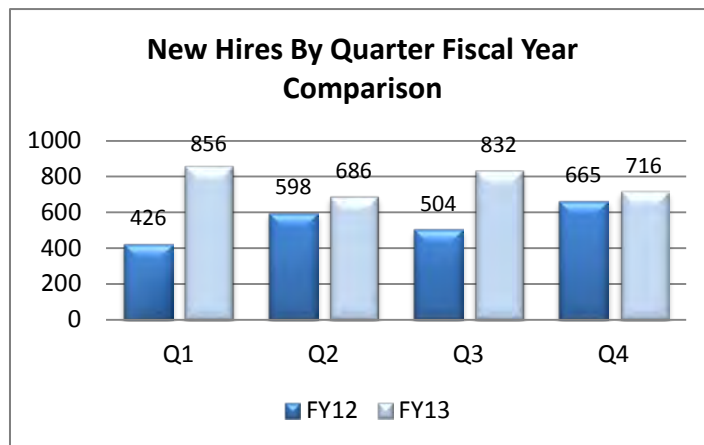
NOTE: Hires represent only new hires and do not include transfers or promotions of state employees

New Hire Compa-Ratio

The compa-ratio of newly hired employees in many situations is currently well the above entry-level salaries for vacancies appropriated by the Legislature in past fiscal years. This is a direct result of the prior administration failing to adjust entry rates within the salary plan. This resulted in entry levels of the salary plan lagging far behind market rates forcing departments to hire at rates closer to or in excess of range mid-points in order to attract and compete.

This failure to effectively manage the salary plan is a major contributing factor in employee turnover and difficulty in attracting well-qualified applicants. In concert with the Legislature current appropriated compensation for vacant positions were budgeted in the current fiscal year at mid-point levels rather than obsolete entry levels as had been the practice. As previously expressed this is having a significant impact in the state's ability to attract qualified applicants and retaining tenured employees due to resulting compaction as tenured employees are not progressing through the pay range.

New Hire Compa-Ratio By Quarter

Chart showing New Hire Compa-Ratio By Quarter for FY12 and FY13:
- Qtr1: FY12 93%, FY13 93%
- Qtr2: FY12 97%, FY13 95%
- Qtr3: FY12 91%, FY13 94%
- Qtr4: FY12 93%, FY13 96%

Average New Hire Compa-Ratio By Fiscal Year

- FY11 Average: 91.0%
- FY12 Average: 93.5%
- FY13 Average: 94.4%
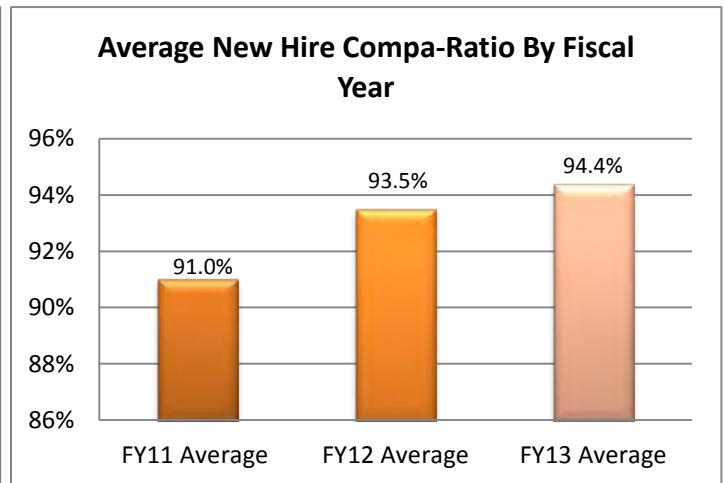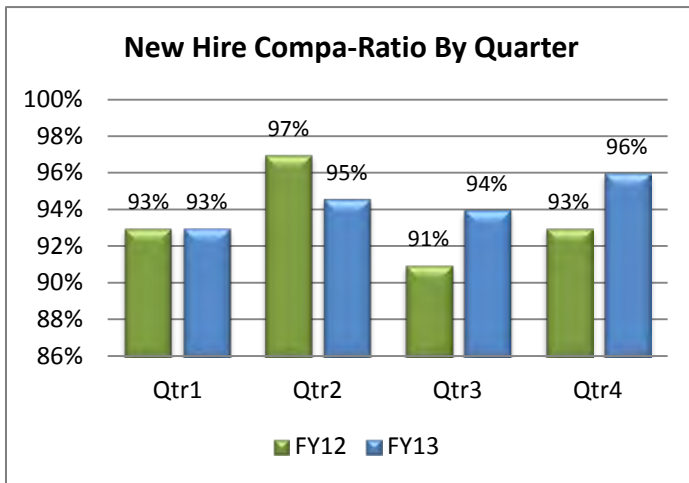
FY13 – 4th Quarter New Hire Compa-Ratio by Pay Band

Pay Band	Average of Compa-Ratio	# of Employees
25	87%	16
30	97%	37
35	96%	28
40	99%	53
45	98%	44
50	88%	121
55	93%	64
60	91%	126
65	98%	70
70	102%	62
75	106%	45
80	105%	22
85	105%	22
90	110%	3
96	121%	1
99	100%	2
Average New Hire Compa-Ratio	96%	716

New Hire Demographics

Ethnicity	Female	Male	Grand Total	% Per Ethnic Group
African American	8	13	21	3%
American Indian	10	9	19	3%
Asian	4	2	6	1%
Hawaiian	1		1	0%
Hispanic	177	149	326	46%
Not Specified	71	30	101	14%
Caucasian	140	102	242	34%
Grand Total	411	305	716	100%
% Per Gender Group	57%	43%		

FY13 Classified Separations by Reason

Reason	Q1	Q2	Q3	Q4
Accepted New Job (Competitor)	12	15	20	20
Accepted New Job (Non-Competitor)	29	23	20	24
Attendance	14	20	20	25
Death	6	7	5	5
Death with Survivors	0	1	0	0
Disability Retirement	6	17	10	5
Discharge	10	12	5	10
Dissatisfied with Hours	1	1	1	1
Dissatisfied with Type of Work	2	0	1	0
Dissatisfied with Work Conditions	1	2	3	1
Dissatisfied with Pay	0	3	2	1
Dissatisfied w/Promotion Opportunities	0	0	1	0
Early Retirement	3	4	1	1
End of Appointment	3	0	1	7
Failed Condition of Employment	9	7	7	10
Falsified Qualifications	1	0	0	3
Family Reasons	6	7	5	12
Health Reasons	19	17	16	14
Insubordination	3	11	4	6
Illness in Family	0	0	0	2
Leave of Absence Expiration	1	0	1	1
Marriage/Domestic Obligations	0	0	0	1
Misconduct	45	59	37	47
Mutual Consent	0	1	0	0
Non Job Connected Medical	0	3	0	3
Normal Retirement	114	309	100	166
Other Medical	2	1	4	3
Personal Reasons	65	80	49	54

Reason	Q1	Q2	Q3	Q4
Position Discontinued	1	3	1	0
Pregnancy	0	1	0	0
Probation Period not completed	9	13	15	0
Quit without Notice	8	18	19	9
Relocation	12	11	9	14
Reorganization	1	1	0	0
Resignation	255	247	185	252
Resignation-Other Position	12	14	7	6
Return to School	7	2	2	4
RIF - SPO Board Approved	2	1	0	2
Unforeseen Circumstances	5	10	5	4
Unsatisfactory Performance	12	15	23	11
Vested Retirement	3	6	1	4
Violation of Rules	11	7	6	9
Total	690	949	586	737

FY13 4th Quarter Classified Separations by Agency

Agency	# of Employees
Aging & Long-Term Services Department	7
Architect Examiners Board	1
Board of Nursing	3
Border Development Authority	1
Children, Youth & Families Department	61
Crime Victims Reparation Commission	2
Department of Cultural Affairs	18
Department of Environment	20
Department of Finance & Administration	3
Department of Game & Fish	15
Department of Health	160
Department of Public Safety	25
Department of Transportation	79
Department of Veteran Services	1

Agency	# of Employees
Department of Workforce Solutions	25
Department of Information Technology	5
Department of Vocational Rehabilitation	11
Developmental Disabilities Planning Commission	3
Economic Development Department	1
Energy, Minerals & Natural Resources Department	9
General Services Department	9
Higher Education Department	3
Homeland Security & Emergency Management	3
Human Services Department	64
Livestock Board	7
Military Affairs	3
Miners Colfax Medical Center	14
New Mexico Corrections Department	71
Office of the State Engineer	7
Office of African American Affairs	1
Public Defender	23
Public Education Department	17
Public Employee Retirement Association	1
Public Regulation Commission	7
Regulation & Licensing Department	10
Retiree Health Care Authority	1
State Land Office	3
State Personnel Board	1
State Racing Commission	2
Taxation & Revenue Department	34
Tourism Department	1
Workers Compensation Admin	5
Grand Total	737

Statewide Classified Turnover Rate

Turnover is attributable to many factors beyond control such as retirement, transfer and promotional opportunity. The statewide classified employee turnover rate in FY13 declined from 8.8 percent compared to in FY12's rate of 7.9 percent. The table attached reflects classified employee quarterly turnover rates by department. Statewide agency trends in turnover are being tracked and will be closely monitored in FY14. It should be noted that this presented data has been presented for better analysis by SPO to determine causal effects. However, the lack of determining the actual budgeted positions within each agency is difficult as the actual budgeted FTE by agency is reflected in the State's Appropriation Act. SPO and DFA are actively working with the Legislature to obtain and maintain this data.

Statewide Turnover Rate

FY12 FY13
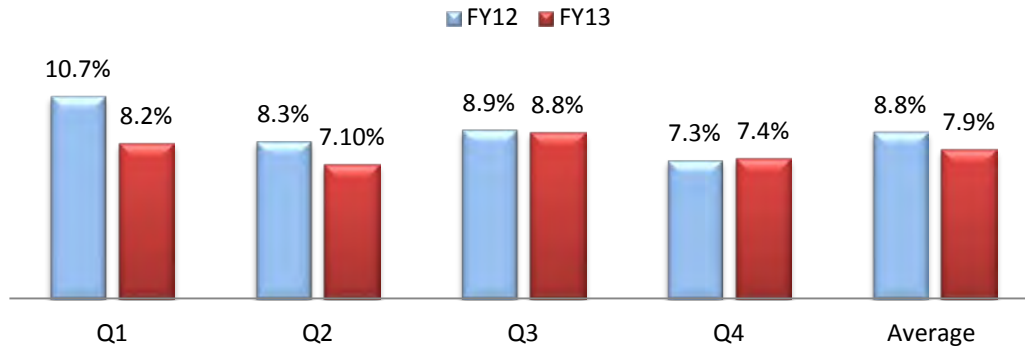
Business Unit	Agency Name	Q1	Q2	Q3	Q4	FY13 Average
30800	State Auditor	22.2%	0.0%	8.3%	0.0%	7.6%
33300	Taxation & Revenue Department	8.3%	4.4%	8.5%	8.2%	7.4%
33700	State Investment Council	4.5%	0.0%	10.0%	0.0%	3.6%
34100	Department of Finance & Administration	6.2%	13.5%	12.9%	11.2%	10.9%
34200	Public School Insurance Authority	0.0%	0.0%	16.7%	14.3%	7.8%
34300	Retiree Health Care Authority	9.5%	0.0%	0.0%	4.8%	3.6%
35000	General Services Department	7.4%	6.0%	8.3%	6.6%	7.1%
35200	Educational Retirement Board	8.3%	15.7%	10.4%	2.2%	9.1%
35500	Public Defender	8.0%	14.5%	11.4%	9.1%	10.8%
36100	Dept. of Information Technology	10.1%	8.6%	5.4%	3.8%	7.0%
36600	Public Employee Retirement Assoc.	3.1%	3.2%	1.6%	1.6%	2.4%
36900	Commission of Public Records	14.8%	3.6%	3.2%	3.0%	6.1%
37000	Secretary of State	0.0%	13.0%	4.0%	0.0%	4.3%
37800	State Personnel Board	28.9%	12.8%	12.2%	9.5%	15.9%
39400	State Treasurer	4.0%	16.7%	9.1%	0.0%	7.4%
40400	Architect Examiners Board	100.0%	0.0%	0.0%	100.0%	50.0%
41700	Border Development Authority	0.0%	0.0%	0.0%	100.0%	25.0%
41800	Tourism Department	11.5%	4.0%	0.0%	1.8%	4.3%
41900	Economic Development Department	3.0%	2.9%	2.9%	2.9%	2.9%
42000	Regulation & Licensing Dept.	3.4%	4.2%	6.9%	4.8%	4.8%
43000	Public Regulation Commission	8.6%	4.8%	7.2%	13.8%	8.6%
44600	Medical Examiners Board	0.0%	27.3%	0.0%	8.3%	8.9%
44900	Board of Nursing	6.7%	0.0%	0.0%	23.1%	7.5%
46000	EXPO New Mexico	8.0%	0.0%	0.0%	4.0%	3.0%
46400	Professional Engineers & Land Surveyors Board	33.3%	0.0%	0.0%	0.0%	8.3%
46500	Gaming Control Board	2.2%	4.5%	4.5%	0.0%	2.8%
46900	State Racing Commission	12.5%	22.2%	12.5%	33.3%	20.1%
47900	Veterinary Examiners Board	0.0%	0.0%	0.0%	0.0%	0.0%
49500	Spaceport Authority	0.0%	0.0%	0.0%	0.0%	0.0%
50500	Department of Cultural Affairs	2.3%	6.7%	4.9%	10.8%	6.2%
50800	Livestock Board	5.9%	0.0%	2.9%	11.5%	5.1%
51600	Department of Game & Fish	7.0%	2.5%	4.3%	7.4%	5.3%

Business Unit	Agency Name	Q1	Q2	Q3	Q4	FY13 Average
52100	Energy, Minerals & Natural Resources Department	30.6%	8.7%	9.1%	5.9%	13.6%
52200	Youth Conservation Corps	0.0%	0.0%	0.0%	0.0%	0.0%
53900	State Land Office	5.0%	8.7%	2.8%	5.3%	5.4%
55000	Office of the State Engineer	2.6%	3.3%	4.0%	3.5%	3.4%
60300	Dept. of African American Affairs	0.0%	0.0%	0.0%	25.0%	6.3%
60400	Com for Deaf/Hard of Hearing	0.0%	0.0%	0.0%	0.0%	0.0%
60600	Commission for the Blind	1.8%	3.7%	3.6%	3.4%	3.1%
60900	Department of Indian Affairs	12.5%	100.0%	0.0%	0.0%	28.1%
62400	Aging & Long-Term Services Department	4.8%	7.5%	9.0%	3.8%	6.3%
63000	Human Services Department	6.5%	6.5%	7.1%	6.1%	6.5%
63100	Dept. of Workforce Solutions	7.1%	7.6%	11.6%	7.3%	8.4%
63200	Workers Compensation Administration	3.0%	2.9%	4.0%	6.1%	4.0%
64400	Dept. of Vocational Rehabilitation	4.5%	4.8%	3.0%	7.7%	5.0%
64500	Governor's Comm. on Disability	0.0%	0.0%	0.0%	0.0%	0.0%
64700	Development Disabilities Planning Commission	14.3%	0.0%	7.1%	25.0%	11.6%
66200	Miners Colfax Medical Center	19.9%	15.5%	15.6%	26.8%	19.4%
66500	Department of Health	7.3%	7.0%	7.8%	7.3%	7.3%
66700	Department of Environment	4.2%	4.4%	6.2%	5.9%	5.2%
66800	Office of Natural Resource Trustee	0.0%	0.0%	0.0%	0.0%	0.0%
67000	Department of Veteran Services	3.2%	12.1%	11.4%	2.9%	7.4%
69000	Children, Youth & Families Department	7.4%	8.6%	7.8%	5.5%	7.3%
70500	Military Affairs	3.2%	2.1%	5.6%	4.4%	3.8%
76000	Adult Parole Board	0.0%	100.0%	0.0%	0.0%	25.0%
77000	New Mexico Corrections Department	16.7%	8.8%	8.1%	9.7%	10.8%
78000	Crime Victims Reparation Commission	5.9%	5.9%	5.9%	11.1%	7.2%
79000	Department of Public Safety	5.0%	5.6%	6.7%	6.3%	5.9%
79500	Homeland Security & Emergency Management	3.7%	2.0%	10.9%	6.4%	5.7%
80500	Department of Transportation	5.4%	7.0%	7.0%	7.4%	6.7%
92400	Public Education Department	10.9%	9.0%	10.2%	10.4%	10.1%
94900	NM Education Trust Board	0.0%	0.0%	0.0%	0.0%	0.0%
95000	NM Higher Education Department	25.0%	9.7%	13.8%	16.7%	16.3%
	FY12 Classified Statewide Turnover Rate	**8.2%**	**7.1%**	**8.8%**	**7.4%**	**7.9%**

Vacancy Rates

While it is certain that vacancies need to be filled and tracked it is difficult to ascertain what positions are budgeted vs. GAA authorized. Due to funding restrictions not all of the authorized FTEs in HB2 are budgeted to be filled. This creates confusion and makes it complicated to discern what the actual vacancy rates are for each agency. Departments are diligently working to reduce actual vacancy rates as can be evidenced in the following which speaks to all departments/agencies.
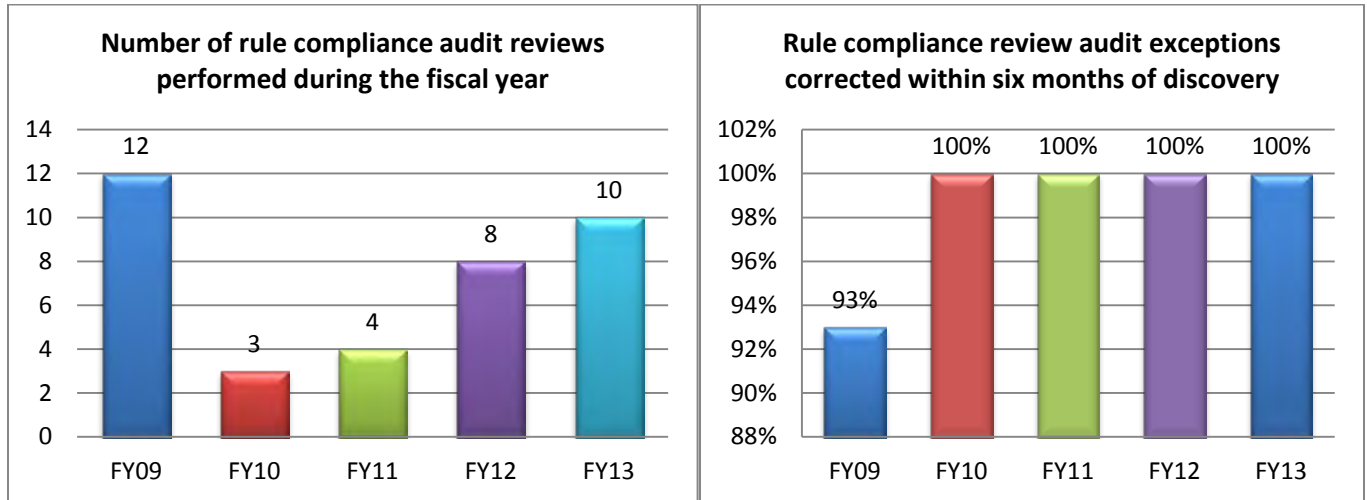
Statewide Vacancy Rate
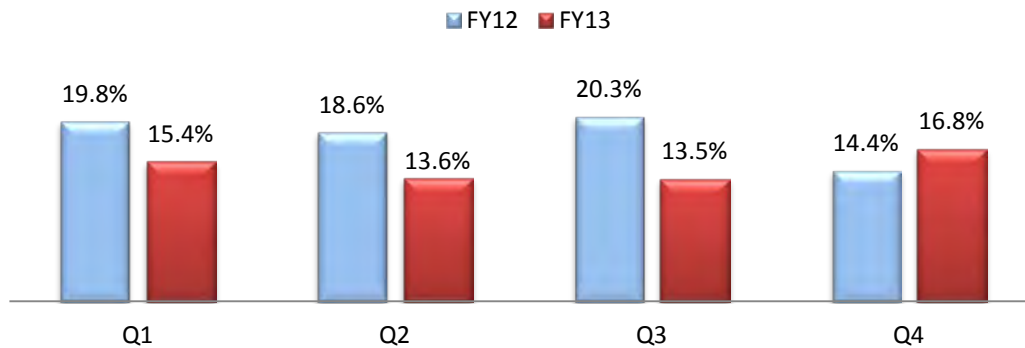
Quarterly Vacancy Rates for the 20 Key Agencies

Business Unit	Agency	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
21800	Administrative Office of the Courts	7.1%	8.2%	8.2%	9.0%
23200	2nd Judicial District Court	5.2%	8.6%	9.5%	9.3%
24400	Bernalillo Metropolitan Court	13.3%	14.1%	13.1%	11.4%
33300	Taxation & Revenue Department	23.4%	22.7%	21.2%	21.5%
35000	General Services Department	29.8%	28.6%	29.8%	30.1%
35500	Public Defender	13.6%	12.3%	8.2%	9.0%
42000	Regulation & Licensing Department	20.0%	18.3%	20.6%	22.3%
50500	Department of Cultural Affairs	12.1%	11.4%	13.9%	14.3%
52100	Energy, Minerals & Natural Resources Dept.	25.2%	28.4%	30.2%	20.0%
55000	Office of the State Engineer	17.3%	16.1%	15.4%	10.4%
63000	Human Services Dept.	10.6%	9.7%	9.1%	9.3%
63100	Dept. of Workforce Solutions	10.4%	10.6%	5.3%	16.8%
64400	Dept. of Vocational Rehabilitation	25.9%	24.3%	23.9%	26.6%
66500	Department of Health	18.7%	18.3%	17.3%	17.4%
66700	Department of Environment	17.3%	17.6%	18.2%	18.4%
69000	Children, Youth & Families Dept.	12.7%	13.8%	12.8%	13.0%
77000	New Mexico Corrections Dept.	21.1%	21.0%	21.7%	25.8%
79000	Department of Public Safety	15.7%	15.5%	14.3%	16.2%
80500	Department of Transportation	18.9%	15.2%	14.5%	14.4%
92400	Public Education Department	28.8%	22.7%	18.8%	19.7%
	Statewide Vacancy Rate	**15.4%**	**13.6%**	**13.5%**	**16.8%**

Quality Assurance

Throughout FY13, QA activities were dedicated to the improvement of the delivery of services. This included the development of reports to provide quality and reliable data to state agencies on the status of their agency to be in compliance with the rules and Personnel Act. As an oversight agency these reviews are comprised of organizational reviews, monitoring and analysis of personnel as well as position assignment transactions in accordance with SPB rules.

Number of rule compliance audit reviews performed during the fiscal year

FY09	FY10	FY11	FY12	FY13
12	3	4	8	10

Rule compliance review audit exceptions corrected within six months of discovery

FY09	FY10	FY11	FY12	FY13
93%	100%	100%	100%	100%

Training

SPO's mission via its Training and Development Bureau (TDB) is 'to develop great leaders for great government in support of the agencies we serve' and to direct the provision of statewide guidance and oversight for centralized leadership development and organizational learning. This mission is in alignment and compliance with both Governor Susana Martinez's initiative and SPO's strategic plan to provide a statewide government learning system. SPO is committed to the development of leaders dedicated to public service through learning that measurably transforms individual and organizations.

There are three distinct lines of business that comprise the following TDB's major development and implementation activities:

1. CORE an instructor led program that provides mandatory and statutory training and foundation competencies and is a requirement for all supervisory employees;
2. LEAD – NM / Leadership, Education and Development (Performance Management, Managing People and Managing Programs, and Leading Organizations Competencies for Professional and Personal Development); and
3. APEX / Accelerate Performance Excellence (Succession Management and Custom Solutions for Organizational Development).

Core:

The TDB has and will continue to expand the design and delivery of practitioner – oriented professional development statewide instructor – led and ELearning mandatory and statutory course blocks. These include:

- Managing Employee Performance (SPB Rules – Subsection A of 1.7.9.9 NMAC),
- Fundamentals of Supervision,
- Results Based Accountability,
- Cultural Competency (State – Tribal Collaboration Act Senate Bill 196),
- Domestic Violence,

- Sexual Assault and Stalking Workplace Awareness (EO 2008 – 047)
- Workplace Violence Active Shooter Awareness , and
- Sexual Harassment.

TDB also delivers other fundamental management development courses to assist in meeting the objectives of state agencies. The following courses form the core curriculum of all management/supervisory training programs.

- Results Based Accountability
- Team Building
- Evaluations for Employees
- Communication
- Management/Leadership
- Managing Conflict
- Communication
- Customer Service
- Civil Rights:
    o Strives to make public servants aware of the ethical standards and social responsibility necessary to act humanely and responsively in an intergovernmental system.
    o Successfully deployed to all state agencies on February 20, 2013.
    o As of July 2, 2013 95% of state agencies are fully compliant.
- SHARE HCM: Conducted by Subject Matter Experts (SME).
- Discipline & Adjudication: Conducted by an SME.

Scheduling of all available training is located on the SPO Training and Development Bureau web page - http://www.spo.state.nm.us/Education__Training.aspx Registration of all training is managed by the SPO Training and Development Bureau

APEX: Accelerate Performance Excellence

APEX is a comprehensive SPO initiative to:
- Build a robust statewide government blueprint to improve knowledge using validated best practices within the art and science of management by state agencies, and
- Accelerate succession management in the State of New Mexico.

With fully 40% of state employees' being retirement-eligible in two years, a well-designed and rigorously implemented strategic management process is mission critical to achieving organizational goals. This program is designed to provide career staff with the necessary tools to more effectively prevail against the challenges they face in their jobs while improving staff engagement. This approach has been demonstrated to improve productivity and customer satisfaction.

APEX is designed to provide a consistent and systemic management and organizational improvement process throughout all state agencies and be simple to understand and implement. APEX is designed to:

- Leverage existing resources available in New Mexico, such as Quality New Mexico (QNM), federal Senior Executive Service training (SES) and state government training expertise;
- Utilize mentoring as an inexpensive, yet effective way to harness the experience and institutional memory of senior leaders;
- Institutionalize Career Learning Plans for all state employees;
- Develop program deliverables for participants and for departments at 90 day (quarterly) intervals;
- Focus on tangible, practical improvements and validated best practices in management that reinforce theory about leadership effectiveness and high-performance;

- Create methodologies that move rapidly into execution and value added—minimize the preliminary development period; and
- Limit the focus to areas for which dramatic improvements can occur, including: planning and plan execution, change management, staff and relationship management, process management, managing by measure/performance management and achieving results.

In FY13 SPO's Training Division commenced the following APEX supported initiatives:

- Partnering with Tax and Revenue Department in May, 2013 to imitate an APEX pilot within the department's Motor Vehicles Division (MVD). This program utilizes resources which are for the most part, already in place. This imitative will be used as a template for all state government in improving customer service.
  - To date at least 10% of MVD employees participated in Quality New Mexico (QNM) Training in May and June. This group will serve on QNM Examiner teams that commenced in late July 2013.
  - A two (2) day LEAN training activity for all employees will focus on creating more value for customers with fewer resources following a CAPSTONE presentation by participants.
  - Program is scheduled for completion in December.

- A 360 degree competency based assessment APEX Pilot within GSD has been coordinated between SPO and GSD in collaboration with the United States Office of Personnel Management (OPM). Initially, this pilot is designed for GSD's key management personnel to participate. The purpose of the 360 degree assessment initiative offers leaders to:
  - Compare their self – perceptions with confidential feedback from others within and outside their peer group;
  - Promote self – awareness and behavioral change; and,
  - Provide a tool in professional and personal development.

  Upon completion of the assessment participants will be provided an interpretation of their feedback reports followed by an executive coaching session to discuss strategies to develop competencies and to develop a career learning plan.

SPO will evaluate and modify, as necessary, from lessons learned to roll out throughout State government. The pilot is scheduled for completion September 2013.

- APEX Leadership Lecture Series to be presented on a monthly basis is designed for presentations by leaders both within or outside state government in addressing leadership principles, lessons learned and experiences (both positive and negative) that were found to be most valuable throughout their careers, and especially leadership lessons that are transferable. This series provides supervisors, both new and seasoned, opportunities to learn about what great leaders do: leading from vision, values and strategy. What resonates in particular is how the speakers started out, what they learned or did later in their career that they wish they had done earlier, and the like.
  - The program is often a 45 – 50 minute talk followed by a question-and-answer session scheduled to run from 12:00-1:15 p.m. on a Wednesday afternoon, a time when there are generally fewer competing priorities.

FY13 Employees Trained By Course
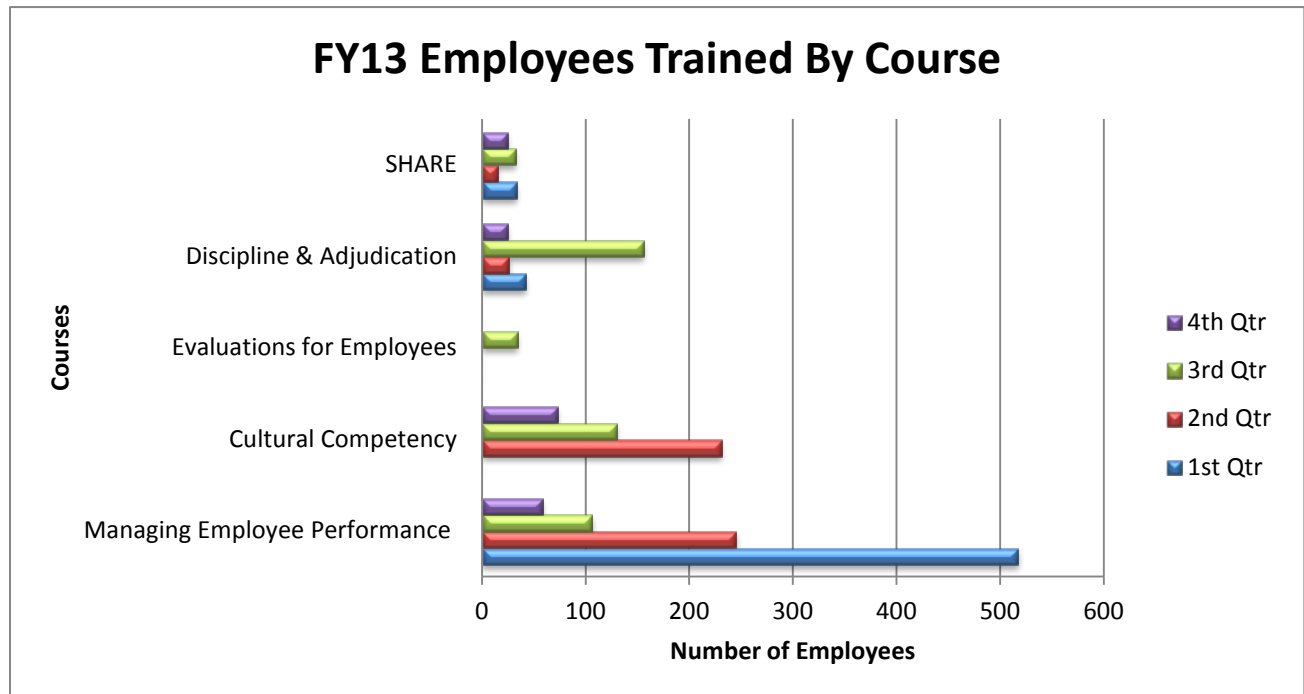
Adjudication

In compliance with the Personnel Act SPO's Adjudication Division is responsible for conducting evidentiary hearings on appeals filed by classified state employees who have completed their probationary period against whom formal disciplinary action (suspension, demotion or dismissal) has been taken. Following pre-hearing discovery and exchange of information, the Administrative Law Judge (ALJ) conducts an administrative hearing at which the state agency taking disciplinary action and the affected employee present evidence and arguments related to the disciplinary action. A majority of hearings are now conducted using video conferencing. Following the hearing, the ALJ prepares a written Recommended Decision for consideration and final decision by the State Personnel Board (SPB).

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) often select the SPB to decide their appeals. Additionally, the SPB 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 SPB for that purpose as well.

If a classified state employee is "separated" from their job as a result of injury or illness (on 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.

State classified employees covered by a collective bargaining agreement (CBA) have the option of choosing an outside arbitrator to decide their appeals of disciplinary action. All requests for arbitration are provided to the SPO's Labor and Training Division receive and provides notice to the employee, employer and union of the request for arbitration.

In the 4th quarter of FY13 the Adjudication Bureau received a total of 21 appeals of disciplinary actions. This is a below average number of appeals (compared to the norm) for one quarter. One separation case was filed in the 4th quarter and only 1 appeal requested ADR services. 25 appeals reached final disposition through State Personnel Board decisions, settlement, or dismissal

The ALJ continues to rely primarily on videoconferencing to conduct hearings outside Santa Fe, although requests for alternative arrangements are considered on a case-by-case basis. The agency taking disciplinary action is typically directed

to arrange videoconferencing between its Santa Fe office and the field office involved in taking disciplinary action. The ALJ conducts the hearing from Santa Fe, while the attorneys (and/or representatives) and witnesses typically appear at the remote location. The Adjudication Bureau has a relatively new hearing room (equipped with custom furniture) located at the SPO Office in Santa Fe, but the hearing room lacks videoconferencing capability.

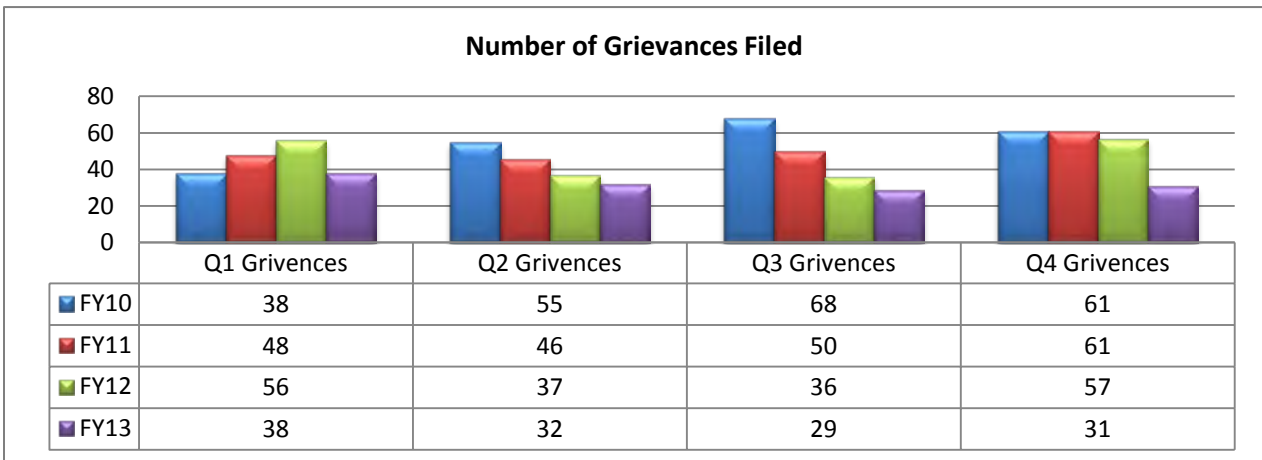| Status	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	FY13 Summary
SPO New Cases Filed FY13	40	23	18	21	102
ADR Request (Assigned)	1	6	2	1	10
ADR Resolved (Appeals)	0	4	1	1	6
Pending	147	152	137	120	120
Cases Carried Over	132	155	144	124	124
Total Case Disposition FY13	25	26	23	25	99
Disposition by Decision	5	4	4	10	23
Disposition Other (Dismissal, etc.)	20	22	19	15	76

Labor Relations

The Labor Relations Bureau's (LRB) is responsible for propering guidance, training and oversight for all state agencies on all activities relating to collective bargaining issues. The LRB exists to govern the principles behind the New Mexico Public Employees Bargaining Act (PEBA), which guarantees state employees' rights to organize and bargain collectively, or to refrain from such activity, and upholds the State Personal Board Rules (SPB Rules) that provide protected rights to state employees. The LRB is responsible in participating in labor negotiations and enforcing CBAs to ensure compliance.

The LRB is responsible for supervising and ensuring consistent application and administration of the CBAs throughout state government to ensure compliance. The state currently has three (3) unions that represent approximately 52% of classified service employees throughout state government. These unions are: New Mexico Motor Transportation Employee Association (NMMTEA); Communication Workers of America (CWA); and American Federation of State, County and Municipal Employees (AFSCME)

Union Represented vs. Non Union
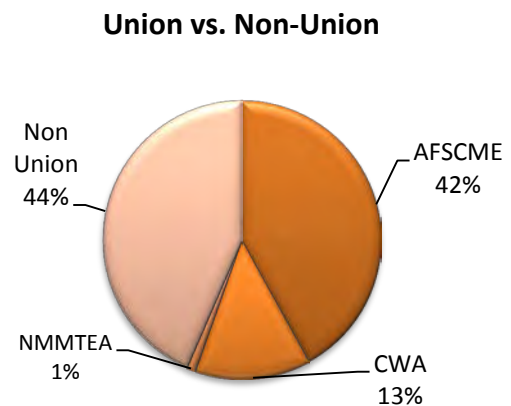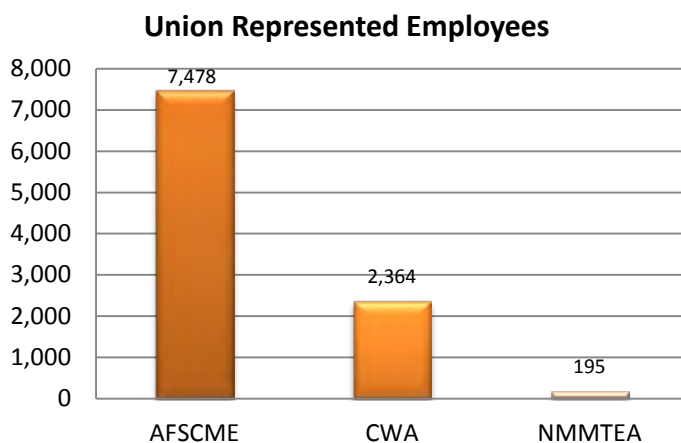
A total of 31 grievances were filed during this quarter, 24 by AFSCME and 7 by CWA. Out of the total filed, 8 were settled, 7 timed out, the union withdrew 1 and the remaining 15 are continuing through the grievance process. There were zero Prohibited Practice Complaints filed during this quarter. There were 8 disciplinary appeals before an arbitrator invoked by a bargaining unit employee and/or their union representative during the 3rd quarter, all 8 by AFSCME.

Number of Grievances Filed

	Q1 Grivences	Q2 Grivences	Q3 Grivences	Q4 Grivences
FY10	38	55	68	61
FY11	48	46	50	61
FY12	56	37	36	57
FY13	38	32	29	31

The LRB requires state supervisors and managers to participate in labor related training. This quarter the LRB conducted 5 Living in a Union Environment trainings with a total of 158 managers and supervisors attending these classes in Santa Fe, Albuquerque, and Las Cruces. The LRB also co-facilitated with FMCS in a 2-day Interest Based Problem Solving (IBPS) training in Albuquerque.

Number of Employees Attending LIUE Traning

FY12: Q1 72, Q2 43, Q3 20, Q4 65
FY13: Q1 67, Q2 125, Q3 119, Q4 158

Actual Cost Paid by the State for Arbitration

Q1: FY12 *$0, FY13 $4.0
Q2: FY12 $4.0, FY13 $3.0
Q3: FY12 $4.0, FY13 $7.4
Q4: FY12 $5.2, FY13 *$0

*No cost have yet to go to hearing, settled, withdrawn
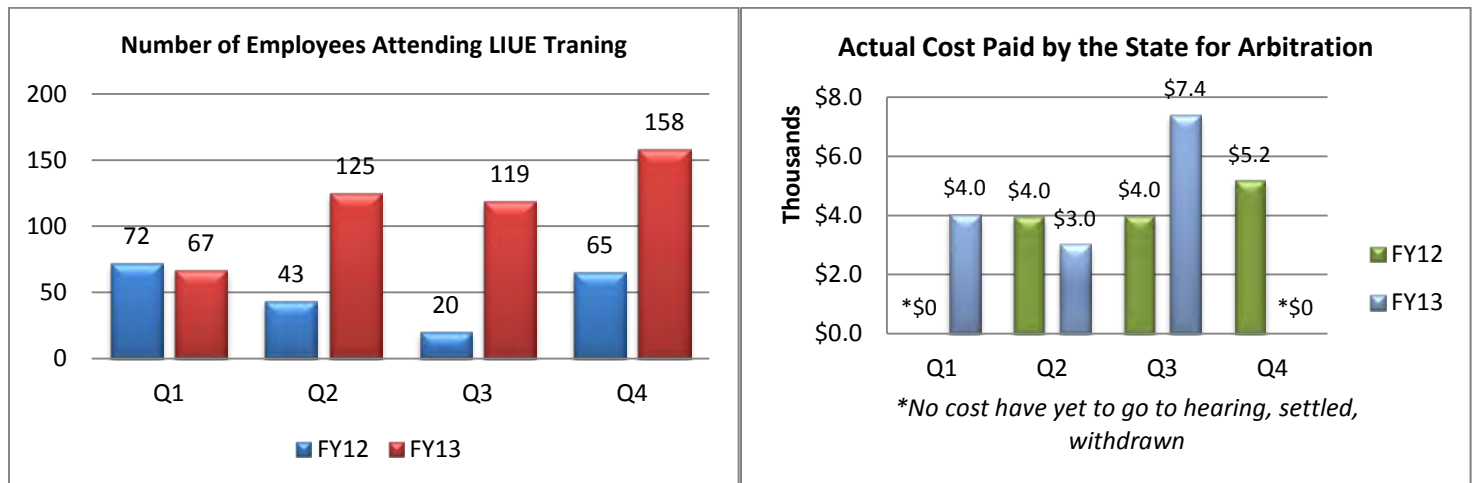
This quarter the State of New Mexico continued contract negotiations with the three unions that represent state employees. The LRB is intimately involved with the negotiation process which includes negotiating hours, wages and working conditions.

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

FY11 Total: 23
FY12 Total: 26
FY13 Total: 34

Average cost paid by state for arbitration

FY12 Average: $4.4
FY13 Average: $3.8