

NEW MEXICO

STATE PERSONNEL OFFICE

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Governor

Dylan K. Lange
Director

State Personnel Board

Laura A. Liswood
Chair

Cristin M. Heyns-Bousliman
Vice Chair

David F. Cunningham
Member

Carol A. Parker
Member

Fred Radosevich
Member

State Personnel Board Meeting

Willie Ortiz Building

2600 Cerrillos Road, Santa Fe, NM

Monday, June 3, 2024 – 3:30 PM

MINUTES

Chair Liswood called the meeting to order at 3:31 pm Monday June 3, 2024.

Director Lange led the Pledge of Allegiance and conducted the roll call.

Chair Liswood, Members Cunningham, Parker, Radosevich present in person; Vice Chair Heyns–Bousliman attending telephonically, a quorum was confirmed.

Chair Liswood asked Ms. Forlizzi if we had received requests for public comment. Forlizzi stated we had a list for in person comment and had not received email public comments. Chair Liswood was given the list. Call for Public Comment closed.

Motion to approve the agenda made by Member Radosevich, Member Parker seconded; Lange called roll; agenda adopted as presented.

General Public Comment

Chair Liswood called the following attendees forward to present their comment, with a 2-minute time limit:

- Nicholas Devitt – NMDOH/CWA steward union and member commented on the Deloitte summary report and statistics; hoping for agency breakdown as there are discrepancies if looking at agency vs State.
- Megan Green commented on the Deloitte Study; she is the president for CWA; she thanks the legislature for commissioning the study. Pointed to page 36 noting telework is a key next step after compensation. She asks the board to take a holistic approach.
- Dan Secrist – CWA regional vice president commenting on the Deloitte project summary; report reflects what he’s been discussing for many years regarding workload and pay. He would like to see a telework policy.
- Siona Briley – union steward for CWA – on Deloitte. She supports Megan’s comment about taking a holistic approach for the entire employment package. Salary and benefits will aid in recruiting and retention.

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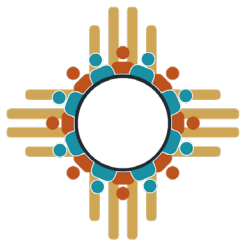
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- Linsey Hurst, vice president for CWA; Deloitte project. She has a few concerns: 1. Appendix E - 69% of respondents were self-identified as management or leadership. First level workers were less represented. 2. To date, continued problems with internal alignment and appropriate placement which cannot be ignored when you consider these changes. Employees are not aligned in accordance with SPO board rule.
- Jerome Romero – CWA Regional vice president commenting on Deloitte. 20 years since the last survey. Still using wrong data from 20 years ago. To recruit/retain, we've got to pay and have telework; County has better benefits than the State.

Liswood thanked all who came forward to make public comment.

Director Lange gave an overview of the Deloitte study. He thanked those who have come to the meeting today along with union, LFC and DFA representatives. This study came out of a bill that passed the legislature for a study of the classification and compensation system. All agencies worked very well together on the contract. Devon Lane will be presenting the results, he has been the project manager from the beginning, he will also present the “next stage” of the study.

There is positive momentum – the role of the board is to help the project move along. Approving pay plans and salary structures which will come to you for approval. The role will be to approve things as you have been. Lange noted that agencies have budgets, and they approve priorities in pay as their budgets allow. As the study and phases continue, the agencies will be responsible for implementation.

Chair Liswood asked what is the board's role? To ask questions about the information?

Lange said the report is final and we were not the contracting party. We have the report and will deal with the ramifications of it. We have agreement from the LFC and the Executive branch to work on a structure of the compensation and classification plans for a holistic approach. We will use the report to help make the changes necessary.

Liswood asked AAG Rubin if he agrees that the board's role is to listen.

Rubin said yes, today this is a discussion item, and this will inform the analysis of future potential changes.

Member Parker pointed out that many of the items in the report are not new but have been ongoing.

Cunningham stated that we get materials every time we meet, many have to do with personnel changes and asked if Deloitte had been given this detail?

Lange said, yes, they got a snapshot in time of the current system until Oct 2023. They acknowledged the Attorney study.



Deloitte Study of the New Mexico State Personnel Act and the State's System of Classification and Compensation.

Devon Lane from Deloitte stated he is glad to walk the board through the past 7-8 months and all the work done, stating there was great engagement with SPO, LFC, DFA creating teamwork and collaboration. Lines of communication were open, and this made their job a lot easier. Lane reviewed the summary beginning with the Personnel Act review; benchmarked factors – other state governments, surrounding states and balance of states that have different structures.

Opportunities for enhancement:

Recruitment and Selection - Long approval chain noted in many instances. Opportunities to modernize the selection process and technology capabilities.

Compensation and Classification - Opportunities to incorporate classifications that reflect the roles with consistency and equitability. Detailed philosophy including pay; defining opportunities for targeted pay position; no standard set target as it is today.

Process review – key takeaways: lack of transparency, prolonged hiring time from posting to first day; fragmented communication, candidates not communicated with.

Compensation and agency budget – high vacancy rates, low morale, work not equitably distributed was the main driver for lack of retention

Recruiting – inefficiencies; limited engagement; delays in hiring and overburdened current staff.

Career mobility - unclear professional development pathways. Knowledge transfer issues.

Technology – perceived that the State's system is outdated, lack of tracking, don't know where an applicant is in the recruitment process which leads to many manual processes. Poor experience for the candidate. Ultimately hinders recruitment efforts and quality of hires.

Lane said that in November 2023, 30 HR leaders from across state agencies envisioned what the future of HR might look like. North Star result of input from the leaders – collaborative unit. Graph from the November session presented. Overall, this model is working. Recommendations are not to move to a centralized model for HR. SPO guides the parameters for agencies so they can make their own decisions. HR operational services; FMLA review; reviewing candidates to ensure they meet the minimum requirements, etc. may be something that can be centralized should this model be implemented; more conversations will be needed. The goal is to establish talent pipelines along with a consistent HR strategy. HR leadership – overall governance structure. Creating a collaborative environment.



Centers of Expertise (COEs) – specialized talent whose focus is just on performance management.

Benefits - additional findings were presented that some of the benefits are below market while others are at or above market. A recommendation is to reevaluate benefits. What benefits matter most to employees?

Compensation – surprising to find that average benchmark and NM salaries are above government market, while for general industry employers, NM is 4.6% below market.

Salary structures – looking at where we are now, there are 11 salary structures with over 100 pay plans. With this proposal, 15% would have an immediate increase; 40% would move to structures allowing for higher future earnings.

Deloitte recommends moving to a single salary structure; pay grade widths will be a bit wider.

Job classification review – currently lack of categorization; no documented career tracks; lack of standards. Opportunities for enhancements – COEs for a one time reset and make sure applications are consistent. Implement a state-wide e-work flow tool.

Redesign architecture – taking another look and applying different layers; standardizing to improve career mobility and pathways more visible. Pay equity that reflects the job duties.

Key takeaways: redesigning architecture; digital workflow technologies; total rewards study; telework opportunities.

We continue working on 3 deliverables - job architecture, philosophy on compensation, reviewing job families and creating a job title glossary. Wrapping up this phase on June 28.

Stands for questions.

Vice Chair Heyns-Bousliman passed and stated the report is incredibly well done.

Member Parker no questions.

Member Radosevich asked about the slide on compensation and benefits – was retirement included?

Lane said retirement was not in the scope of their project.

Joey Simon, LFC analyst, came forward to explain the scope of the RFP and that it was a resource question – had Deloitte gone into detail about retirement, it would have driven the price of the study above the budget. Focus was salaries and where we need to improve.

Member Radosevich was concerned that the study is skewed because of the omission. Why are we so far behind when we've been approving salary plans/proposals.

Mr. Lane said they used 3rd party data. Data is not an opinion, but from actual data. You may be keeping pace with the market but could still be lagging as the market is moving as well.



Member Radosevich said your recommendation is to move from 11 total salary structures to 1 – is that correct?

Lane said yes, that is correct beginning at \$15/hr. up to the top level.

Radosevich asked about the timeframe for this saying he will be a little more reluctant to approve things going forward if not in compliance with the schedule.

Lane said it depends on how much funding is available? \$12.9 million to implement one salary structure. If that money is available day 1, we can do it quickly.

Director Lange added that the board has been doing the hard work by approving a broader salary range, so agencies can pay them more, but the agency must implement it. The board has already been doing the work. SPO has removed the barrier, ultimately, the agency and LFC are responsible for implementing it.

Member Radosevich asked if the information stated in public comment about the survey was accurate.

Mr. Lane explained the survey was open to all employees and management may have been more likely to respond, but the survey was open to all. 30% response rate and of that, 70% were managers.

Member Cunningham had fundamental questions. Surprised that when he looked at compensation and recruiting the report does not show what is currently being done and what they should be doing and there's a defect in the report as the detailed information was not included (and what he's used to seeing in Deloitte reports is here's what they are presently doing and here's what they should be doing and here those details are not included.) You say recruiting is slow, is that for every state agency? Did someone define how the report was to be done?

Mr. Lane said yes and referred to Appendix 2 where the detail is documented. When they receive the final report with different work streams, you will have it.

Vice Chair Heyns-Bousliman thanked the Deloitte team for an excellent report adding having the interviews with management primarily, is customary.

Member Parker reiterated that market comparisons given and the changes we have made as a board have been based on regional comparisons.

Lane said the market data specifically for compensation is based on a national level. Applied geographic data after that. Discounted by 4.3% to reflect regional implications.

Lane addressed the note on stakeholder responses saying they also conducted numerous focus groups with front line employees separately. That report is detailed and will be sent out.

Member Parker asked about the COE – is that a model?



Mr. Lane said the COE is a small community of individuals that would be dedicated solely to classification requests and compensation; conducting and benchmarking.

Member Parker asked where are these housed?

Lane said that would need to be discussed.

Lange said we have a COE here at SPO. Deloitte did present on the job architecture plan; we are committed to getting that accomplished. The Legislature is aware of the \$12.9 and we have a commitment in principle that the legislature is willing to back this financially.

Chair Liswood said we have key takeaways and opportunities and asked if we have figured out who will be implementing each one of those - SPO, HR agencies, LFC, unions, etc. Who are the gatekeepers? How do you see that happening?

Lane said SPO is involved going forward. Whoever the owner is, SPO should take the lead.

Liswood noted that each one is a heavy lift.

Lane agreed saying this is like laying the foundation for a home, having the Job Architecture (JA) in a solid place will set up the rest for success.

Chair Liswood expressed that our hope is to have a detailed way to accomplish these things. Related to the public comment about agency specific data and asked about statewide vs agency.

Lane said they got to \$12.9M by looking at each position. We looked at specific agencies to understand how an agency may handle the recruitment process; not a lot of documentation by each agency.

Chair Liswood asked about the best practice charts within NM agencies.

Devon Lane said this is how they should be occurring according to the State Personnel Act.

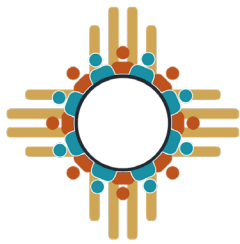
Joey Simon added the purpose of this item in the scope of work is asking whether we are up to the best practice nationwide.

Director Lange said Deloitte is helping SPO do the work we need to do. They are giving us a framework. We are committed to being sure we are going in the same direction.

Vice Chair Heyns-Bousliman had to drop off the call.

Radosevich asked where does the board go from here?

Lange – we will take this study and the many positives and use the momentum to move forward. JA project – mapped appropriately; how many classifications do we need? We have deactivated 200 classifications so far. From that point; this project will be ongoing through the fall. One single salary structure with 20 steps; once we do that it will come before the board. We will have a more targeted request from the legislature in FY26. We have a single salary structure, and we need a foundation and this approach to move forward. Regarding technology, we are not the owners, but we must deal with it. He thanked Mr. Lane for being



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here as he was in town this week and we wanted the board to hear from him. This is a holistic approach to compensation that will help us move forward.

Chair Liswood said she appreciates the holistic concept especially since it was brought up in the public comment. Asked to hear from SPO about how we're doing on key takeaways slide.

Lange said he does update the board in general and will absolutely update the board on all the work we are doing, which is constant. He will include it in his Director's Report at each meeting.

Chair Liswood thanked Mr. Lane and the members of the public for attending.

Executive Session, Administrative Adjudicatory Deliberations, NMSA 1978, Section 10-15-1(H)(3), (7)

Chair Liswood moved to enter closed session; Member Parker seconded. Roll call. Moved to closed session at 5:27 pm. Off the record.

Chair Liswood called the board back in session and on the record at 5:46 pm.

Motion on Administrative Appeal

- *Padilla, Marcos v. New Mexico Corrections Department*; Docket No. 22-014

Proposed motion read by AAG Rubin to amend the previous decision on Padilla with discipline being amended to 180-day suspension

Member Cunningham moved to approve the amended discipline; Member Parker seconded; roll call; motion approved unanimously.

Next board meeting will be held in person, June 21 at 9:00 am.

Motion to adjourn made by Member Cunningham; Member Radosevich seconded; roll call.

Meeting adjourned at 5:48 p.m.

Approved:

A handwritten signature in black ink, appearing to read "Laura C. Liswood".

Laura Liswood, Chair
State Personnel Board

Attest:

A handwritten signature in blue ink, appearing to read "Dylan K. Lange".

Dylan K. Lange, Director
State Personnel Office

Public Comment Submission for State Personnel Board Meeting 6/21/2024

Madame Chair and Board Members,

My name is Linsey Hurst. I am currently serving as the Executive Vice President for CWA 7076. I am submitting a written public comment in my union capacity, concerning Agenda Item IX. Discussion Item: Director's Report.

CWA is concerned about the level of detail provided by the State Personnel Office to legislators and other decision makers to make informed decisions concerning agency budgets. Over the past few months with the help of a researcher from CWA National, CWA has compiled preliminary data indicating that the failure of agencies to appropriately place employee salaries within assigned pay bands is not isolated to the concerns identified at the NMED (Grievance filed September 2023 attached for reference). As we expand our research into this issue, we believe that the SPO should address the following data in Director Reports provided to the SPO Board, the Legislature, and in Annual Compensation analysis.

1. Assess agency employee pay data compliance with SPO rules, including but not limited to agency-wide compliance with internal alignment of salaries, appropriate placement of salaries, and an assessment of shortfalls. The legislature needs a realistic assessment of this data and the funding required to understand how to correctly fund agencies to ensure that agencies can appropriately place employee salaries within current and new or updated pay bands. Currently, CWA is concerned that many agencies have **not produced** the spreadsheets required to do this analysis or have only produced partial information. To effectively assess appropriate placement compliance status, CWA is requesting that SPO request agency wide appropriate placement spreadsheets from each agency on an annual basis, at a minimum, and summarize the data for legislators in an understandable manner. CWA's preliminary data indicates widespread failure to comply with SPO Board rules concerning internal alignment and appropriate placement of salaries.
2. Add additional breakdown of In-Pay Band adjustments (IPBs); analysis of percentage of IPBs awarded to managers vs employees, analysis of basis for IPB (internal alignment/appropriate placement/other), and analysis by agency. Appropriate placement per definition takes into account related years of work experience and education. Application of this definition means that each additional year an employee meets or

achieves performance requirements is an additional year of related work experience, thus correct use of the system as currently structured would mean that the employee's salary should increase through an IPB each year based on an additional year of relevant work experience (assuming budget availability). This approach means that throughout an employee's career their salary would move through the applicable pay band with additional job experience. Currently, employees are being told that if they want their compensation re-evaluated, they must apply for another position and be hired into it (verbal communication from employees at multiple agencies). Some even apply for equivalent positions within the same work unit to accomplish this, thus overburdening the state with hiring actions that should be IPBs. Instead of showcasing a concerning low number of IPBs processed each year, the SPO Annual Compensation Report should clearly show which agencies are not able to appropriately place employee salaries or have not awarded IPBs and why, thus giving legislators and decision makers the data they need to properly fund agencies.

3. Annual assessment of average cost of hiring actions with specific analysis for external hires and internal hires. Cost assessment should include the cost of average staff time for all parties involved including agency and SPO personnel. The data should then include an estimated summary of the cost of total annual hiring actions.
4. Add an analysis concerning agency utilization of temporary pay increases or other MCOP and basis for each. Assess in particular agencies or work units with vacancy rates above 20% or annual employee turnover exceeding 25% or vacancy savings reported. The work doesn't disappear when state programs have high vacancies, it gets reassigned and piled on the employees who are left in the unit, agency low utilization of TPIs leads to higher rates of turnover and burn out.
5. For each new or recently reviewed classification or compensation plan, please analyze actual agency transition to the new classification or compensation schedule. For example, when the assigned pay rates for engineering classifications are updated, assess whether or not agencies are adjusting current employee salaries to be appropriately placed in the new pay band and how long it is taking agencies to adjust to the new pay band.
6. For each pay band move please report the number of employees who are paid below the new pay band and agency compliance with salary corrections. CWA is aware that SPO issues a report concerning this issue to agencies, however, CWA noted compliance challenges weeks after the increase in some agencies.

7. Data specifically assessing the failure to retain employees past the first few years of employment at the SoNM, including assessment of the reasons for resignations.

We appreciate the opportunity to comment, and we respectfully request that CWA be added to the August SPO Board meeting agenda to present on the findings of our pay research.

Thank you,

Linsey Hurst
CWA 7076 Executive Vice President
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