New Mexico State Personnel Office

FY14 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

Contents

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 to serve the citizens of New Mexico. A quarterly report is issued by SPO, as required by the Accountability in Government Act (AGA), to address the HR metrics established within the General Appropriations Act (GAA). This report will constantly be modified to provide other metrics to facilitate and enhance the State's ability to address human resource issues impacting management throughout state government. Assessing these metrics on a consistent basis is critically important in order to understand 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 and effectiveness; and,

- Conduct value-added reviews and projects as requested by the Board and/or Director.

During the fourth quarter of FY14 SPO made several enhancements in processes to improve the efficiency and effectiveness of human resource management in the State. The key focus in last 60 days of FY14 was on the State's recruitment and selection process. SPO continues to actively work with departments to decrease the amount of time to review and refer applicants and improve overall hiring efficiency. Since FY11, the number of applications received annually has almost doubled to a quarter of a million applications received in FY14 with over 4.1 million hits (viewing open positions in NEOGOV). The most significant improvements in the hiring process were in the time to interview and process a hire, which decreased by 21% from 52 to 41 days and the average days to process and refer applications, which dropped by 18% to 9.1 days. The overall average dropped from 76 to 64 days resulting in a 14.5% reduction in the time to fill a vacant position. Additionally, this report provides a breakdown by agency (for the 20 largest agencies) of the various stages in the recruitment and selection process.

The statewide vacancy rate for the classified service dropped from 16.8% to 13.5% and the statewide turnover rate dropped from 7.7% to 6.6%. 3,227 employment selections were made in FY14, the second year in a row where the number of hires exceeded the number of separations. Additionally, there was an increase from 58% to 68% in the number of employees who successfully completed their probationary period.

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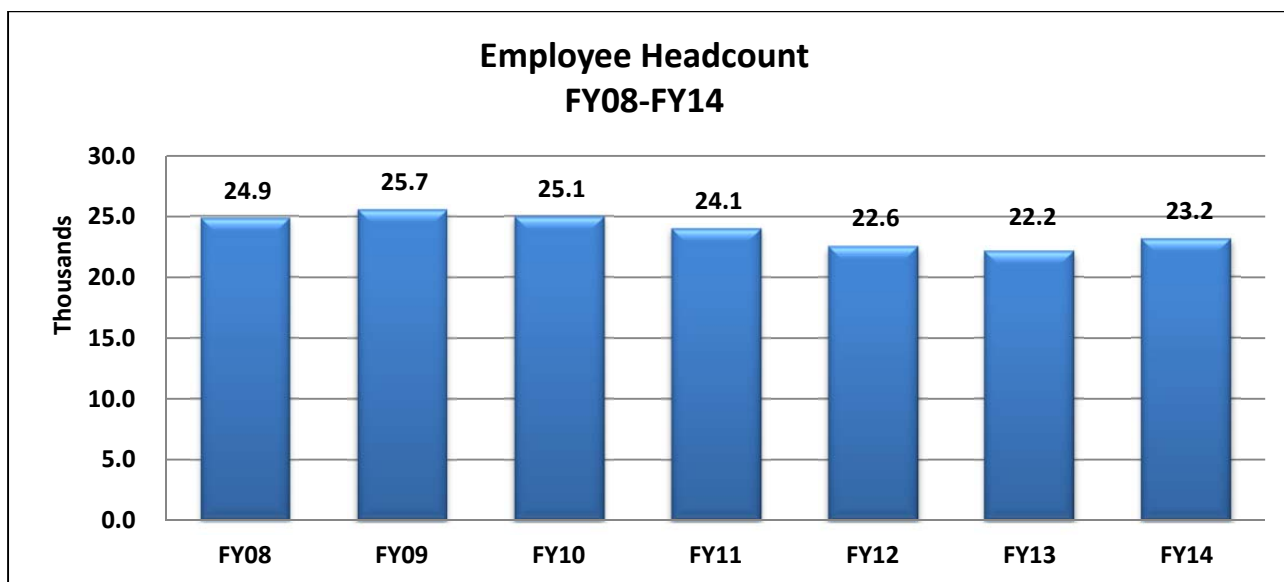
Sincerely,

Justin R. Najaka
Interim Director

Workforce Overview

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

- An on-line application process (NEOGOV);

- Revision of classifications to closely align job duties with the requisite minimum qualifications required; and

- Initiation of a compensation review to make State classifications competitive with both the public and private sector.

Employee Headcount FY08-FY14

	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Thousands	24.9	25.7	25.1	24.1	22.6	22.2	23.2

State classified employee levels for FY14 increased by 11% over FY13. From FY10 through FY12, the reduction in employees (-10.2%) in the classified service occurred without major layoffs. This was largely due to a continued assessment of the need to fill vacant positions, improvements in business processes, revisions of restrictive non-competitive compensation plans and employee retirements and resignations. The following graph illustrates this impact.

Percentage Change in Employee Headcount by Fiscal Year

	FY09	FY10	FY11	FY12	FY13	FY14 (YTD)
Executive	2.7%	-2.7%	-4.2%	-6.6%	-2.3%	2.8%
Legislative	11.1%	-2.2%	-3.4%	0.6%	1.2%	-3.5%
Courts	5.1%	0.3%	-1.4%	-2.6%	0.4%	1.5%
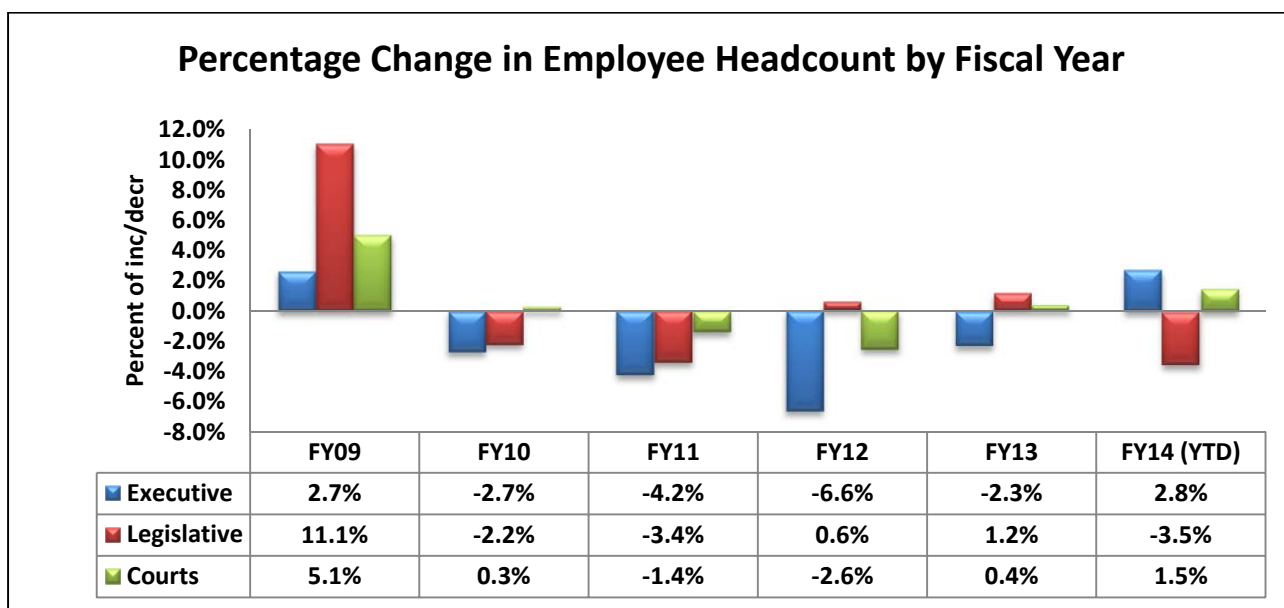
Classified Service at a Glance (June 30, 2014)

Workforce Data	
Union Represented Employees	**55.6%**
Minority	**67.6%**
Female	**54.3%**
Male	**45.7%**

Total Employees: 18,221

Regular: 15,832

Term: 1,999

Temporary: 390

Managers: 2,171

Supervisors: 1,473
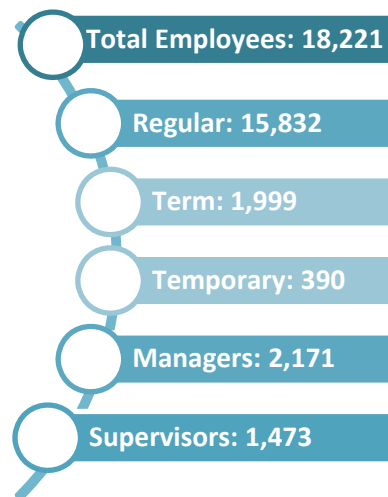
TOTAL COMPENSATION
AS OF
JUNE 30, 2014

- AVERAGE BASE SALARY **$42,973**
- AVERAGE BENEFIT **$30,677**
- AVERAGE TOTAL COMPENSATION **$73,650**
- AVERAGE CLASSIFIED EMPLOYEE COMPA-RATIO **100.2%**

FY14 Classified Employees Workforce

	FY13 Q4	FY14 Q1	FY14 Q2	FY14 Q3	FY14 Q4
Regular Employees	15,578	15,595	15,716	15,828	15,832
Term Employees	1,973	1,954	1,979	2,003	1,999
Temporary Employees	360	246	222	239	390
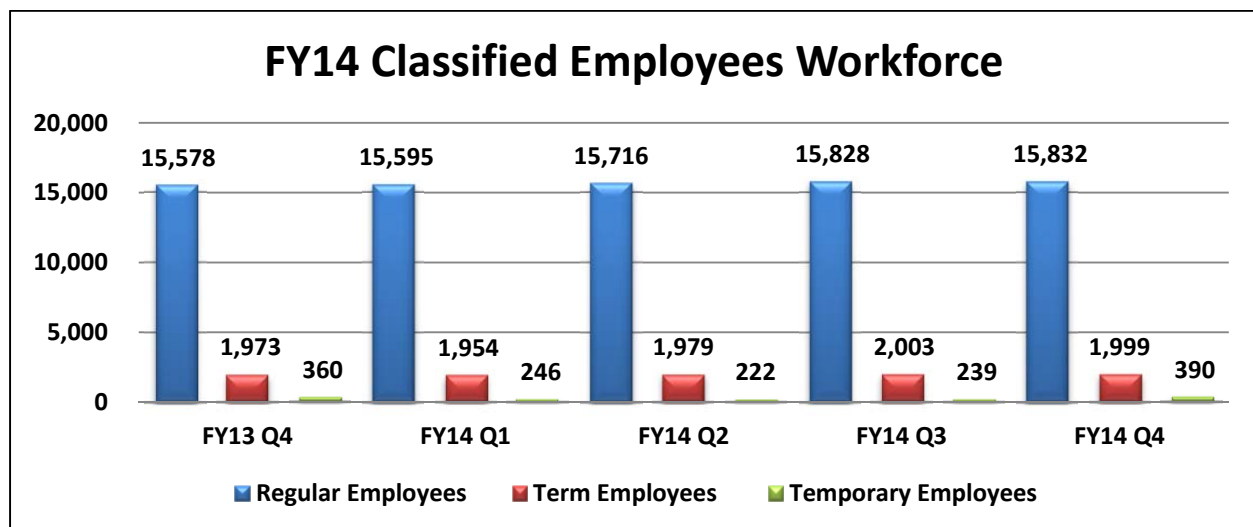
Total Compensation

Total compensation is a commonly utilized standard by both private and public sectors in assessing employee average base salary and benefits provided by the employer. Benefit expenditures provided by the State include costs associated with retirement, health and other insurances, FICA and leave (annual, sick, etc.). The following graph shows the significant growth in the average benefit expenditures by the State. The FY09 increase was largely due to legislative changes in both employee retirement and retiree health care insurance contributions. In FY14, benefit costs as a percentage of total compensation rose as health care insurance rates increased. Between FY13 and FY14, average benefits rose 8.45% while total compensation only rose 4.33%.

Total Classified Compensation

	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Average Base Salary	$40,594	$42,099	$42,058	$41,986	$41,912	$41,580	$42,505
Average Benefit	$23,502	$28,028	$27,387	$27,867	$27,328	$28,107	$30,482
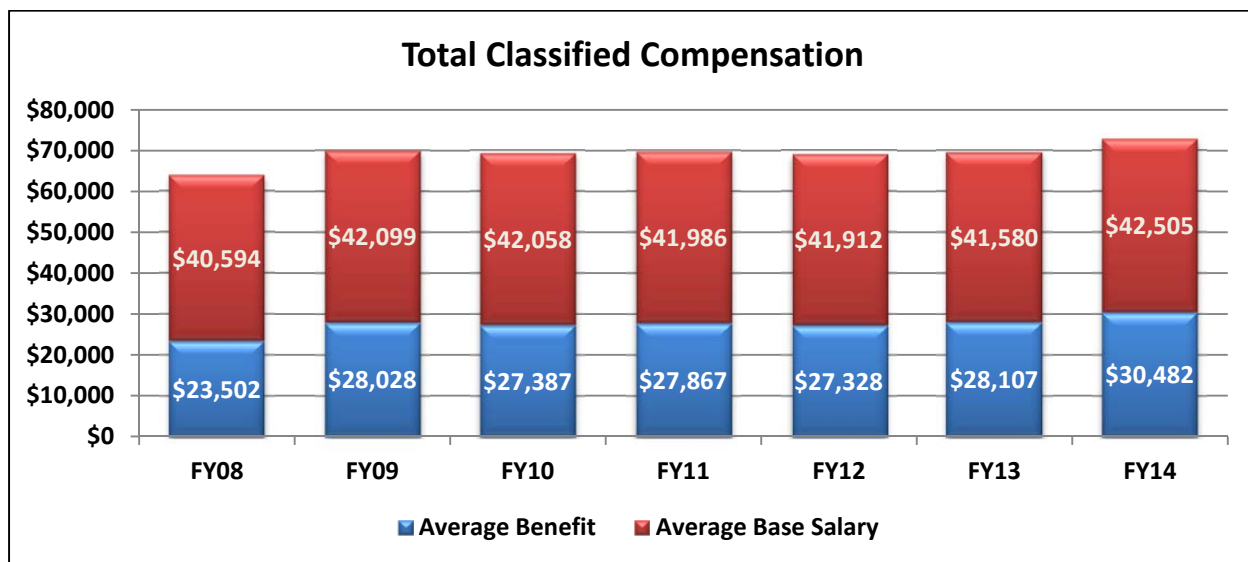
Continued increase in benefit expenditures will continue to impact the State's ability to address the competitiveness of employee base compensation.

Multiple Components of Pay (MCOP)

Various pay mechanisms permitted through the State Personnel Board (SPB) Rules were developed to enhance recruitment and retention efforts. However, most were never intended 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 meeting 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** (IPBs) 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 (DFA) also must review IPBs to ensure agency budget availability.

These temporary provisions were developed to address the impact of recruitment and retention issues as a result of the budgetary restrictions imposed by the Legislature; however, in many cases these temporary increases were not terminated as required by SPB rules.

Beginning in FY11, SPO initiated actions to ensure compliance with SPB rules. SPO reviewed and correctly classified positions that had a minimal budgetary impact on agencies and complied with SPB rules. The State's pay structure has not been comprehensively addressed since 2001, resulting in the loss of employees in many critical positions, creating a negative impact on the State's ability to attract and retain qualified applicants. The following graph shows the impact of these efforts as a significant decrease in all temporary MCOPs. This effort, in conjunction with pay plan initiatives, will continue to result in both the recruitment and retention of state employees.

Multiple Components of Pay By Fiscal Year
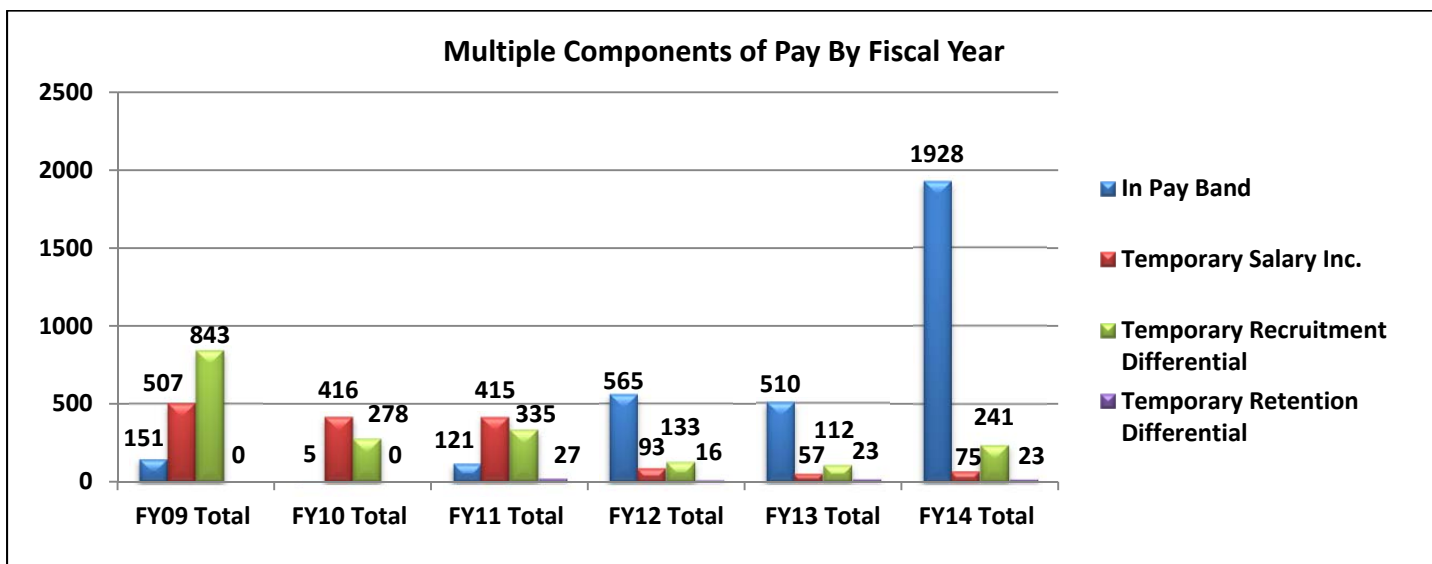
The increase in In-Pay Band (IPB) salary adjustments for FY14 is attributable to a targeted effort to address pay disparities in "hard-to-fill" classifications with a larger number of employees, who perform critical services. Specifically, 1,792 of the 1,928 IPB increases were granted to Child Protective Service workers at CYFD, Correctional Officers and Probation Officers at NMCD, Security Guards at DCA, Dispatchers and MTD Officers at DPS, and Tax Account Auditors at TRD.

Average Employee Compa Ratio
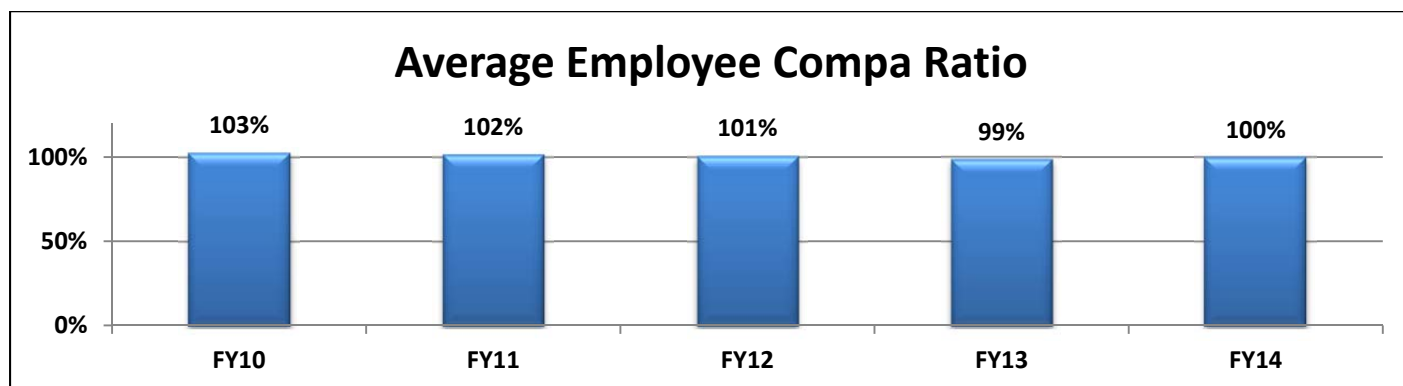
The increase in average compa-ratio is attributed to classification revisions, range adjustments, an increase in the number of state employees retiring and the average hiring salary of recently hired or promoted employees.

Annual Key Performance Measures

Performance evaluation remains critical in assessing the quality of the workforce, recognizing employee efforts and activities and providing guidance in employee development. Performance evaluations are a requirement outlined within the SPB Rules and Regulations. Without a linkage to compensation, many employees and supervisors feel evaluations are not worth the effort. However, research demonstrates an evaluation, even absent linkage to pay, creates the opportunity not only to recognize and document performance but also to create a non-threatening approach to improving the quality of the workforce. In FY14, 99% of eligible employees were evaluated.

The number of employees completing their probationary period has remained flat. This is partly a result of the reestablishment of minimum qualifications for classifications and classification and compensation reviews.

Number of Rule Compliance Review Audits Performed during the Fiscal Year

Fiscal Year	Value
FY09	12
FY10	3
FY11	4
FY12	8
FY13	10
FY14	20
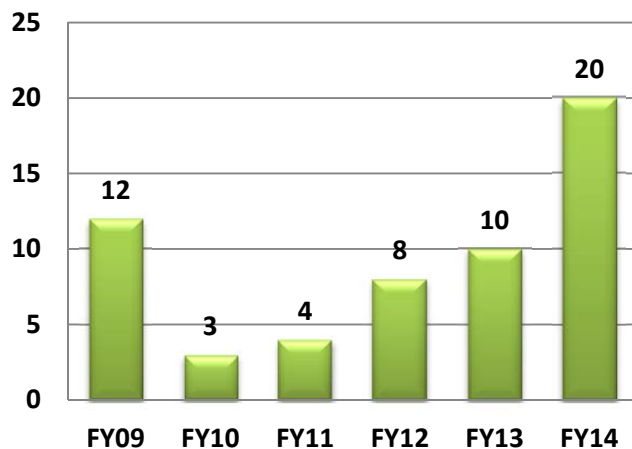
Rule Compliance Review Audit Exceptions Corrected within Six Months of Discovery

Fiscal Year	Value
FY09	93%
FY10	100%
FY11	100%
FY12	100%
FY13	100%
FY14	100%
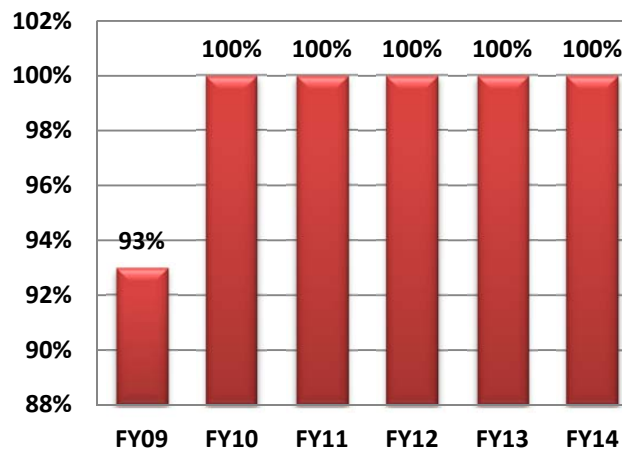
Eligible Employees with a Completed Performance Appraisal on Record at the Close of the Fiscal Year

Fiscal Year	Value
FY09	79%
FY10	66%
FY11	66%
FY12	58%
FY13	99%
FY14	99%
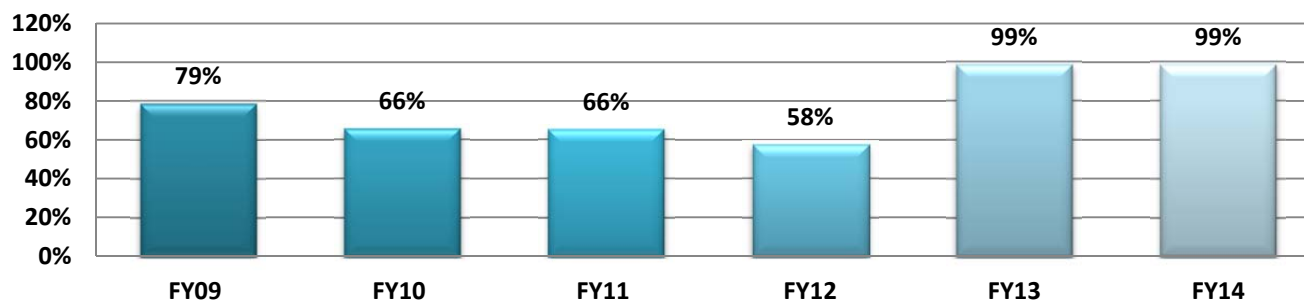
Percent of Departments and Agencies with over 90% of Personnel Evaluations Completed

Fiscal Year	Value
FY13	95%
FY14	97%

New Employees Who Successfully Completed Their Probationary Period

Fiscal Year	Value
FY10	71%
FY11	61%
FY12	58%
FY13	58%
FY14	68%

*This Number is based on New Hires in FY13 that completed probationary period during FY14
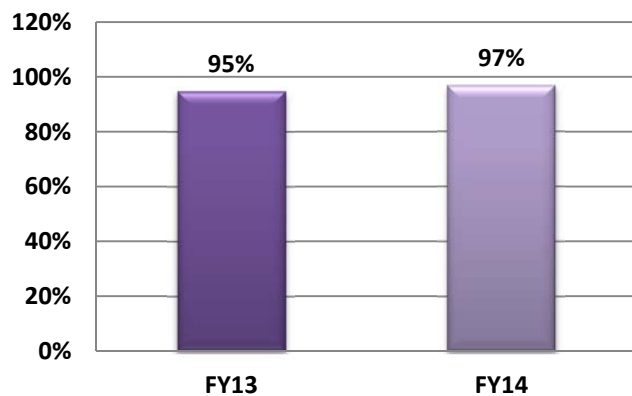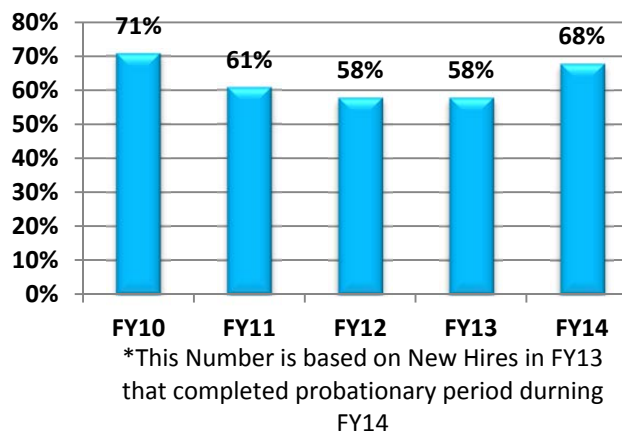
Overtime

When compared to the same time frame in FY13, the 4th quarter of FY14 shows overtime increased in both cost and hours. This is attributed to increased retirement activity within agencies.

Overtime Cost

	Q1	Q2	Q3	Q4
FY13	$9.2	$11.4	$8.9	$10.0
FY14	$8.3	$10.7	$10.5	$11.5

(Millions)

Overtime Usage

	Q1	Q2	Q3	Q4
FY13	403.2	508.1	386.1	432.2
FY14	357.1	465.3	457.6	486.7

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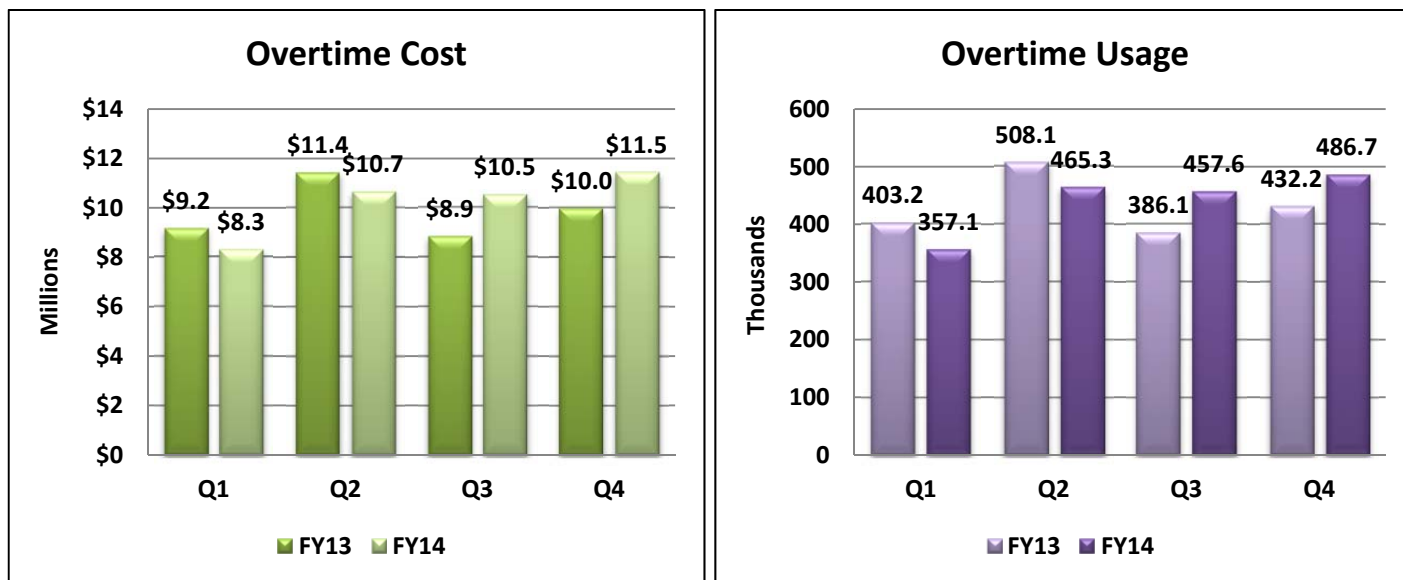
Note: The above graphs account for both overtime accrual and payout at straight time and time and a half.

Monthly Average Number of Hours Worked Per Employee

	Q1	Q2	Q3	Q4
FY13	15.7	18.9	15.3	15.5
FY14	16.9	16.3	16.3	16.2

Average Percentage of Employees Receiving Overtime Per Month

	Q1	Q2	Q3	Q4
FY13	16%	16%	16%	17%
FY14	13%	18%	18%	18%
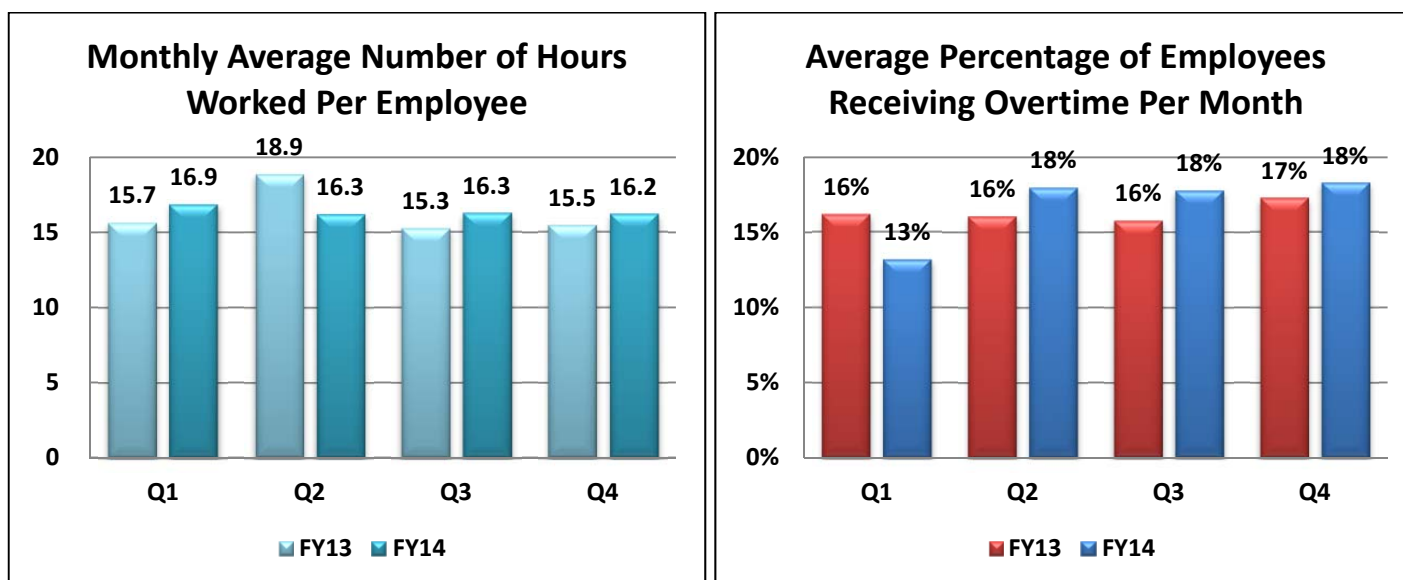
Sick Leave

Sick leave costs slightly increased over the 4th Quarter of FY13 by 1.4%. The number of sick hours used fell by -2.3% from the same period.

Sick Leave Cost

(Millions)

Quarter	FY13	FY14
Q1	$7.3	$7.1
Q2	$9.7	$7.0
Q3	$7.8	$7.9
Q4	$7.1	$7.2

Sick Leave Hours Used

(Thousands)

Quarter	FY13	FY14
Q1	362	354
Q2	483	344
Q3	388	390
Q4	358	350
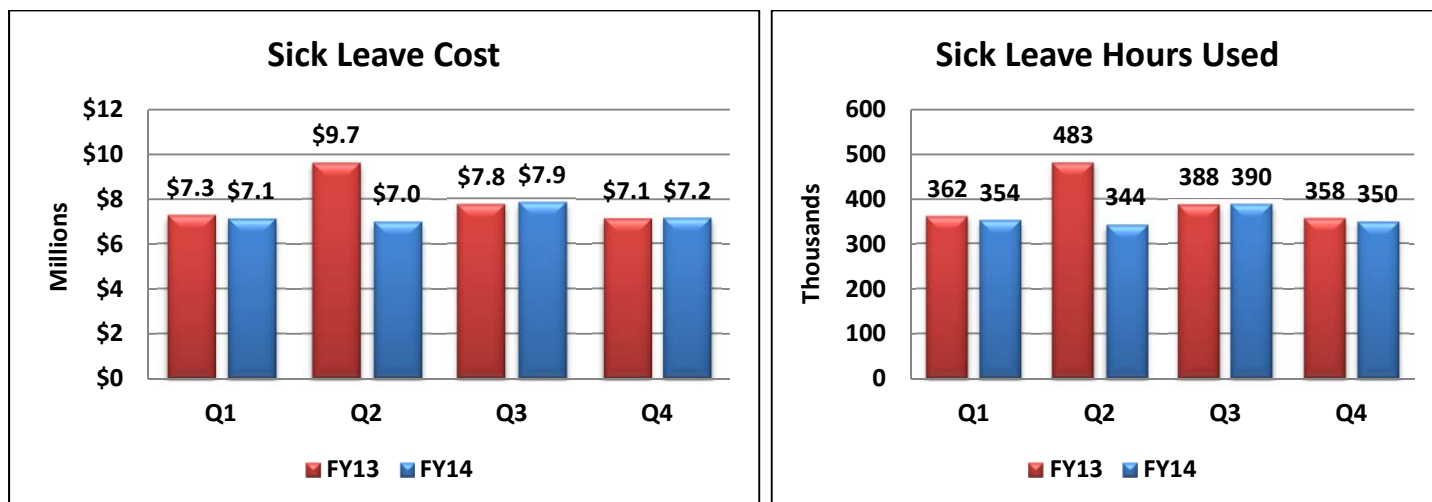
Annual Leave

The following graphs show annual leave usage through the 4th quarter of FY14 and its associated budgetary impact. During the 4th quarter of FY14, annual leave use was approximately four days taken per employee.

Actual Annual Leave Cost

(Millions)

Quarter	FY13	FY14
Q1	$10.8	$10.8
Q2	$12.5	$12.5
Q3	$7.0	$7.0
Q4	$9.0	$9.5

Actual Annual Leave Hours Used

(Thousands)

Quarter	FY13	FY14
Q1	519	518
Q2	589	579
Q3	351	341
Q4	440	454
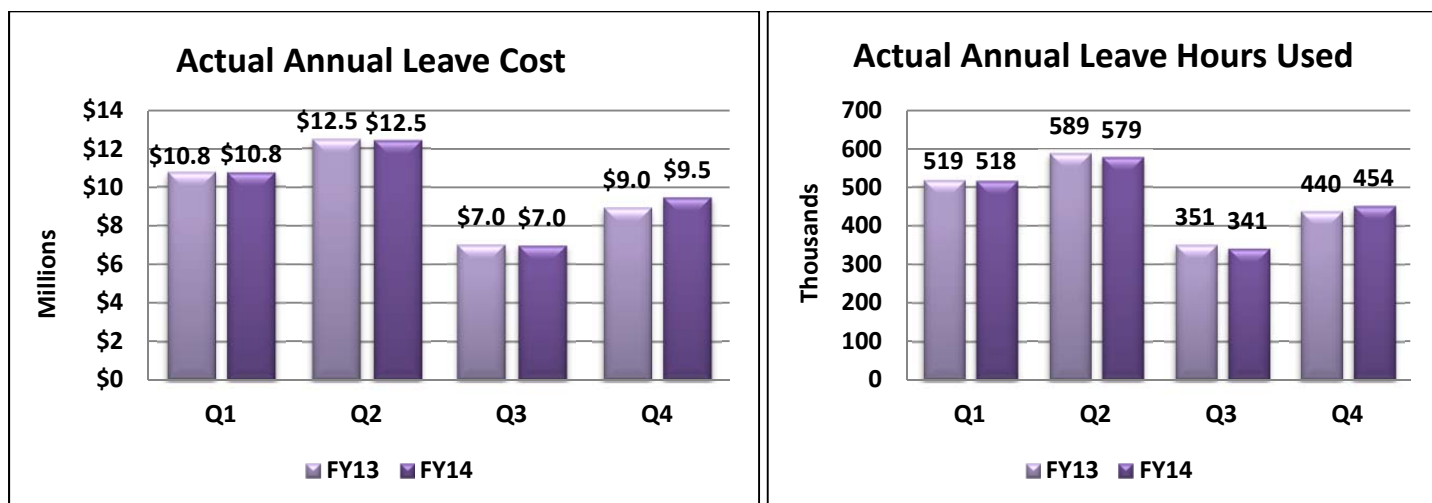
Classified Service Recruitment Trends

The Career Services Bureau's primary responsibility is to ensure compliance with the State Personnel Act and the SPB Rules which require the "certification of the highest standing candidates to prospective employers (§10-9-13-F NMSA 1978)." Since November 2011, when the NEOGOV application system for managing recruitment for all classified positions was initiated, there has been a 96% increase in both job advertisements and applications received.

Since SPO initiated NEOGOV in 2011, job advertisements and applications have jumped 96%.

Minimum Qualifications Screening	•NEOGOV automatically screens all applicants based on their supplemtal questionaire responses on a Pass/Fail Basis. **Applicants are rejected if:** *1. They fail to meet Minimum Education or Experience Qualifications* *2. Lack any Statutory Requirements (IE: Licenses, Certifications, Etc…)*
Applicant Ranking	•*NEOGOV automatically ranks all remaining applicants based on a combination of:* *1. Level of Education* *2. Years of RELEVANT Experience* *3. Answers to Supplemental Questions*
Residency & Veteran's Preference	•Additional preference points are awarded to applicants and applied to rankings for: *1. Years of New Mexico Residence* *2. Veteran's Status*
Certification	•SPO or Agency HR certifies top ranked candidates. **Applications are rejected if:** *1. Level of Education cannot be verified (IE: Transcripts not attached in an un-editable format, or transcripts do not indicate degree awarded or date conferred)* *2. Stated years of relevant experience cannot be verified within the Work Experience section of the application (Not enough information given, insufficient work history, inapplicable experience attributed)*
Referral	•**Agency hiring manager is forwarded top 15 candidates and agency-specific recruitment and selection process follows.** (Additional applicants may be sent with SPO approval)

Revised 1/15/2014

SPO is partnering with Departments to review how the "highest standing candidate" is currently defined (level of education and related experience) to determine, on a case by case basis, if more precise criteria can be utilized for particular positions (especially those with the greatest recruitment challenges).

Job Postings & Applications Received - FY09 to FY14

96% increase in job applications and postings between FY11 and FY14.

	FY09	FY10	FY11	FY12	FY13	FY14
Applications	123,684	111,932	125,670	200,758	206,740	246,616
Postings	4,268	2,904	3,439	4,725	5,652	6,437
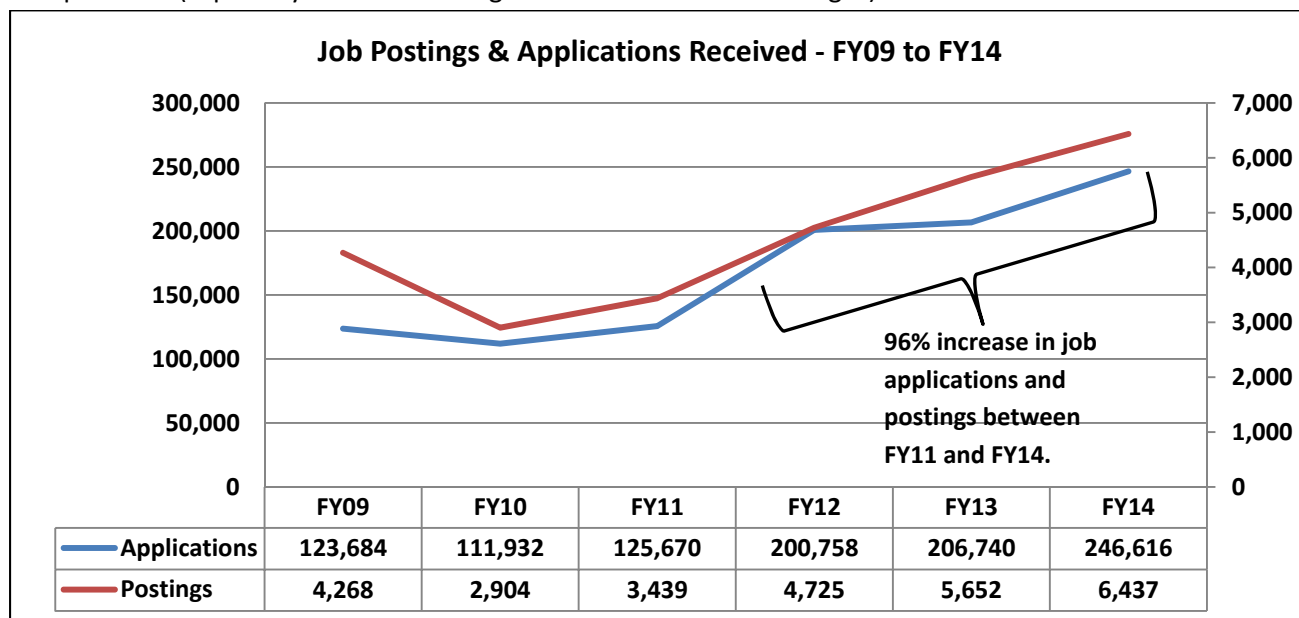
The above graphs illustrate a substantial increase in both the number of positions being advertised and the number of applicants available for consideration. This could not have been achieved without having a dynamic on-line recruitment tool.
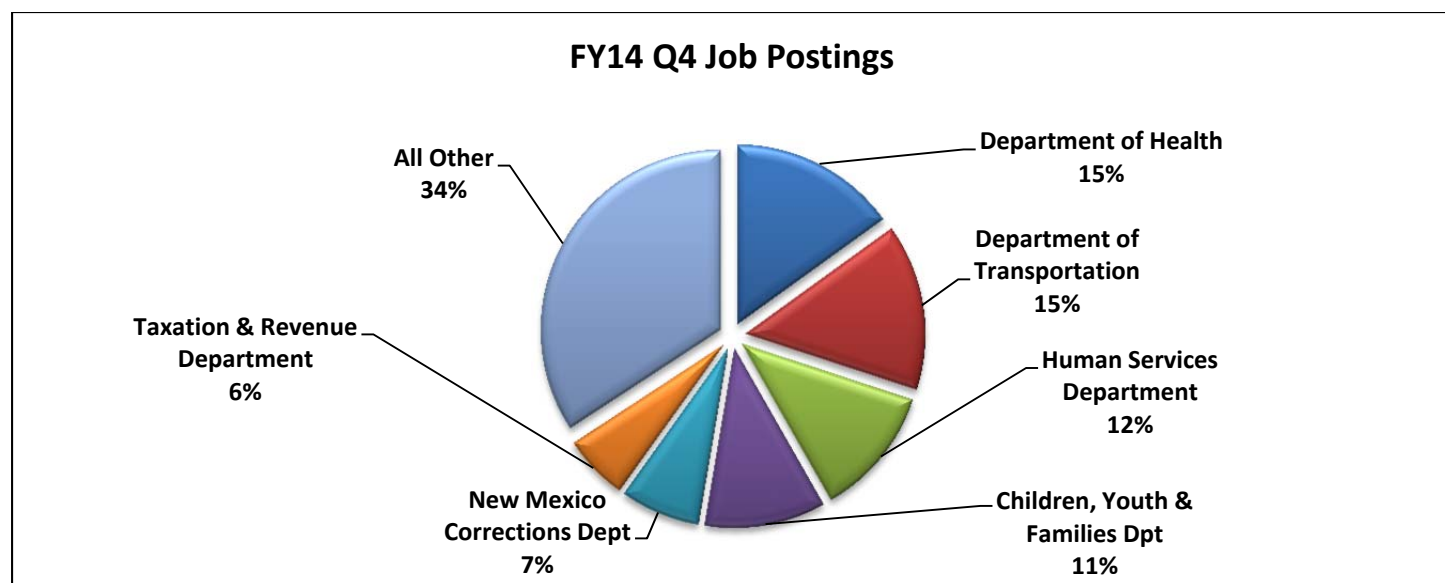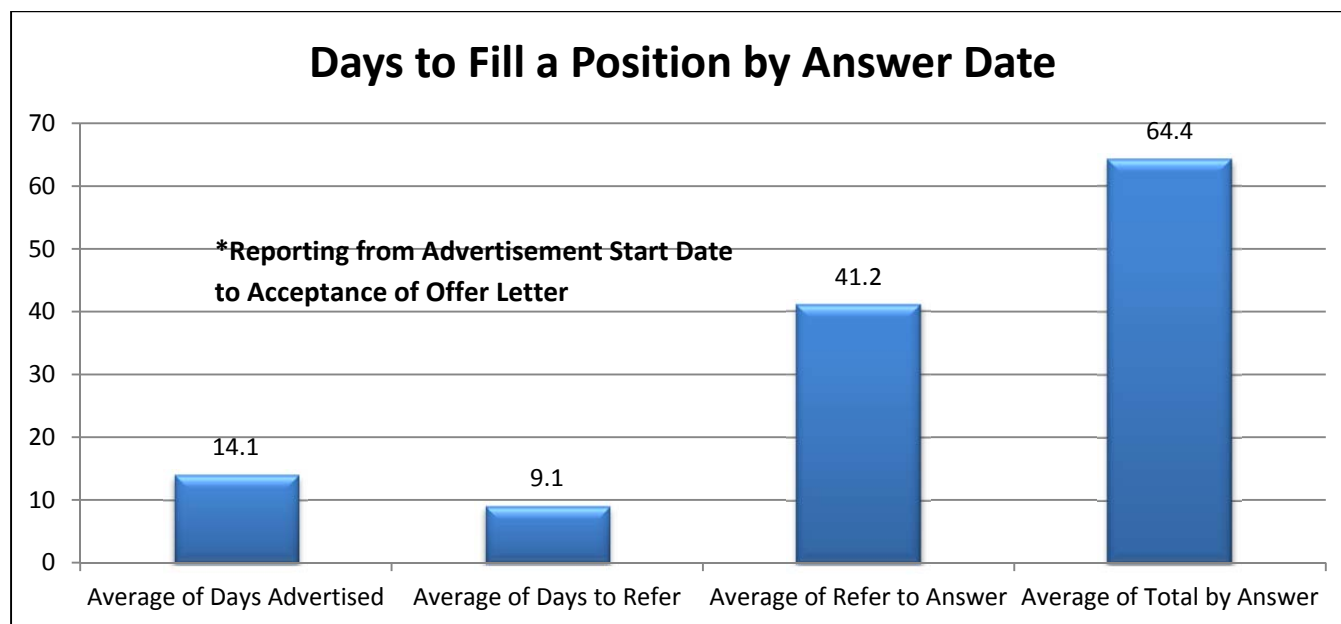
Applications Received

Quarter	Applications Received
FY13Q1	53,596
FY13Q2	38,785
FY13Q3	54,680
FY13Q4	61,274
FY14Q1	71,913
FY14Q2	58,810
FY14Q3	58,164
FY14Q4	57,729
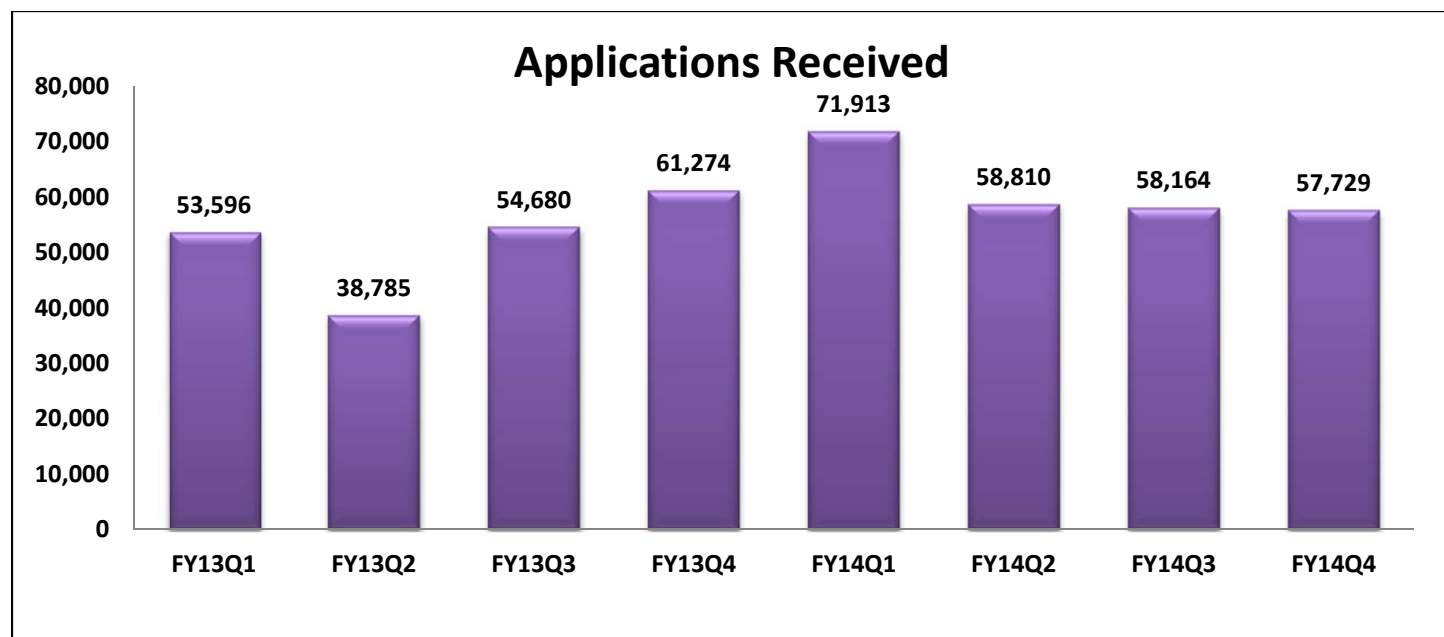
Total Hits on Posted Applications by Fiscal Year		
FY12	**FY13**	**FY14**
2,286,916	3,645,209	4,079,561

4th Quarter Posting Views and Applications by Department			
Department	**Advertisements**	**Views**	**Applications Received**
Aging & Long-Term Services Department	23	18,074	774
Children, Youth & Families Department	180	183,379	7,880
Department of Cultural Affairs	21	23,405	1,048
Department of Environment	49	39,645	1,538
Department of Finance & Administration	15	12,251	733
Department of Game & Fish	28	25,563	847
Department of Health	248	185,470	6,642
Department of Public Safety	32	24,909	1,014
Department of Transportation	247	120,035	4,327
Department of Workforce Solutions	25	24,497	1,551
Department of Vocational Rehabilitation	35	29,650	1,739
Energy, Minerals & Natural Resources Department	36	26,028	835
General Services Department	23	14,487	592
Human Services Department	193	140,658	7,318
New Mexico Corrections Department	119	73,925	3,617
Office of the State Engineer	19	15,207	571
Public Defender	31	18,916	1,024
Public Education Department	29	22,176	788

Public Regulation Commission	15	9,294	572
Regulation & Licensing Department	37	24,191	1,250
Taxation & Revenue Department	97	62,840	3,404

FY14 Q4 Job Postings

All Other
34%

Taxation & Revenue
Department
6%

New Mexico
Corrections Dept
7%

Department of Health
15%

Department of
Transportation
15%

Human Services
Department
12%

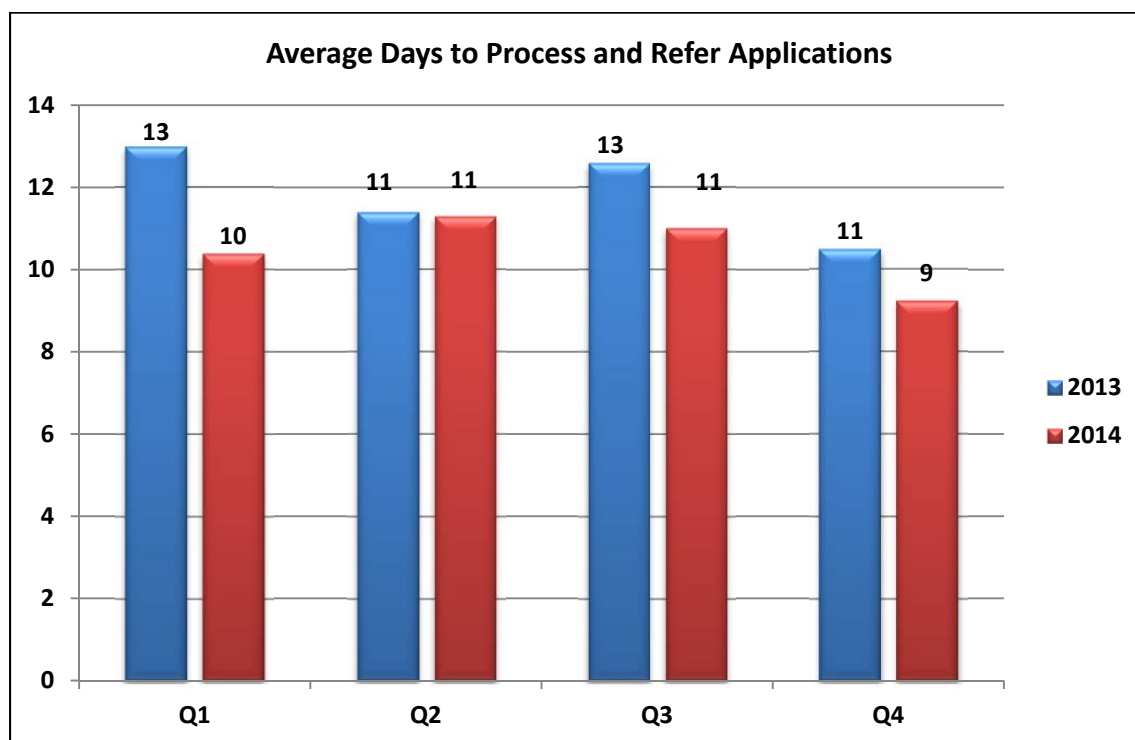Children, Youth &
Families Dpt
11%

The number of views each department's job postings receives demonstrates an increased exposure of vacancies and applicant interest in state positions. As can be seen, six agencies represent the majority (66%) of all jobs posted in this quarter.

Days to Fill a Position by Answer Date

*Reporting from Advertisement Start Date
to Acceptance of Offer Letter

Average of Days Advertised	14.1
Average of Days to Refer	9.1
Average of Refer to Answer	41.2
Average of Total by Answer	64.4

Notes on graph above:
- Last Updated on June 30, 2014.
- Excludes Continuous Postings (Advertised 30 days or more)
- Data for Days Advertised, Referred and Referral to Hire is tied to the quarter in which the hire occurred. Therefore these numbers do not reflect the actually time an agency took to refer all lists in that particular quarter.
- Does not include hires that have not been entered in NEOGOV.

A number of factors impact the average days to fill a position. SPO continues to actively work with departments to decrease the amount of time to review and refer applications; the time has decreased significantly since NEOGOV implementation. The time to interview and process a hire (41 days) is the most significant portion of the hiring process. SPO is partnering with departments to develop interview time frames for hiring managers, develop feedback mechanisms to provide ongoing information on positions that are pending and to identify positions, classifications and departments that are posing particular challenges to timely recruitment.

Average Days to Process and Refer Applications

Q1: 2013 = 13, 2014 = 10
Q2: 2013 = 11, 2014 = 11
Q3: 2013 = 13, 2014 = 11
Q4: 2013 = 11, 2014 = 9

Legend: ■ 2013 ■ 2014

Average Days to Fill a Position by Answer Date for Key Agencies

SPO has outlined the top key agencies hiring information. Most of the key agencies meet or exceed hiring expectations. For example, SPO has recommended:
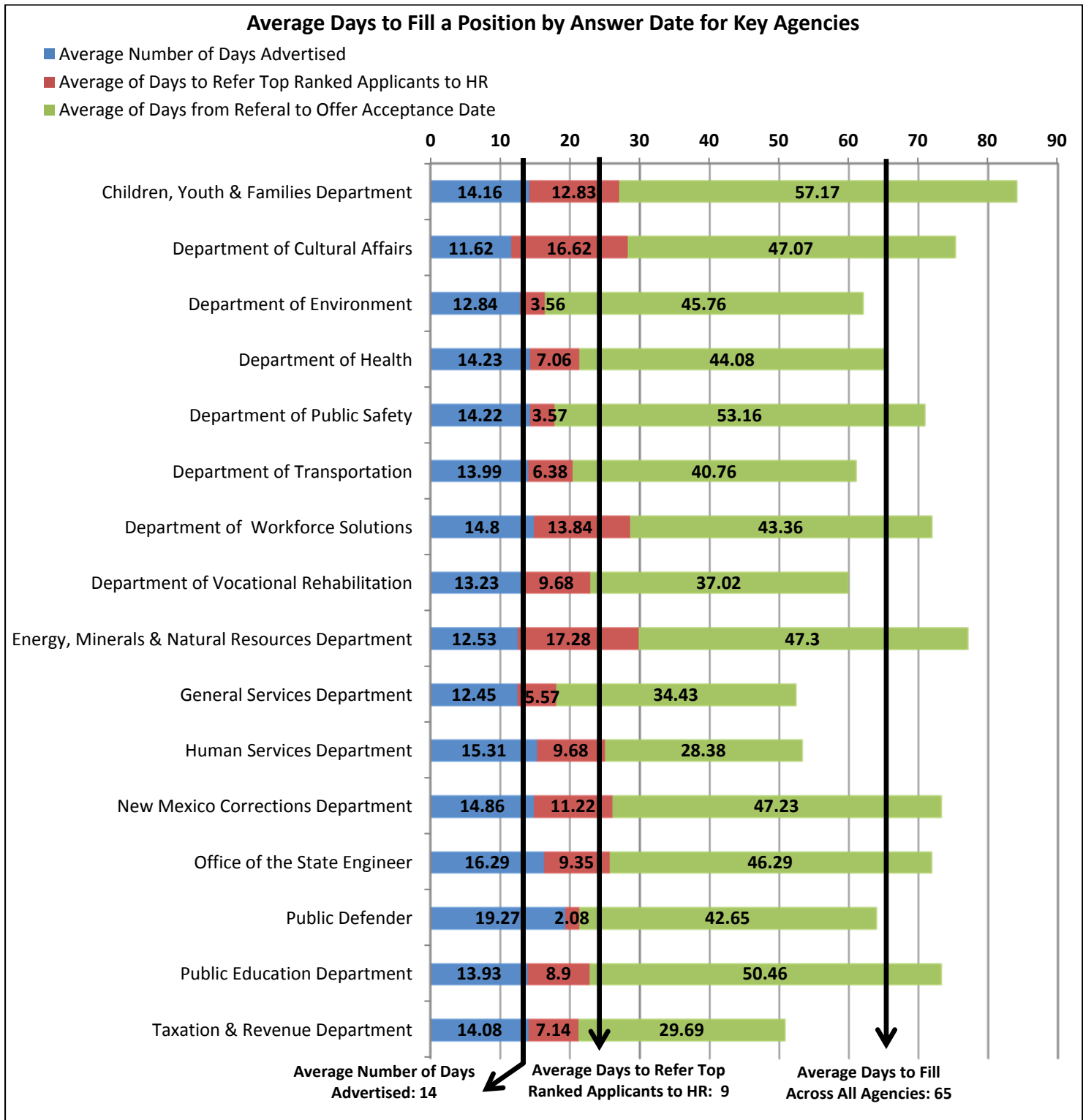
- That the hiring manager review, upon receipt, their list of referred applicants within three business days to ensure they have an adequate pool to interview from and do not need additional applicants; and
- That the agency interviews within two weeks of receiving the referred list of applicants.

SPO provides the agency Human Resource Manager with ongoing reports to inform them of any outstanding advertisements that have not been filled and/or appropriately closed out within NEOGOV.

SPO acknowledges that factors exist that may impact the time to fill, such as background checks; however, by working on the recommendations outlined, there have been positive changes within the time taken to fill positions.

How to interpret the graph below:

- The Average of Days Advertised is the average amount of time between an advertisement opening and closing.
- The Average of Days to Refer is the average amount of time taken by Human Resource professionals to review the top ranked applications.
- The Average of Days from Referral to Date of Offer Accepted is the average amount of time taken for an agency to interview, process appropriate hire paperwork and receive an offer of acceptance.
- The Average of Total Days by Date Offer Accepted is the sum of the previous three columns.

Average Days to Fill a Position by Answer Date for Key Agencies

- ■ Average Number of Days Advertised
- ■ Average of Days to Refer Top Ranked Applicants to HR
- ■ Average of Days from Referal to Offer Acceptance Date

Agency	Avg Days Advertised	Avg Days to Refer	Avg Days Referral to Offer Acceptance
Children, Youth & Families Department	14.16	12.83	57.17
Department of Cultural Affairs	11.62	16.62	47.07
Department of Environment	12.84	3.56	45.76
Department of Health	14.23	7.06	44.08
Department of Public Safety	14.22	3.57	53.16
Department of Transportation	13.99	6.38	40.76
Department of Workforce Solutions	14.8	13.84	43.36
Department of Vocational Rehabilitation	13.23	9.68	37.02
Energy, Minerals & Natural Resources Department	12.53	17.28	47.3
General Services Department	12.45	5.57	34.43
Human Services Department	15.31	9.68	28.38
New Mexico Corrections Department	14.86	11.22	47.23
Office of the State Engineer	16.29	9.35	46.29
Public Defender	19.27	2.08	42.65
Public Education Department	13.93	8.9	50.46
Taxation & Revenue Department	14.08	7.14	29.69

Average Number of Days Advertised: 14

Average Days to Refer Top Ranked Applicants to HR: 9

Average Days to Fill Across All Agencies: 65

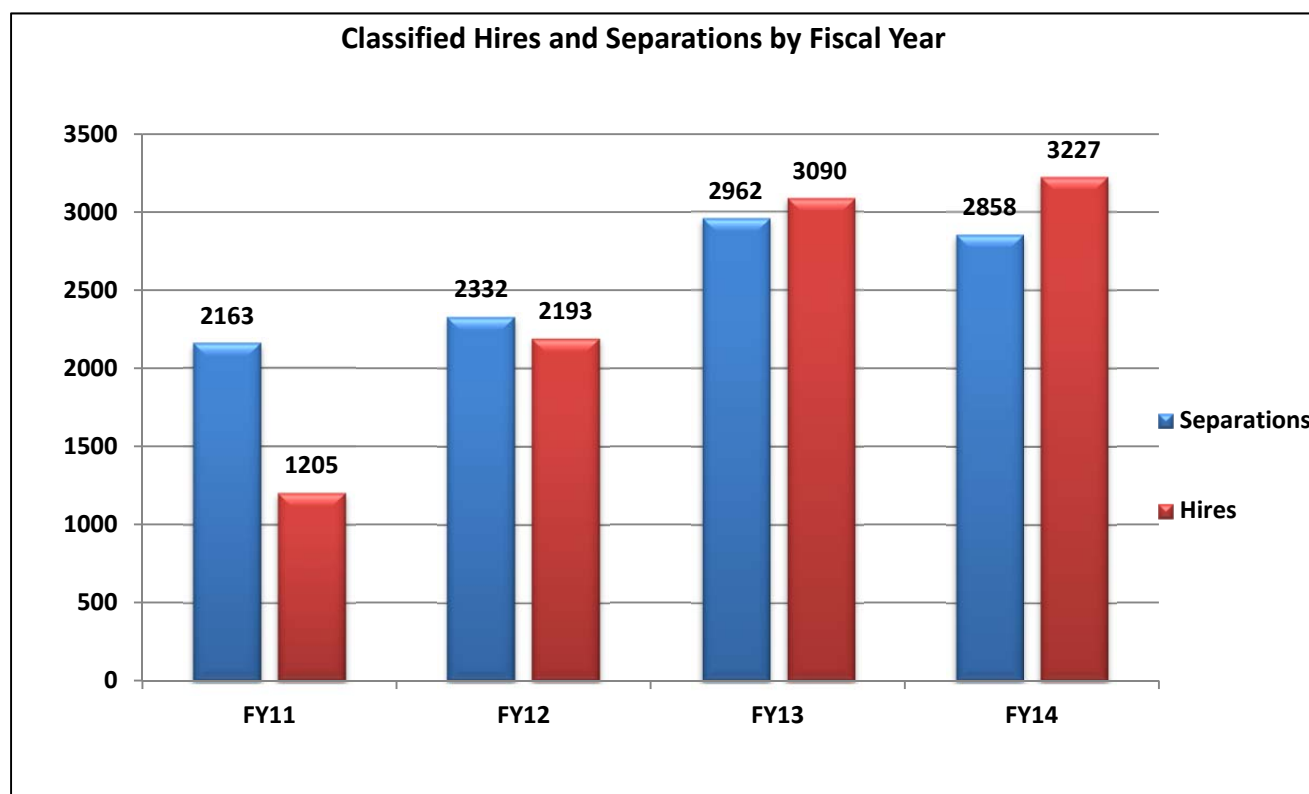# Classified Service Hires and Terminations

In FY14, 3,227 positions in the state's classified service were filled. This is directly attributed to continued efforts to fill and properly classify vacant budgeted positions and has created a positive impact on the delivery of services and improved employee morale throughout state government.

However, non-competitive pay and classification systems continue to impact the State's ability to attract and retain qualified applicants. The data demonstrate that a clear interest by applicants in the State vacancies exist: however, when seeing the low entry pay level, on average 18% behind the comparator market, the number of actual applicants for positions significantly decreases. While the actual hire rate for a minimally qualified applicant is closer to the mid-point of the salary range for the position, that information is not available to the potential applicant. SPO is currently working to remedy this through a comprehensive compensation and classification review to make the pay structure more competitive and attractive.
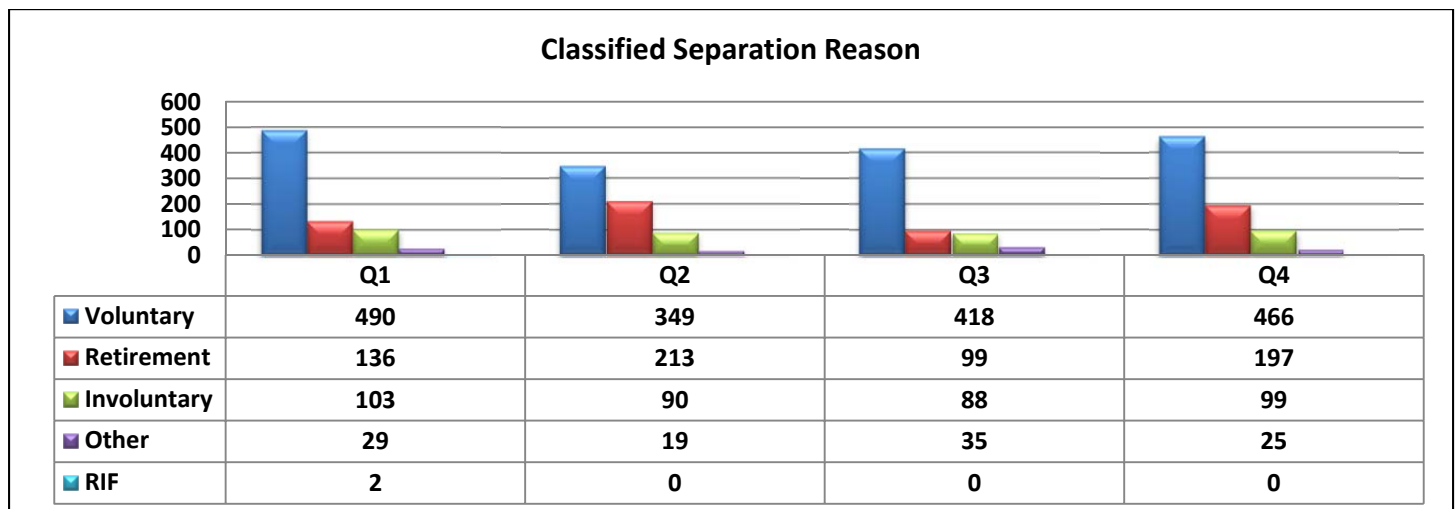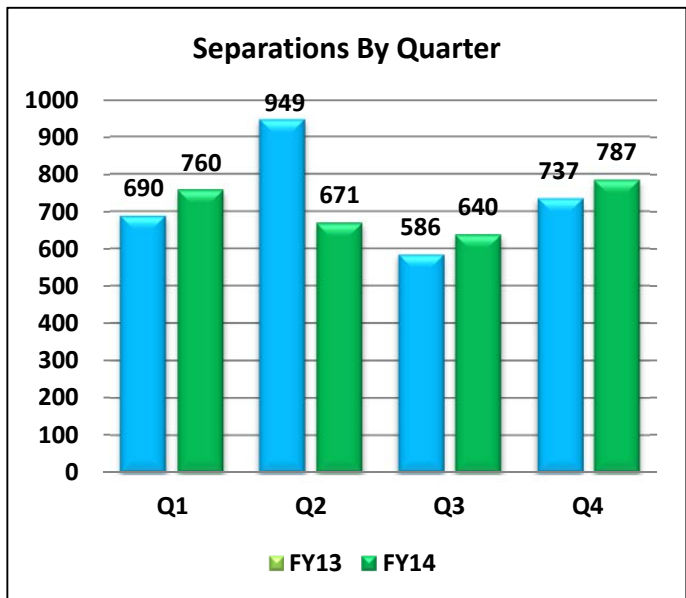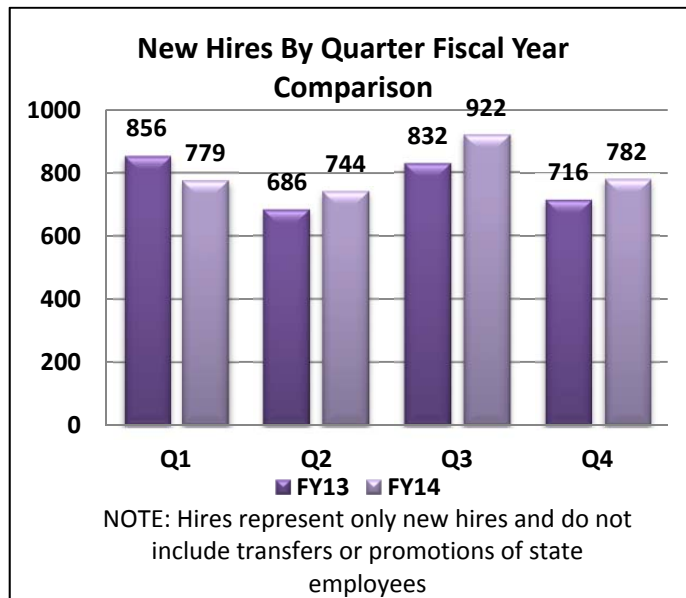
> *In FY14, 3,227 positions within the classified service were filled, positively impacting the quality of State services and morale.*

The impact of changes to the State's retirement system has concerned employees and increased their egress. While the State's hiring activity has dramatically increased since FY11 by 156%, this effort only offsets the increased retirements of state employees.

New Hires by Fiscal Year (FY09-FY13)

Classified Hires and Separations by Fiscal Year

Fiscal Year	Separations	Hires
FY11	2163	1205
FY12	2332	2193
FY13	2962	3090
FY14	2858	3227

FY14 New Hires & Separations by Quarter

New Hires By Quarter Fiscal Year Comparison

Quarter	FY13	FY14
Q1	856	779
Q2	686	744
Q3	832	922
Q4	716	782

NOTE: Hires represent only new hires and do not include transfers or promotions of state employees

Separations By Quarter

Quarter	FY13	FY14
Q1	690	760
Q2	949	671
Q3	586	640
Q4	737	787

Classified Separation Reason

	Q1	Q2	Q3	Q4
Voluntary	490	349	418	466
Retirement	136	213	99	197
Involuntary	103	90	88	99
Other	29	19	35	25
RIF	2	0	0	0

New Hire Compa-Ratio

The Compa-Ratio of newly hired employees, in many situations, is well above the entry level salary for vacancies appropriated by the Legislature. The state's inability to adjust entry level rates within the salary plan makes it difficult for the state to compete in the labor market, forcing departments to hire at rates in excess of the mid-point of the pay range.

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

New Hire Compa-Ratio

Average New Hire Compa-Ratio By Fiscal Year
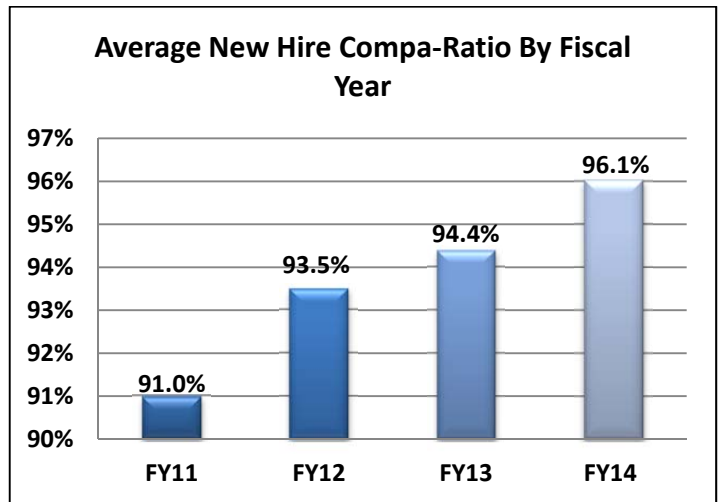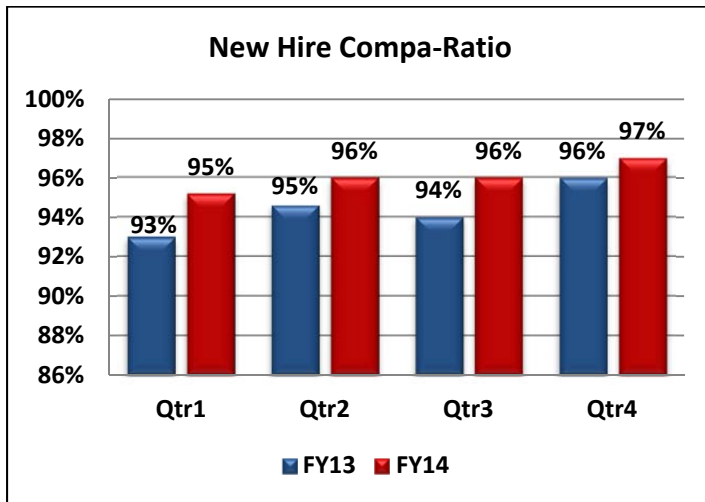
FY14 – 4th Quarter New Hire Compa-Ratio by Pay Band

Pay Band	Average Compa-Ratio	# of Employees
25	0.93	20
30	1.01	61
35	0.89	41
40	1.02	57
45	0.99	80
50	0.89	137
55	0.92	83
60	0.90	117
65	0.98	118
70	0.99	83
75	1.05	47
80	1.04	38
85	1.06	30
90	1.07	7
95	1.03	2
96	1.17	1
Grand Total	**0.96**	**922**

New Hire Demographics

Ethnicity	Female	Male	Grand Total	% Per Ethnic Group
African American	17	11	28	3%
American Indian	6	1	7	1%
Asian	11	10	21	2%
Hawaiian	0	1	1	0%
Hispanic	233	171	404	44%
Not Specified	69	95	164	18%
White	168	129	297	32%
Grand Total	**504**	**418**	**922**	**100%**
% Per Gender Group	**55%**	**45%**		

FY14 Classified Separations by Reason

Reason	Q1	Q2	Q3	Q4
Accepted New Job (Competitor)	18	16	11	24
Accepted New Job (Non-Comp)	32	20	18	23
Attendance	11	9	13	17
Death	9	5	11	10
Disability Retirement	14	11	9	7
Discharge	6	1	7	5
Dissatisfied w/Work Conditions	3	1	0	0
Dissatisfied with Hours	1	0	0	0
Dissatisfied with Pay	1	4	1	4
Failed Condition of Employment	10	16	9	6
Family Reasons	5	4	3	5
Health Reasons	10	10	16	8
Insubordination	5	3	0	2
Leave of Absence Expiration	1	0	0	0
Misconduct	40	40	38	40
Mutual Consent	0	0	1	0
Non Job Connected Medical	0	0	4	2
Normal Retirement	116	190	82	178
Other Medical	3	4	3	3
Personal Reasons	86	58	59	53
Quit without Notice	22	18	17	26
Relocation	12	9	2	7
Reorganization	1	1	0	0
Resignation	291	208	294	313
Resignation-Other Position	8	9	6	5
Return to School	6	1	5	2
RIF - SPO Board Approved	2	0	0	0
Unforeseen Circumstances	2	1	2	2
Unsatisfactory Performance	18	13	13	20
Vested Retirement	6	10	8	10
Violation of Rules	8	7	8	7
Grand Total	**747**	**669**	**640**	**779**

FY14 4th Quarter Classified Separations by Agency

| Agency Name	Total
Aging & Long-Term Services Department	11
Architect Examiners Board	1
Board of Nursing	1
Children, Youth & Families Department	100
Commission for the Blind	3
Commission of Public Records	1
Department of Cultural Affairs	11

Agency Name	Total
Department of Environment	17
Department of Finance & Administration	2
Department of Game & Fish	6
Department of Health	156
Department of Public Safety	21
Department of Transportation	79
Department of Veteran Services	2
Department of Workforce Solutions	22
Department of Information Technology	2
Department of Vocational Rehabilitation	12
Educational Retirement Board	2
Energy, Minerals & Natural Resources Department	10
EXPO New Mexico	2
Gaming Control Board	5
General Services Department	9
Homeland Security & Emergency Management	1
Human Services Department	95
Livestock Board	2
Military Affairs	12
Miners Colfax Medical Center	13
New Mexico Corrections Department	67
Office of the State Engineer	11
Office of African American Affairs	1
Public Defender	14
Public Education Department	10
Public Employee Retirement Association	3
Public Regulation Commission	6
Regulation & Licensing Department	8
Secretary of State	3
State Land Office	6
State Personnel Board	3
Superintendent of Insurance	4
Taxation & Revenue Department	42
Tourism Department	1
Workers Compensation Admin	10
Grand Total	787

Statewide Classified Turnover Rate

Turnover is attributable to many factors beyond management control such as retirement, transfer and promotional opportunity. The turnover rate for FY14 averages 6.6%. This is a decrease from the 7.7% turnover rate in FY13. The graph and table on the next page reflects classified employee quarterly turnover rates by department.

Statewide agency trends in turnover are being closely monitored. It should be noted that this data has been presented for better analysis to determine causal effects. However, determining the actual turnover rate in each agency is difficult since the General Appropriation Act contains authorized FTE, rather than funded FTE, resulting in an overstated turnover rate.

Statewide Turnover Rate
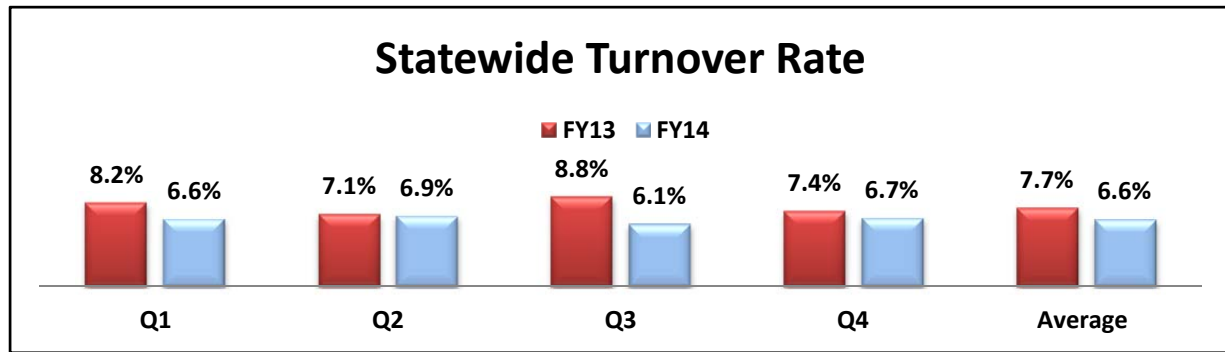
Statewide Classified Turnover Rate by Agency

Business Unit	Agency Name	Q1	Q2	Q3	Q4	FY14 Average
30800	State Auditor	0.0%	12.5%	13.6%	4.5%	7.7%
33300	Taxation & Revenue Department	7.3%	6.8%	5.8%	7.0%	6.7%
33700	State Investment Council	0.0%	10.5%	18.8%	0.0%	7.3%
34100	Department of Finance & Administration	16.1%	8.9%	2.4%	2.3%	7.4%
34200	Public School Insurance Authority	0.0%	0.0%	0.0%	0.0%	0.0%
34300	Retiree Health Care Authority	0.0%	0.0%	0.0%	0.0%	0.0%
35000	General Services Department	9.3%	6.7%	9.9%	6.3%	8.1%
35200	Educational Retirement Board	2.1%	4.0%	1.9%	3.8%	3.0%
35500	Public Defender	6.7%	7.6%	5.7%	4.3%	6.1%
36100	Department of Information Technology	4.3%	5.0%	5.4%	3.4%	4.5%
36600	Public Employee Retirement Association	3.3%	5.1%	3.3%	5.1%	4.2%
36900	Commission of Public Records	2.9%	2.9%	6.3%	2.9%	3.8%
37000	Secretary of State	8.2%	8.2%	12.8%	19.5%	12.2%
37800	State Personnel Board	7.5%	2.1%	8.9%	6.7%	6.3%
39400	State Treasurer	4.0%	0.0%	0.0%	0.0%	1.0%
40400	Architect Examiners Board	0.0%	50.0%	0.0%	100.0%	37.5%
41700	Border Development Authority	0.0%	0.0%	0.0%	0.0%	0.0%
41800	Tourism Department	9.3%	1.8%	5.5%	1.8%	4.6%
41900	Economic Development Department	8.8%	12.1%	15.2%	0.0%	9.0%
42000	Regulation & Licensing Department	5.3%	8.8%	3.5%	3.8%	5.3%
43000	Public Regulation Commission	5.1%	2.6%	5.0%	5.6%	4.6%
44000	Superintendent of Insurance	0.0%	1.5%	2.8%	1.4%	1.4%
44600	Medical Examiners Board	0.0%	18.2%	0.0%	0.0%	4.5%
44900	Board of Nursing	0.0%	5.9%	0.0%	5.6%	2.9%
46000	EXPO New Mexico	4.2%	0.0%	0.0%	8.7%	3.2%
46400	Prof Engineers & Land Surveyors Board	0.0%	20.0%	0.0%	0.0%	5.0%
46500	Gaming Control Board	22.0%	0.0%	6.3%	10.6%	9.7%
46900	State Racing Commission	18.2%	10.0%	0.0%	0.0%	7.0%
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	4.7%	5.6%	4.7%	7.2%	5.6%
50800	Livestock Board	11.9%	6.8%	10.7%	5.4%	8.7%
51600	Department of Game & Fish	7.5%	5.5%	4.9%	2.7%	5.1%
52100	Energy, Minerals & Natural Resources Department	32.0%	10.1%	5.6%	7.9%	13.9%
52200	Youth Conservation Corps	0.0%	0.0%	0.0%	0.0%	0.0%

Business Unit	Agency Name	Q1	Q2	Q3	Q4	FY14 Average
53900	State Land Office	12.1%	4.2%	2.8%	7.8%	6.7%
55000	Office of the State Engineer	6.0%	3.9%	2.1%	4.8%	4.2%
60300	Office of African American Affairs	25.0%	0.0%	0.0%	25.0%	12.5%
60400	Com for Deaf/Hard of Hearing	8.3%	9.1%	0.0%	0.0%	4.4%
60600	Commission for the Blind	6.7%	5.0%	3.3%	5.2%	5.0%
60900	Department of Indian Affairs	0.0%	28.6%	0.0%	0.0%	7.1%
62400	Aging & Long-Term Services Department	2.4%	8.3%	6.8%	5.4%	5.7%
63000	Human Services Department	9.0%	6.5%	6.6%	7.4%	7.4%
63100	Department of Workforce Solutions	7.6%	9.9%	6.8%	8.1%	8.1%
63200	Workers Compensation Admin	6.8%	4.8%	2.8%	9.9%	6.1%
64400	Department of Vocational Rehabilitation	5.6%	6.9%	3.7%	5.5%	5.4%
64500	Governor's Comm. on Disability	0.0%	0.0%	10.0%	0.0%	2.5%
64700	Developmental Disabilities Planning Commission	44.4%	8.3%	0.0%	0.0%	13.2%
66200	Miners Colfax Medical Center	16.4%	13.2%	15.7%	19.9%	16.3%
66500	Department of Health	8.3%	8.0%	6.3%	6.0%	7.1%
66700	Department of Environment	5.7%	4.5%	5.3%	4.0%	4.9%
66800	Office of Natural Resource Trustee	0.0%	0.0%	0.0%	0.0%	0.0%
67000	Department of Veteran Services	6.1%	3.0%	0.0%	6.1%	3.8%
69000	Children, Youth & Families Department	7.2%	5.3%	6.5%	6.9%	6.5%
70500	Military Affairs	1.0%	9.3%	11.1%	13.0%	8.6%
76000	Adult Parole Board	0.0%	0.0%	0.0%	0.0%	0.0%
77000	New Mexico Corrections Department	7.4%	8.3%	7.3%	10.1%	8.3%
78000	Crime Victims Reparation Commission	6.7%	15.4%	0.0%	0.0%	5.5%
79000	Department of Public Safety	6.5%	10.0%	8.6%	4.9%	7.5%
79500	Homeland Security & Emergency Management	0.0%	11.6%	9.8%	5.0%	6.6%
80500	Department of Transportation	7.4%	5.8%	4.5%	5.6%	5.8%
92400	Public Education Department	10.5%	7.4%	3.4%	5.2%	6.6%
94900	NM Education Trust Board	0.0%	0.0%	0.0%	0.0%	0.0%
95000	Higher Education Department	2.9%	6.1%	5.4%	2.5%	4.2%
	Statewide Turnover Rate	**6.6%**	**6.9%**	**4.5%**	**6.2%**	**6.0%**

Vacancy Rates

While it is certain that vacancies need to be filled and tracked, it is difficult to ascertain what positions are budgeted vs. authorized. Due to funding restrictions, not all of the authorized FTEs in the GAA 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 statewide statistics.

Statewide Vacancy Rate

■ FY13 ■ FY14

	Q1	Q2	Q3	Q4
FY13	15.4%	13.6%	13.5%	16.8%
FY14	14.3%	15.3%	15.0%	13.5%
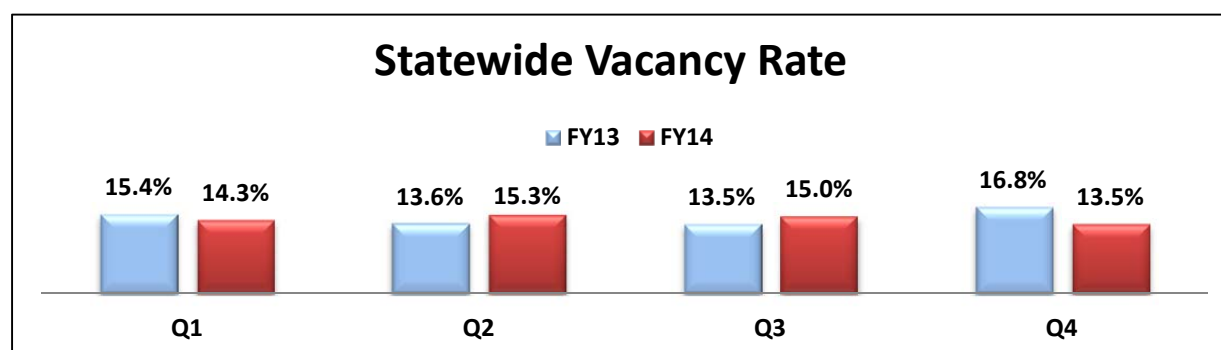
Quarterly Vacancy Rates for the 20 Key Agencies

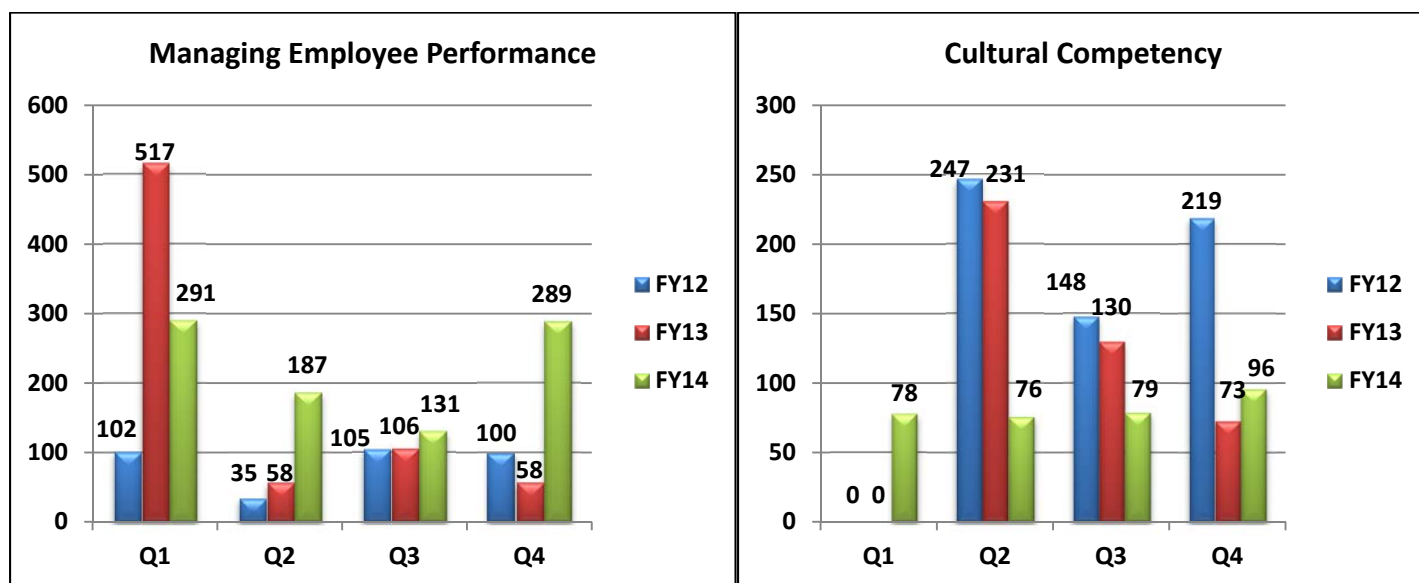| Business Unit	Agency	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
21800	Administrative Office of the Courts	7.8%	7.4%	7.7%	6.4%
23200	2nd Judicial District Court	9.8%	9.2%	8.1%	4.6%
24400	Bernalillo Metropolitan Court	10.6%	12.8%	10.4%	12.8%
33300	Taxation & Revenue Dept.	19.3%	17.6%	14.7%	15.2%
35000	General Services Dept.	28.6%	28.9%	27.1%	25.4%
35500	Public Defender	9.6%	8.4%	7.4%	3.6%
42000	Regulation & Licensing Dept.	22.1%	22.4%	23.4%	19.3%
50500	Department of Cultural Affairs	13.1%	15.5%	12.6%	17.3%
52100	Energy, Minerals & Natural Resources Department	15.9%	23.8%	24.0%	20.5%
55000	Office of the State Engineer	10.6%	11.9%	12.2%	9.2%
63000	Human Services Department.	13.9%	14.5%	12.4%	7.0%
63100	Department of Workforce Solutions	23.3%	22.8%	22.8%	2.6%
64400	Department. of Vocational Rehabilitation	25.6%	28.3%	26.9%	20.9%
66500	Department of Health	14.0%	16.5%	15.7%	18.0%
66700	Department of Environment	17.0%	16.9%	17.1%	17.6%
69000	Children, Youth & Families Department	14.7%	14.2%	13.5%	12.7%
77000	New Mexico Corrections Department	22.6%	24.3%	24.1%	22.9%
79000	Department of Public Safety	16.3%	17.4%	17.3%	17.2%
80500	Department of Transportation	13.6%	14.8%	13.4%	13.9%
92400	Public Education Department	16.7%	19.3%	16.9%	13.7%
	State Wide Vacancy Rate	**14.3%**	**15.3%**	**15.0%**	**15.2%**

Training

The Training and Development Bureau (TDB) mission, 'to develop great leaders for state government in support of the agencies we serve,' continues to direct the provision of statewide guidance and oversight for centralized leadership development and organizational learning. The SPO TDB commitment is to develop leaders dedicated to public service through learning that measurably transforms individuals and organizations.

Instructor – Led Core Curriculum Classes

The TDB delivers practitioner-oriented professional development and both mandatory and statutory instructor-led and eLearning course blocks:

- **Managing Employee Performance (MEP):** the MEP is mandated by the State Personnel Board Rules: Subsection A of 1.7.9.9 NMAC. Topics of discussion include employee evaluations, communication and documentation in support of teams and projects. This course promotes accountability and collaboration through all levels of management and supervision. In the 4th Quarter, the MEP Training was conducted for 289 managers and supervisors from various agencies, a 93% attendance rate.

Managing Employee Performance

	Q1	Q2	Q3	Q4
FY12	102	35	105	100
FY13	517	58	106	58
FY14	291	187	131	289

Cultural Competency

	Q1	Q2	Q3	Q4
FY12	0	247	148	219
FY13	0	231	130	73
FY14	78	76	79	96

- **Cultural Competency:** pursuant to the State-Tribal Collaboration Act (STCA), in collaboration with the Indian Affairs Department (IAD), SPO developed a cultural competency statutory training program to be offered to all state employees who have ongoing communication with Native American nations, tribes or pueblos. SPO's efforts in FY14 to communicate, collaborate and consult with tribes as described in the Tribal Collaboration and Communication Policy was to ensure that the training developed in collaboration with IAD remains aligned with the needs of tribal and state governments. State agency employees are notified of the provisions of the STCA through the TDB and the IAD websites. SPO maintains certification of the number of state employees from each state agency that have completed the Cultural Competency training. The current Cultural Competency training curriculum includes:

  o An introduction to the unique legal and political status of New Mexico Indian Nations, Pueblos, and Tribes with a review of Federal Indian policies and laws;
  o An examination of tribal governments and authorities;
  o Collaboration/consultation principles and guidance;
  o Communication skills; and
  o Cultural competencies and best practices.

- **Fundamentals of Supervision:** this course includes sections on supervision and leadership core values and practices, strategies for coordinating powerful work with teams and stakeholders, and key considerations regarding motivation and dealing with resistance effectively. Real scenarios are discussed and solutions are developed utilizing the Facts, Objectives, Solutions, Actions (FOSA) method. A total of 97 state employees participated in the training in the 4th Quarter.

- **Developing an Americans with Disabilities Act (ADA) Successful Reasonable Accommodation Process:** this course includes relevant information that employers need in order to provide accommodations for applicants and employees with disabilities. For many employers, understanding when and how they must comply can be, at times, complex. Developing effective policies, procedures and practices can assure full compliance as well as help management successfully respond to reasonable accommodation requests and needs. This 3-hour training, given by the Southwest ADA Center, provides an overview of the ADA Amendments Act, extensive reasonable accommodation and best practice approaches, useful ADA technical assistance resources and answers to key questions. A total of 58 state employees participated in the training in the 4th Quarter.

ELearning Mandatory Classes

- **Ethics for New Mexico State Government Employees**: Ethics training helps state employees understand and be held accountable for the Code of Ethical Conduct, thereby increasing the efficiency and efficacy of New Mexico State government. The online Ethics Training for State employees is a collaborative project with the New Mexico State University College of Business and the Daniels Foundation.

- **Civil Rights**: the Civil Rights course strives to make public servants aware of the ethical standards and the social responsibility necessary to act humanely and responsively in an intergovernmental system. The Civil Rights Training has been made available to all new employees in concert with agency hires; agencies are responsible for delivering this training to new employees within 90 days of hire. A total of 615 state employees participated in the training in the 4th Quarter.

All eLearning courses are available through an institutional learning management system (LMS) from Blackboard. SPO Blackboard allows state employees to access course materials and conduct course activities anywhere and anytime they can access World-Wide Web.

Additional Training

- **SHARE Human Capital Management (HCM) Training**: the TDB partners with the Department of Information Technology to manage training offered to state employees who are either new or current users of the SHARE system. A Subject Matter Experts (SME) conducts the SHARE HCM training. A total of 106 state employees participated in the training in the 4th Quarter.
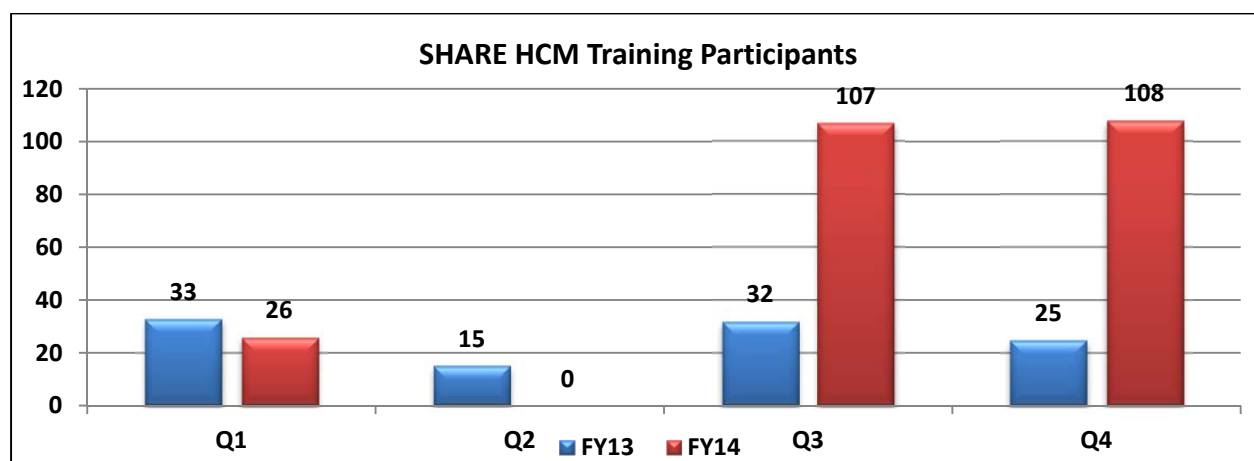
- **Discipline and Adjudication Training**: the TDB is working closely with Subject Matter Experts (SMEs) to redesign the Discipline and Adjudication Training. Faculty are instructors with expertise in discipline and adjudication as detailed by administrative code, NMSA 1978, the NM Governmental Dispute Prevention Resolution Statute and Alternative Dispute Resolution methods. The SMEs will also be familiar with all forms and pleadings included in the processes.

- **Workplace Violence Active Shooter Awareness Training:** SPO, in collaboration with the Department of Public Safety, Department of Homeland Security and Emergency Management and General Services Division successfully deployed the Workplace Violence Active Shooter Awareness Training. Throughout the year, Chad Pierce from the Department of Public Safety presented the

The Training and Development Bureau trained and coordinated classes for 970 employees in FY14.

training curricula to 1,500 state employees. The intent of this course is to provide guidance to recognize the signs of potential work place violence and to prepare state employees who may be caught in an active shooter situation. In addition, GSD, SPO and the Department of Tourism are developing an eLearning course that will be embedded in the New Employee Orientation.

- **New Employee Orientation:** TBD has deployed the online New Employee Orientation. This course acquaints new employees with state history, economy & fun facts. The training also covers the structure of state government, the functions of state agencies, overview of labor unions in New Mexico state government and benefits available through employment with the state.

Adjudication

In compliance with the Personnel Act, SPO's Adjudication Division is responsible for conducting administrative hearings on appeals filed by classified state employees who have completed their probationary period and against whom formal disciplinary action (suspension, demotion, or dismissal) has been taken. Following pre-hearing discovery and exchange of information, one of the Division's two Administrative Law Judges (ALJs) conducts an evidentiary hearing, at which the state agency imposing the discipline and the appealing employee present evidence and arguments related to whether there was just cause for the disciplinary action. Following the hearing, the ALJ prepares a written Recommended Decision for submission to the SPB. A Final Decision is then made by the 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 appeals of their disciplinary action. Additionally, 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 with the SPB and have a hearing on the issue of whether the employee was properly separated from employment. The SPB is also 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 these purposes as well.

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

Adjudication reached final disposition on 57 appeals in FY14.

The majority of the Adjudication Division's hearings are conducted at SPO in Santa Fe, which is equipped with a relatively new hearing room. To conduct hearings outside Santa Fe, the ALJs continue to rely primarily on videoconferencing. The agency taking disciplinary action is typically directed to arrange the videoconferencing between its Santa Fe office and the field office responsible for the disciplinary action. The ALJ then conducts the hearing from Santa Fe, while the attorneys (and/or representatives) and witnesses typically appear at the remote location. The Adjudication Division will consider requests for alternative hearing arrangements on a case-by-case basis.

This 4th Quarter, the Adjudication Division received 13 new appeals, and 16 appeals reached final disposition through decision (3), settlement (8), or withdrawal (5). At the close of the quarter, a total of 38 appeals remain pending.

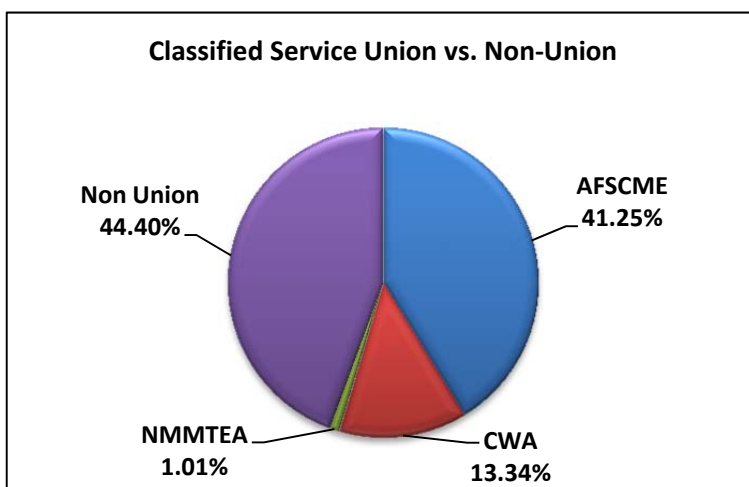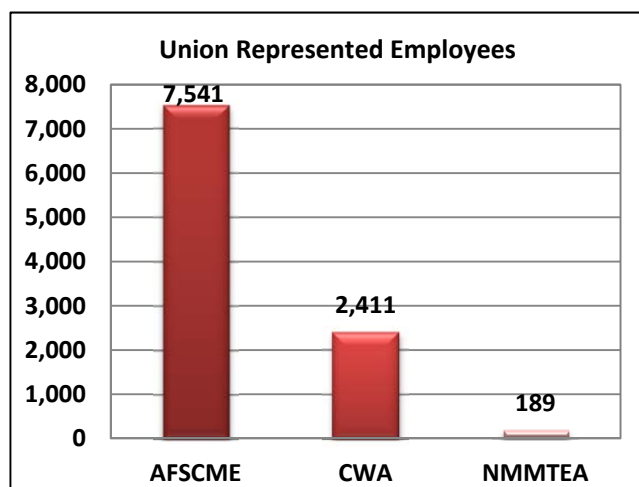| Status	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	FY14 Total
Appeals Pending	49	48	42	38	**177**
New Appeals Filed	13	23	11	13	**60**
Appeal Disposition	14	10	17	16	**57**

Labor Relations

The primary goal of the Labor Relations Division (LRD) is to ensure proper guidance, training and oversight for all state agencies. The LRD 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 SPB Rules that provide protected rights to state employees. As the Governor's designee, the LRD has the authority to negotiate and enforce a CBA with the union and ensure its proper administration.

The Labor Relations Division has many unique and distinctive features which provide invaluable services to state agencies, employees and unions through its functions of contract administration and training. The main objective of the LRD is to act as the labor contract administrator for the State of New Mexico, working actively with state agencies and signatory

113 grievances were filed with the LRD in FY14, down from 130 filed in FY13.

unions in administering the CBAs that benefit the State and its unionized workforce. In this capacity, the Division works closely with state agencies to ensure consistent application of the CBAs and that they are properly administered in the spirit in which they were negotiated. The Division promotes a harmonious and cooperative relationship between state agencies and labor organizations, protecting the public interest by ensuring an orderly operation for the State. The LRD works directly with the 3 unions which currently represent 55.6% of classified service employees within the State; New Mexico Motor Transportation Employee Association (NMMTEA), Communication Workers of America (CWA), and American Federation of State, County and Municipal Employees (AFSCME).
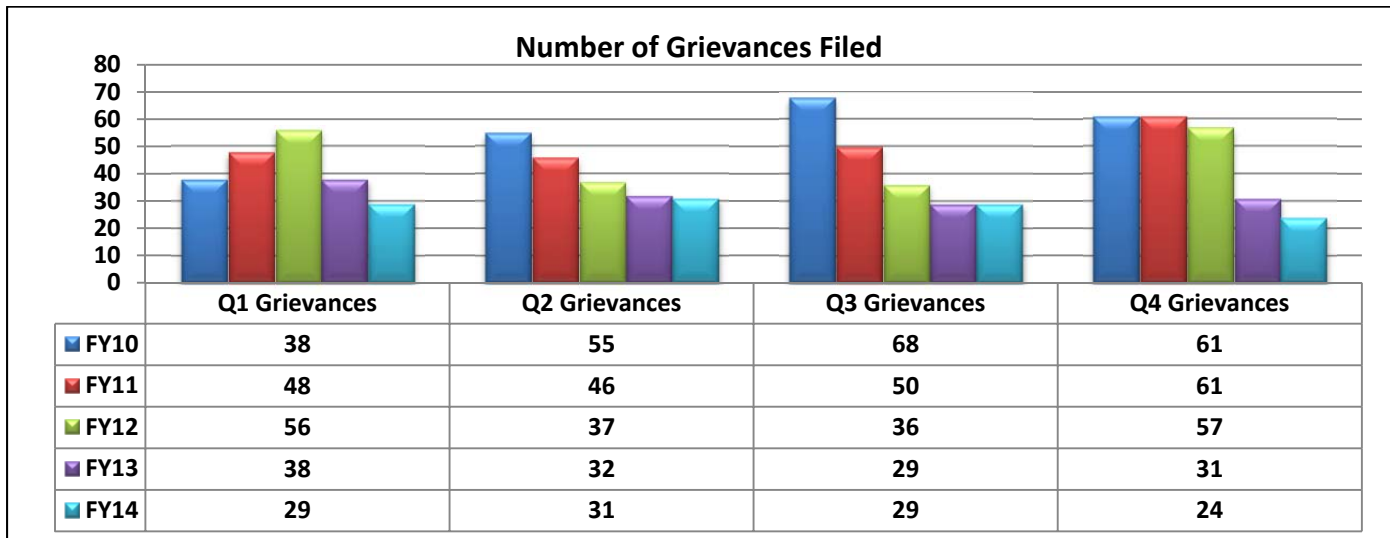
Union Represented vs. Non Union

Union Represented Employees

AFSCME 7,541
CWA 2,411
NMMTEA 189

Classified Service Union vs. Non-Union

Non Union 44.40%
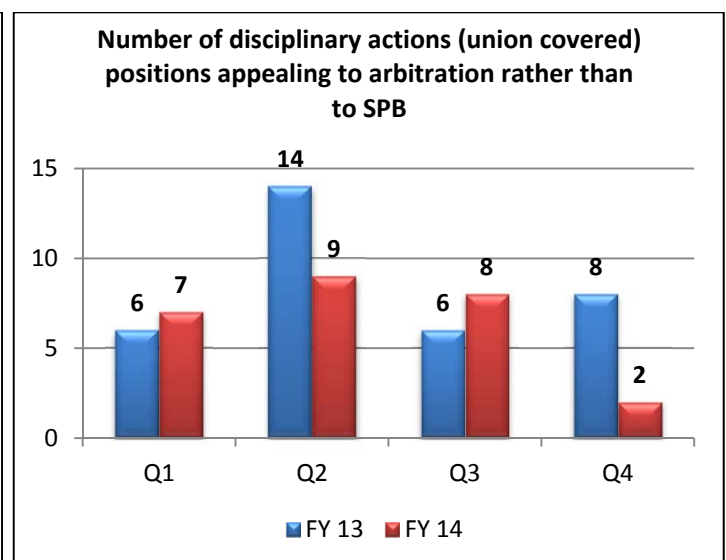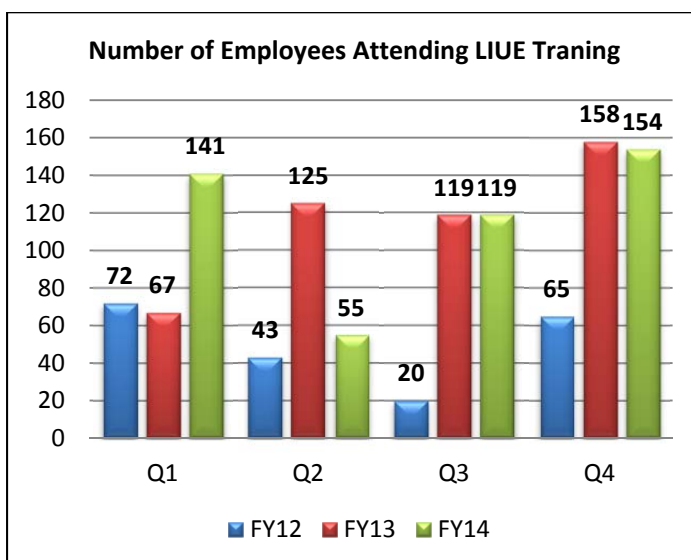AFSCME 41.25%
CWA 13.34%
NMMTEA 1.01%

During the 4th quarter of FY14, a total of 24 union grievances were filed, 21 by AFSCME and three by CWA. Out of the 24 union grievances filed, two were settled, one timed out (a.k.a. Dead on Time), and the union(s) withdrew two union grievances. A total of 16 of the remaining grievances have not reached a final outcome.

There were two Prohibited Practice Complaints (PPCs) filed during this quarter by AFSCME.

There were two disciplinary appeals before an arbitrator invoked by a bargaining unit employee and/or their union representative during the 4th quarter; both by AFSCME.

Number of Grievances Filed

	Q1 Grievances	Q2 Grievances	Q3 Grievances	Q4 Grievances
FY10	38	55	68	61
FY11	48	46	50	61
FY12	56	37	36	57
FY13	38	32	29	31
FY14	29	31	29	24

The LRD continues to support state supervisors and managers by facilitating labor related training. This quarter the LRD conducted six Living in a Union Environment (LIUE) trainings. A total of 154 managers and supervisors attended these classes. LRD also conducted five How Would You Handle This classes, 50 human resources professionals attended this training. Additionally, LRD trained ten supervisors and managers from various different agencies in the intricacies of conducting a workplace investigation.

Number of Employees Attending LIUE Traning

	Q1	Q2	Q3	Q4
FY12	72	43	20	65
FY13	67	125	119	158
FY14	141	55	119	154

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

	Q1	Q2	Q3	Q4
FY 13	6	14	6	8
FY 14	7	9	8	2

The LRD also rolled out two new trainings. The first training developed was an LIUE refresher course. The purpose of this course is to serve as a refresher to those supervisors, managers and HR professionals that have already attended the

eight-hour LIUE training. This four-hour course is aimed at recalling and reinforcing previously acquired knowledge. This training takes into consideration each agency's unique needs.

The second training rolled out this quarter is the Pre-Investigation Consultation for Agencies. This consultation is for Supervisors, Managers and Human Resources (HR) professionals. A professional and prompt response to allegations of inappropriate workplace behavior is imperative and a good workplace investigation will improve the factual bases of an agency's decision-making. The State Personnel Office (SPO) is available to consult with managers, supervisors and HR professionals to ensure a quality, prompt and fair investigation. The objective of this consultation is to provide managers, supervisors and HR professionals with one-on-one guidance and support prior to starting an investigation.

Actual Cost Paid by the State for Arbitration

*No cost have yet to go to hearing, settled, withdrawn

Average cost paid by state for arbitration