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AMENDED GENERAL MEMORANDUM 2025-003

Date: April 28, 2025

To: Cabinet Secretaries, Agency Heads, Elected Officials & Agency Human Resource Managers

From: Dylan K. Lange, Director 

Subject: Fiscal Year 2026 Classified Service Salary Increase Guidance

For Fiscal Year 2026 (FY26), the State Legislature has authorized a four percent (4%) across the board salary increase for all state classified employees in budgeted positions who have completed their probationary period subject to satisfactory job performance. The four percent (4%) will be calculated on the employee's base hourly rate on July 5, 2025, or upon subsequent completion of probationary period.

Eligibility and Process for Implementation

A. Eligibility Parameters

- Employees in budgeted positions¹ who have completed their probationary² period prior to July 1, 2025 and have achieved satisfactory job performance³ documented by a completed final Employee Evaluation (EE) or Management Evaluation (ME) form will receive the four percent (4%) salary increase. A final FY25 performance rating must be entered into SHARE by July 8, 2025, with an evaluation date between July 1, 2024, and July 4, 2025.

¹ "Budgeted positions" is interpreted to mean "non-temporary employees who have completed their probationary period." Please note that time served in the classified service is determined by the Personnel Act. *NMSA 1978, Section 10-9-4*. Time served in state organizations not covered by the Personnel Act (e.g., AOC, AODA, LOPD) or in an exempt salary plan (e.g., GOVEX, EXOT) or in "temporary" status does not count as time in the classified service and does not count toward completion of an employee's probationary status.

² "Probation" is interpreted to mean one-year continuous employment in the **Classified** service, except temporary service.

³ "Satisfactory job performance" is interpreted to mean a final overall evaluation rating of Exemplary, Exceeds Performance Standards, or Achieves Performance Standards.



- Employees in budgeted positions who complete their probationary period between July 5, 2025, and June 30, 2026, and who receive a satisfactory job performance rating documented by a completed final EE or ME form will receive the four percent (4%) salary increase effective the first full pay period after they achieve non-probationary status. A final performance rating must be entered into SHARE prior to the first full pay period after satisfactory completion of their probationary period, with an evaluation date between June 1, 2025, and prior to the first full pay period after satisfactory completion of their probationary period.
- Employees on Military Leave for any part of or all FY25 or FY26 are eligible for these salary increases as defined under the Uniform Services Employment and Reemployment Rights Act federal guidelines.
- Percentage-based Multiple Components of Pay (MCOP) rates will not change. Employees currently receiving a MCOP will receive the increases based on their base hourly rate. The dollar value of the MCOP will automatically recalculate off the new hourly rate after the FY26 salary increases are implemented.
- A completed final EE or ME form approved by the State Personnel Office is the only acceptable appraisal document to be used to record an employee's performance rating.
- An employee's performance evaluation must be closed out prior to a transfer or promotion to a new position or new agency. If an employee's performance evaluation is not properly closed out prior to transfer, it will be presumed that the employee had satisfactory job performance at the prior agency. In these circumstances, the receiving agency shall enter an "Achieves" rating in SHARE, effective on the same date as the employee transfer.
- Eligible employees will receive the salary increase even if the increase takes them over the maximum of their pay band.

B. Employees who are not eligible for the FY26 salary increases

- Employees receiving a "Does Not Achieve Performance Standards" final overall performance rating.



- Temporary employees.
- Employees who are on Leave Without Pay (LWOP) in a non-Family Medical Leave (FML) capacity from July 1, 2024, through June 30, 2025 (the entire previous FY).

C. Effective Date

- Employees who have met their probationary period prior to July 5, 2025, will receive the four percent (4%) salary increase effective the first full pay period after July 1, 2025, which begins July 5, 2025.
- Employees who complete their probationary period between July 5, 2025, and June 30, 2026, will receive the four percent (4%) salary increase effective the first full pay period after satisfactory completion of their probationary period.

D. Bargaining Unit Employees

- If the employee is represented by the American Federation of State, County and Municipal Employees (AFSCME) or the Communications Workers of America (CWA), there is a specific process that must be followed if a union-represented employee is being disciplined for unsatisfactory performance. The intent of the Collective Bargaining Agreement (CBA) language is to give the employee an adequate amount of time to address and correct performance issues.

Management must complete the 180-day performance development plan (PDP) cycle to preserve the time period to address and correct performance issues provided in the CBAs. If an employee is on a PDP which will not be complete before June 30, 2025, management may not close out the employee's final performance evaluation before the PDP is complete. Once the 180-day PDP is complete, management shall issue the employee's final performance evaluation. A final overall rating of Achieves Performance Standards or better shall result in a four percent (4%) salary increase for the employee retroactive to July 4, 2025.

E. Entry in PeopleSoft-SHARE

- The SHARE team will run the initial increase process sometime between July 9, 2025 and July 11, 2025. HR will be notified by SPO once the increase process has completed.



- Please ensure that expected end dates are updated prior to July 1, 2025. If an employee has an end date of June 30, 2025 or earlier, the employee will not receive the increase.
- Do not enter any actions with an effective date greater than July 5, 2025 until after the increase process has been run.
- If you believe that an employee received or did not receive the increases in error, contact SPO for guidance.
- Do not enter the increases manually, unless directed to do so by SPO.
- After the initial increase process, effective July 5, 2025, a biweekly process will run on the first Saturday of the pay period, throughout FY26, to award the increase to those employees who have satisfactorily completed their probationary period.

If you have any questions, please contact the Quality Assurance and Data Analytics Division QA.DataAnalytics@spo.nm.gov.