



Office of the Chancellor

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To: NMSU Administration and Staff

From: Dan E. Arvizu, Chancellor 

Subject: Staff Compensation Plan

For many years, New Mexico State University has been challenged with identifying a way to address ongoing concerns regarding employee pay and how it compares to peer institutions. Fortunately, the most recent New Mexico Legislative session and the work done to assess compensation over the past year have provided NMSU the opportunity to take a significant step forward in moving staff pay toward a more competitive level. Below is an outline of our staff compensation plan, which began with a pay increase for most employees on April 1. The plan does not apply to student employees.

The plan encompasses three parts:

1. 3% across-the-board increase, applied to eligible faculty and staff effective April 1.
 - a. The increase was applied to employees who were hired prior to Oct. 1, 2021, and had a performance rating of at least “meets expectations.”
2. Implementation of a new pay grade schedule that includes a \$15/hour minimum and moves overall pay closer to market values.
 - a. Employees will be brought up to at least the new pay grade minimum.
 - b. Adjustments will be made to relieve compression created for people who made somewhere in between \$15/hour and the new range minimum.
 - c. Salaries will be brought to the new pay range minimums.
3. The remaining dollars will be dedicated to a merit program based on the overall scores on the recent performance evaluations.
 - a. **Eligibility**
 - i. Must have been hired as a regular employee prior to Jan. 1, 2022.
 - ii. Must have a recent evaluation on file by March 16, 2022.
 - iii. Must have an evaluation rating of at least “exceeds expectations”
 - b. **Salary of \$60,000 or lower:** Eligible staff with an overall rating of “exceeds expectations” will receive a 3% increase on top of the April 1 across-the-board increase and adjustments for pay ranges, if applicable. Those with an overall rating of “exemplary” will receive a 5% increase.
 - c. **Salary over \$60,000:** Eligible staff with an overall rating of “exceeds expectations” will receive an \$1,800 increase on top of the April 1 across-the-board increase and adjustments

for pay ranges, if applicable. Those with an overall rating of “exemplary” will receive a \$3,000 increase.

This plan does several things:

- It implements Legislative mandates (3% across-the-board and \$15 minimum).
- It implements a new pay structure based on thorough market analysis.
- It incorporates the performance evaluations and rewards exceptional performance.
- A large portion of increase dollars go to NMSU’s lowest-compensated staff.
- The plan will be fair but also efficient to implement.
- It reflects feedback we have received from campus stakeholders, some of which resulted in adjustments to the dollar thresholds for the merit increases.

This plan will be fully implemented university-wide (all campuses) on July 1, 2022.

The plan described above applies to staff only. For faculty, each college has developed a plan in which 3% (3/4 of the 4%) funding for increases will be applied across the board. The remaining 1% (1/4 of the 4%) for faculty will be used for individual adjustments based on a combination of merit and market factors appropriate to the college. For more information on faculty FY23 increases, click [here](#).

Health Bracket Premiums (shared cost):

Premium contributions for medical, group life, and long-term disability are shared between NMSU and the employees. The percentage of the premium that an employee pays depends on their income, with three brackets. Those with lower compensation pay a smaller percent of the premium. Without adjustments, the proposed increases would move a large number of people into a bracket where they would contribute a higher portion of premium cost. Thus, the new brackets have been adjusted so the number of people in each bracket will be roughly the same, with a small increase in the number of people in brackets with lower employee contribution rates. The new brackets are as follows:

Pay rate	Percent of premium paid by NMSU	Percent of premium paid by employee
Under \$36,000	80%	20%
\$36,000-\$44,000	70%	30%
Over \$44,000	60%	40%

Medical and Dental Premium Rates:

We are very pleased to announce there will be no premium rate changes for medical and dental premiums for fiscal year 2023. Current rates will remain through June 30, 2023.

Looking Ahead

As we prepare for the future, we will continue to seek to position the university to support, show appreciation for, and invest in our greatest resource – our staff and faculty. We will continue to refine our compensation management and performance evaluation processes, and engage staff and supervisors in support of LEADS 2025.

If you have questions, please direct them to your supervisors or HRhelp@nmsu.edu . Thank you for all that you do.