



**Report
to
The LEGISLATIVE FINANCE COMMITTEE**



State Personnel Office
Status and Functionality of NEOGOV and Impact to Hiring
April 10, 2014

Report #14-03

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Director



April 10, 2014

Mr. Eugene Moser, Director
New Mexico State Personnel Office
2600 Cerrillos Road
Santa Fe, New Mexico 87505

Dear Director Moser:

On behalf of the Legislative Finance Committee (Committee), I am pleased to transmit the information technology (IT) program evaluation of the State Personnel Office's NEOGOV system. The evaluation assessed the status and functionality of NEOGOV and the impact to hiring.

The report will be presented to the Committee on April 10, 2014. An exit conference was held with the State Personnel Office on April 7, 2014, to discuss the contents of this report. The Committee would like a plan to address recommendations in this report within 30 days of the hearing.

I believe this report addresses issues the Committee asked us to review and hope your department will benefit from our efforts. We appreciate the cooperation and assistance we received from your staff.

Sincerely,

Handwritten signature of David Abbey in blue ink.
David Abbey, Director

Cc: Representative Luciano "Lucky" Varela, Chairman, Legislative Finance Committee
Senator John Arthur Smith, Vice-Chairman, Legislative Finance Committee

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NEOGOV is used by more than 1,000 entities, primarily in the public sector, including 20 other states.

**State Personnel Office
NEOGOV Expenditures**
(in thousands)

FY	Amount
2012	\$75.0
2013	\$52.7
2014	\$60.9
Total	\$188.6

Source: NM Sunshine Portal

SPO purchased NEOGOV prior to Department of Information Technology approval.

In FY13, over 206 thousand applications were received, 3,000 classified positions were filled, influenced by the increase in advertised positions since the hiring freeze ended in FY11.

The lack of a system interface between NEOGOV and SHARE is inefficient, delaying the hiring process, and potentially causing errors.

Given the high vacancy rates of many of New Mexico’s state agencies, timely movement from posting an opening to filling the position is critical. The State Personnel Office (SPO) is the state’s central human resource office responsible for providing human capital oversight to executive classified agencies, including the supervision of all administrative and technical personnel activities of the state. The Personnel Act states selection shall be based solely on qualification and ability, and positions in the classified service shall be justified in writing and made from employment lists of ranked candidates.

In FY12, SPO purchased and implemented *Insight* by NEOGOV. NEOGOV replaced the PeopleSoft recruitment tool in the statewide human resource, accounting and managerial reporting (SHARE) system with the goal of: 1) making the application process easier and faster for applicants, and 2) making employment lists more meaningful and useful for agencies. SPO’s Compensation and Classification Bureau staff led the effort to implement the NEOGOV recruitment system, with SPO officials acknowledging the implementation of NEOGOV was not as smooth as hoped.

The NEOGOV application offers many advantages to users as well as SPO. The system functionality facilitates SPO’s ability to comply with the Personnel Act, includes position requisition approval, automatic minimum qualification screening, test statistics and analysis and reporting. However, while NEOGOV automated many recruiting and hiring processes, state agencies continue to be challenged to timely fill positions with qualified staff. These inefficiencies appear due to static business processes and not necessarily NEOGOV.

This evaluation assessed the status and functionality of NEOGOV and identifies specific points within the hiring process that potentially delay agencies’ hiring abilities.

KEY FINDINGS

State Personnel Office’s business practices may limit the effectiveness of NEOGOV.

- SPO lacked sufficient documented business requirements prior to purchasing NEOGOV.
- SPO did not update its operating procedures to match the efficiencies gained with NEOGOV.
- Since implementing NEOGOV software, the time to hire increased from 69 days in FY12 to 78 days in FY14.
- SPO’s process for providing referred list to agencies limits the effectiveness of the NEOGOV system and the agency’s ability to hire on a timely basis.
- The NEOGOV service level agreement with SPO limits the warranty, providing services on an “as is” basis and customer’s use of services is at its own risk.

LFC staff could not validate if SPO completed a security assessment or whether NEOGOV has a security plan.

Although automatic scoring should reduce subjectivity and the time to review and screen applications, an element of human judgment remains part of the process.

SPO has not conducted a formal survey on the use of NEOGOV.

In NEOGOV applicants may have difficulty determining if applications are accurate and complete.

- Although the recent NEOGOV upgrade redesigned the process to make it easier for jobseekers to access accounts, create applications faster, and improve navigation, applicants have difficulty determining if an application is accurate and complete.
- The application process is cumbersome and because of administrative technicalities potentially qualified candidates are not considered, leaving agencies with an incomplete qualified applicant pool.
- Potentially qualified applicants are denied consideration for not attaching transcripts when a degree is required.
- NEOGOV functionality is not automated when assigning preference points.

KEY RECOMMENDATIONS

The State Personnel Office:

- Review requirements for all stakeholders, document the requirements and create a requirements traceability matrix. A requirements traceability matrix may be used to determine if the current project requirements are being met.
- Conduct a formal survey for NEOGOV system users; state employees (HR staff) and applicants.
- Work with a NEOGOV consultant on reviewing the implementation process and additional functionality the system offers.
- Determine if NEOGOV has performed a security assessment and if so, request a copy of the assessment.
- Determine if NEOGOV has the functionality to create a system link in the education section when there is a requirement for a degree and indicate whether or not the transcripts are attached.
- Automate the New Mexico residency preference point's assignment.
- Provide standard reports on the hiring process to LFC with quarterly report card.

BACKGROUND INFORMATION

Background. The State Personnel Office (SPO) is the state's central human resource office responsible for providing human capital oversight to executive classified agencies, including the supervision of all administrative and technical personnel activities of the state. The Personnel Act states selection shall be based solely on qualification and ability. Selection for any appointment to positions in the classified service shall be justified in writing and made from employment lists of ranked candidates. SPO's Career Services Bureau primary responsibility is to ensure compliance with the Personnel Act.

On October 12, 2011, a SPO memorandum notified agencies of the implementation of *Insight* by NEOGOV on November 1, 2011. In addition, an article in the October 17, 2011 *Round the Roundhouse* announced the implementation of NEOGOV. Public sector agencies across the United States have used NEOGOV software since 1999. NEOGOV is an on-line applicant tracking system that automates the recruiting and hiring processes used primarily in the public sector by more than 800 state governments, cities and counties, colleges and universities, school districts, courts, public safety, and transportation authorities. NEOGOV is provided as "software-as-a-service" on a subscription basis. As a software delivery method it is sometimes referred to as "on-demand software" that does not require configuration by the customer because the software and associated data are hosted remotely on the cloud. Cloud computing is the practice of using a network of remote servers hosted on the internet to store, manage, and process data, rather than a local server or a personal computer. Software-as-a-service has become a common delivery model for many business applications, including human resource management, similar to commercial-off-the-shelf (COTS) software.

SPO purchased the NEOGOV subscription from a software value added reseller under the state price agreement with En Pointe Technology Sales. The initial cost of \$75 thousand in FY12 was funded by Department of Transportation (DOT), Department of Health (DOH), Children, Youth, and Families Department (CYFD) and Energy, Minerals and Natural Resources Department (EMNRD). SPO pays an annual renewal fee for the subscription and license fees.

**Table 1. State Personnel Office
Summary of NEOGOV Expenditures**

Fiscal Year	Description	Amount
FY12	NEOGOVS Initial cost*	\$75,000
FY13	NEOGOVS Subscription License and Hire Select License Integration	\$52,695
FY14	NEOGOVS Subscription License and Hire Select License Integration	\$60,875
Total		\$188,570

Source: NM Sunshine Portal

*Funded by DOT, DOH, CYFD and EMNRD

In 2011, NEOGOV replaced the PeopleSoft recruitment tool in the statewide human resource, accounting and managerial reporting (SHARE) system with the goal of: 1) making the application process easier and faster for applicants, and 2) making employment lists more meaningful and useful for agencies.

SPO contracts for desktop support, network, and other IT services with the Department of Information Technology (DoIT). SPO does not have a separate agency IT program budget and does not have information technology (IT) staff positions in the agency. The director of the Compensation and Classification Bureau serves as the acting chief information officer. Compensation staff led the effort to implement the NEOGOV recruitment system and continue to serve as the system administrator and provide first and second level functional and technical user support. SPO officials acknowledge implementation of NEOGOV has not been as smooth as hoped and reported best practices are being discussed with other states.

FINDINGS AND RECOMMENDATIONS

STATE PERSONNEL OFFICE'S BUSINESS PROCESSES MAY LIMIT EFFECTIVENESS OF NEOGOV

The NEOGOV application offers many advantages to users as well as the State Personnel Office (SPO). Since the implementation in November 2011, the state's applicant pool and the number of positions filled significantly increased. Additionally, all applications materials are electronic and recruitment information is maintained on-line, allowing all phases of the recruitment and hiring process to be tracked. The software, used in over 1,000 state and local government agencies and higher education, was inexpensive to acquire, with no costly upgrades.

The system functionality facilitates SPO's ability to comply with the Personnel Act, includes position requisition approval, automatic minimum qualification screening, test statistics and analysis and reporting. NEOGOV's capability to produce standard reports allows SPO and executive agencies to track the timeliness of the hiring process. The LFC recognizes the value of the data available in NEOGOV and requested SPO provide hiring life cycle reports to assist in ongoing performance monitoring (**Appendix B**).

According to the 2001 LFC report, hiring was a manual process and paper driven with the average number of days to fill a classified position vacancy was 134 days; including 100 days at the agency and 34 days at SPO. The 2007 LFC report indicated SPO decentralized many HR functions, and in 2006, the implementation of the PeopleSoft recruitment tool in SHARE, job candidate screening previously performed by SPO was handled automatically by the SHARE system. With the implementation of NEOGOV the number days to fill a position dropped. Previous LFC reports highlighted the need for SPO to enforce compliance with the Personnel Act. The NEOGOV system facilitates compliance with the Personnel Act, including certification of ranked employment lists.

SPO lacked sufficient documented business requirements prior to purchasing NEOGOV. SPO's stated its reason for choosing a new recruitment system was being out of compliance with the Personnel Act since it was not providing certified ranked employment lists or conducting pre-employment testing. However, SPO did not document how the previous system was out of compliance with the Personnel Act. In June 2011, SPO indicated NEOGOV has the functionality and capability to ensure compliance with the Act. In contrast, the SPO director has stated numerous times in public hearings the reason for moving to NEOGOV was the lack of minimum qualifications by New Mexico's previous system. Although NEOGOV was a software-as-a-service implementation, it still required stakeholder needs, business processes and requirements, and expectations to be documented.

NEOGOVS project management consists of assigning a consultant to assist a new customer with their implementation. NEOGOV required SPO to complete a NEOGOV business process review form. Although incomplete, the business process review indicates some agencies recruited using minimum qualifications and some agencies had testing requirements conducted independently of SPO. Instead of performing a formal gap analysis of the current system, SPO indicated the business process review form served that purpose. This is not typical for documenting requirements when implementing a new system. With the lack of documented requirements, business processes had to be adapted to fit the NEOGOV system. In choosing software-as-a-service, generally, the customer throws away its business process and uses the product's or service's process. LFC staff could not verify if SPO conducted a gap analysis to determine how its business process would fit the NEOGOV product to ensure stakeholders needs and expectations would be met.

The State Personnel Office (SPO) purchased NEOGOV prior to Department of Information Technology approval. The Department of Information Technology (DoIT) requires agencies to submit an exception request to Executive Order No. 2008-11. This executive order was intended to reduce and eliminate duplication of technology and reduce information technology operational costs through enterprise models, such as the statewide human resource, accounting and managerial reporting system (SHARE). SPO's request indicated it had already purchased

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the subscription to NEOGOV to replace the recruitment module in SHARE. DoIT approved the exception June 20, 2011, after the subscription was purchased.

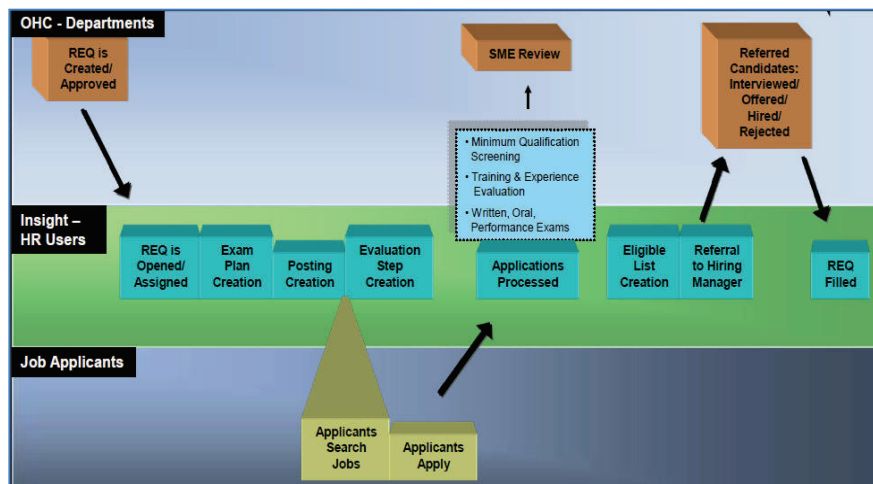
SPO did not update its operating procedures to match the efficiencies gained with NEOGOV. The NEOGOV system is designed to streamline the recruitment process and reduce time to hire by publishing job openings and accepting applications online. Nationally, NEOGOV consultants report several benefits of the system, including reducing the time to hire and improving quality of hires. Some benchmark results include:

- Average time to hire – 33 percent to 55 percent reduction;
- Recruiter/analyst effort – 37 percent reduction; and
- Support and administrative effort – 77 percent reduction.

Effective June 2011, prior to the implementation of NEOGOV, all recruitment and hiring requests required review and approval from the Office of the Governor, SPO, and the Department of Finance and Administration (DFA), see **Appendix C**. When SPO and DFA issued an approval, the agency was notified via email, and then forwarded to the Office of the Governor for final review and approval. Once approval was received from the Office of the Governor, agency human resource managers were directed to process the personnel transactions. These approval requirements were in place for 17 months after NEOGOV was implemented.

SPO’s November 2012 memorandum (**Appendix D**) eliminated approval by the Office of the Governor which eliminated the review and approval for all recruitment and hiring requests. Because of critical hiring needs, CYFD, DOH, and the Human Services Department approve their own advertisements. Effective July 1, 2013, state agencies are no longer required to obtain SPO and DFA approval to advertise (**Appendix E**). Once an agency has received all required internal approvals, to include budget and human resources, it submits a requisition (Position Advertisement Request) to NEOGOV to initiate the advertisement. According to SPO, its approval process has a turnaround time of up to five business days to advertise positions. However, LFC staff could not validate this claim without necessary documentation generated by NEOGOV.

The typical recruitment process in NEOGOV is shown in the diagram below.



Since implementing NEOGOV software, New Mexico’s time to hire increased from 69 days in FY12 to 78 days in FY14. After two years of implementing NEOGOV, SPO has not maximized efficiencies. SPO’s FY12 second quarter workforce report stated agencies and SPO faced a relatively steep learning curve transitioning to NEOGOV. SPO’s FY14 second quarter performance result for the average number of days to fill a vacant position exceeds two months, while the performance goal is 40 days. In FY13 the percent of new employees who successfully complete their probationary period was 58 percent, with a target of 85 percent. These performance measure results indicate the difficulties SPO is facing with the implementation of the NEOGOV system. Planning and implementation in other states varied, ranging from five months up to a year. SPO implemented NEOGOV in

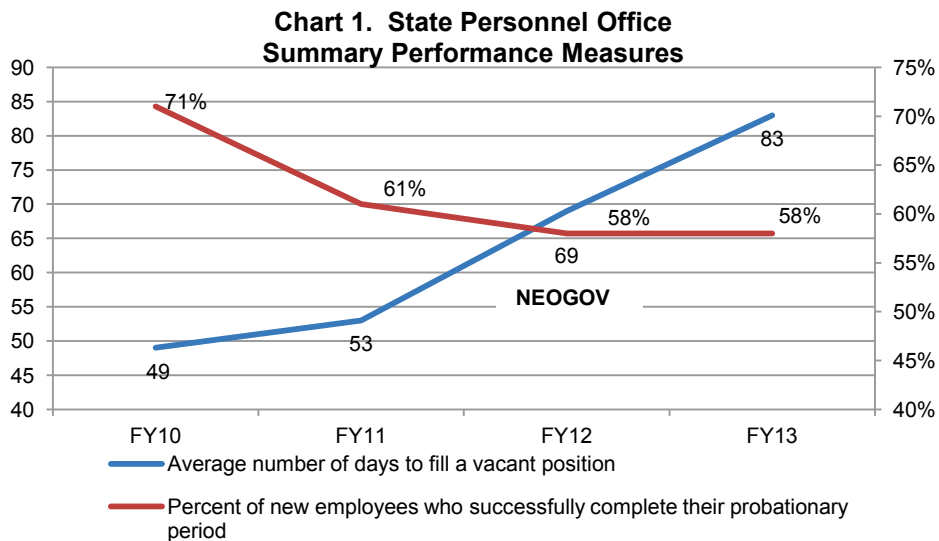
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five months, providing some agencies a few weeks' notice in mid-October before going live. In contrast, Alaska seamlessly transitioned to NEOGOV by piloting one agency before implementing all agencies.

Other states also track the time it takes to fill a position. Like New Mexico, Washington state human resource function is decentralized and after two years of implementation, the time to hire decreased from 56.5 days in 2010 to 44 days in 2012. New Mexico shows an increase from 69 days in FY12 to 83 days in FY13, as shown in the chart below.



SPO analyzed positions to determine what is increasing the average number of days to fill a position within an agency. SPO reported the delay in hiring occurs at the interview stage. SPO's FY14 second quarter workforce report indicated the time to interview and process a hire (53 days) is the most significant portion of the hiring process. However, in November 2013 State Personnel Board meeting minutes, the director reported the number of days to fill a position is elevated due to jobs not being closed out. In January 2014, SPO issued a memorandum to partner with agencies to work on decreasing the number days to interview and complete the selection process, recommending interviews be conducted within two weeks of receiving referred applicants. Without access to NEOGOV data and reports, the LFC staff could not verify SPO's analysis and reporting.

In an attempt to improve applicant processing times, SPO trained agency human resource personnel at some state agencies to assess, score, and rank applicants. Although some agencies have the ability to post advertisements, rank and certify the eligibility list, the time to hire varies and is lengthy. For example, the Department of Transportation (DOT), District 6 reported it takes 64 to 126 days to fill a position without re-advertising. **Appendix F** shows a flowchart of DOT's hiring process. Another agency reported the hiring process takes 97 days as shown in the table below.

Table 1. Hiring Process and Timeline

Task	Description	Number of Days
1	Decision to fill position	2
2	Prepare and obtain budget approval paperwork	1
3	Create a requisition for a job posting	2
4	Obtain approval of requisition – SPO	5
5	Waiting for job to be posted – SPO	13
6	Advertise position	14
7	Request and obtain certified list*- SPO	7
8	Review applicants and schedule interviews	9
9	Conduct interviews	3
10	Select candidate	3
11	Determine compensation	2
12	Obtain approval for compensation – Program level	2
13	Obtain approval for compensation – Agency level	4
14	Obtain approval for compensation – SPO	15
15	Make offer	1
16	Start date after offer	14
	Total Days	97

Source: LFC files

*FY14 second quarter SPO reported 11 days to process and refer

SPO's process for providing referred list to agencies limits the effectiveness of the NEOGOV system and the agency's ability to hire on a timely basis. Although administrative code allows agencies to develop policies governing their use of employment lists with SPO director's approval, SPO only allows the top 15 candidates to be referred to hiring managers. Some agencies reported a list of 15 candidates is not always enough. When an agency requests a list of 15 additional candidates they must complete a request form and provide detailed information justifying the need. SPO also allows agencies to request the top 30 candidates for specific positions, usually when there are multiple vacancies being filled using one advertisement. SPO reviews the justification and determines whether an additional list of 15 is warranted or when a list of top 30 candidates is appropriate. The LFC could not verify how often agencies request a list of additional candidates, if SPO is approving or denying the requests, or the length of SPO's turnaround time. In contrast, with the SHARE recruitment module, agencies were able to print a system scored list and screening results to include all submitted applications and resumes.

NEOGOVS functionality includes position requisition approval, automatic minimum qualification screening, test statistics and analysis and Equal Employment Opportunity reporting. The system provides the ability to run standard and ad-hoc reports. For example, the Requisition Life Cycle report provides the number of days the requisition spent at each step in the process and is primarily used by SPO. SPO stated depending on system access permissions, agencies may run their own reports. However, some agencies are not aware they have access to run reports or that there are reports available and one agency established its own tracking tool. In addition, SPO did not provide sample reports the LFC staff requested.

SPO does not appear to have a formal mechanism to obtain agency and applicant feedback on the use of NEOGOV. SPO has periodically held meetings to discuss NEOGOV with agency human resource staff but has not conducted a formal survey on the use of NEOGOV. Agency feedback to the LFC, although limited, indicated the NEOGOV recruitment system is labor intensive and sometimes burdensome. Other than contacting SPO by telephone and email, applicants using the NEOGOV system do not have a means to provide useful and measurable feedback. LFC staff could not determine if SPO has maintained the applicant user feedback to identify areas for improvement and lessons learned.

As a best practice many entities who implement new software request participation in a satisfaction survey to gather benchmark information and for continuous improvement. Efficiently gathering, analyzing, and acting on feedback in a meaningful way can increase an organization's success and strengthen relationships.

The lack of a system interface between NEOGOV and SHARE is inefficient, delaying the hiring process, and potentially causing errors. Although SPO closed the SHARE recruitment module when NEOGOV went live, hire information must be entered in the Human Capital Resource (HCM) module in SHARE. HR staff must re-enter all new hire information processed in NEOGOV into SHARE including biographical details, position number, and job information. NEOGOV's customer service consultant indicated integration with other systems like SHARE is possible through a standard flat file transfer with a cost of \$2,000 to \$5,000 annually. NEOGOV would do the setup and SPO would be responsible for maintenance. SPO did not purchase this option, stating because of the pending upgrades to SHARE. The duplication of effort increases the time to complete the hiring process. With a recurring cost of \$2,500 per year, the duplication of effort likely costs more.

The NEOGOV service level agreement with SPO limits the warranty, providing services on an "as is" basis and customer's use of services is at its own risk. NEOGOV does not warrant the services will be uninterrupted, error-free, or completely secure. Best practices for software-as-a-service implementations require a service level agreement between the customer and the service provider. Service level agreements define what is being offered and penalties if service performance is not met. The service level agreement should meet the needs of the state and its citizens, not just the needs of the service provider. SPO provided a copy of the agreement, signed in June 2012 for the FY13 subscription. The LFC could not verify if an agreement is in place for the FY14 subscription. In addition, DoIT did not confirm if it has established a standard "contract" for service level agreements with software-as-a-service providers or if there are criteria and a process for reviewing software providers' service level agreements when an agency's purchases software-as-a-service.

LFC could not validate if SPO completed a security assessment as required by DoIT. It is unclear whether SPO or NEOGOV have conducted a recent security assessment or if a plan is in place. SPO did not include an information technology (IT) security assessment plan in its FY15 IT plan. DoIT's guidance indicates agencies should submit a plan for an IT security assessment conducted in FY15 by an independent third party. A security assessment will ensure the integrity, confidentiality, and availability of information owned, controlled, or processed by the agency. The very nature of software-as-a-service poses security challenges and DoIT has not established a statewide policy for cloud computing.

The system does not notify applicants when creating an applicant profile their information is stored in a nationwide database. Because applicants are uploading transcripts and other official documents with personal identifiable information, they should be aware of where the information will be and who will have access to it. When applying for a job on the SPO website applicants are redirected to the governmentjobs.com website. Applicants may not be aware of the redirection. Information regarding data security is difficult to locate on the SPO or governmentjobs.com website. However, the governmentjobs.com website states "to prevent unauthorized access, maintain data accuracy, and ensure the correct use of information, GovernmentJobs.com has put in place appropriate physical, electronic, and managerial procedures to safeguard and secure the information we collect online." This contradicts NEOGOV's service level agreement; NEOGOV does not guarantee a completely secure system.

Given the risk in using the NEOGOV system as is and lack of security guarantee, a contingency and disaster recovery plan are critical. A contingency plan and disaster recovery plan must maintain a business impact analysis to determine the potential threat to the organizations business process in the event of not being able to access the NEOGOV system. The LFC could not verify if SPO has a disaster recovery plan and contingency plan should NEOGOV encounter problems. An application of this magnitude and importance should maintain documentation for any unexpected disasters or disruptions in service.

A disaster recovery plan involves restoration of major physical disruptions to the information systems and a formal disaster recovery plan would document and include the following:

- Information regarding secure data storage;
- Backup procedures;

- Detection mechanisms;
- Off-site locations for recovery; and
- Infrastructure redundancy.

According to the National Institute of Standards and Technology, the organization develops a contingency plan for the information system that:

- Identifies essential missions and business functions and associated contingency requirements;
- Provides recovery objectives, restoration priorities, and metrics;
- Addresses contingency roles, responsibilities, assigned individuals with contact information;
- Addresses maintaining essential missions and business functions despite an information system disruption, compromise, or failure;
- Addresses eventual, full information system restoration without deterioration of the security measures originally planned and implemented; and
- Is reviewed and approved by designated officials within the organization.

Recommendations

The State Personnel Office:

- Review requirements for all stakeholders, document the requirements and create a requirements traceability matrix. A requirements traceability matrix may be used to determine if the current project requirements are being met.
- Conduct a formal survey for NEOGOV system users; state employees (HR staff) and applicants.
- Work with a NEOGOV consultant on reviewing the implementation process and additional functionality the system offers.
- Plan and conduct a security assessment by a third party to identify any vulnerability's with the application.
- Determine if NEOGOV has performed a security assessment and if so, request a copy of the assessment.
- Contract with the Department of Information Technology to provide assistance in the development and implementation of a contingency plan and disaster recovery plan.
- Provide standard reports on the recruitment and hiring processes to LFC with quarterly report card.

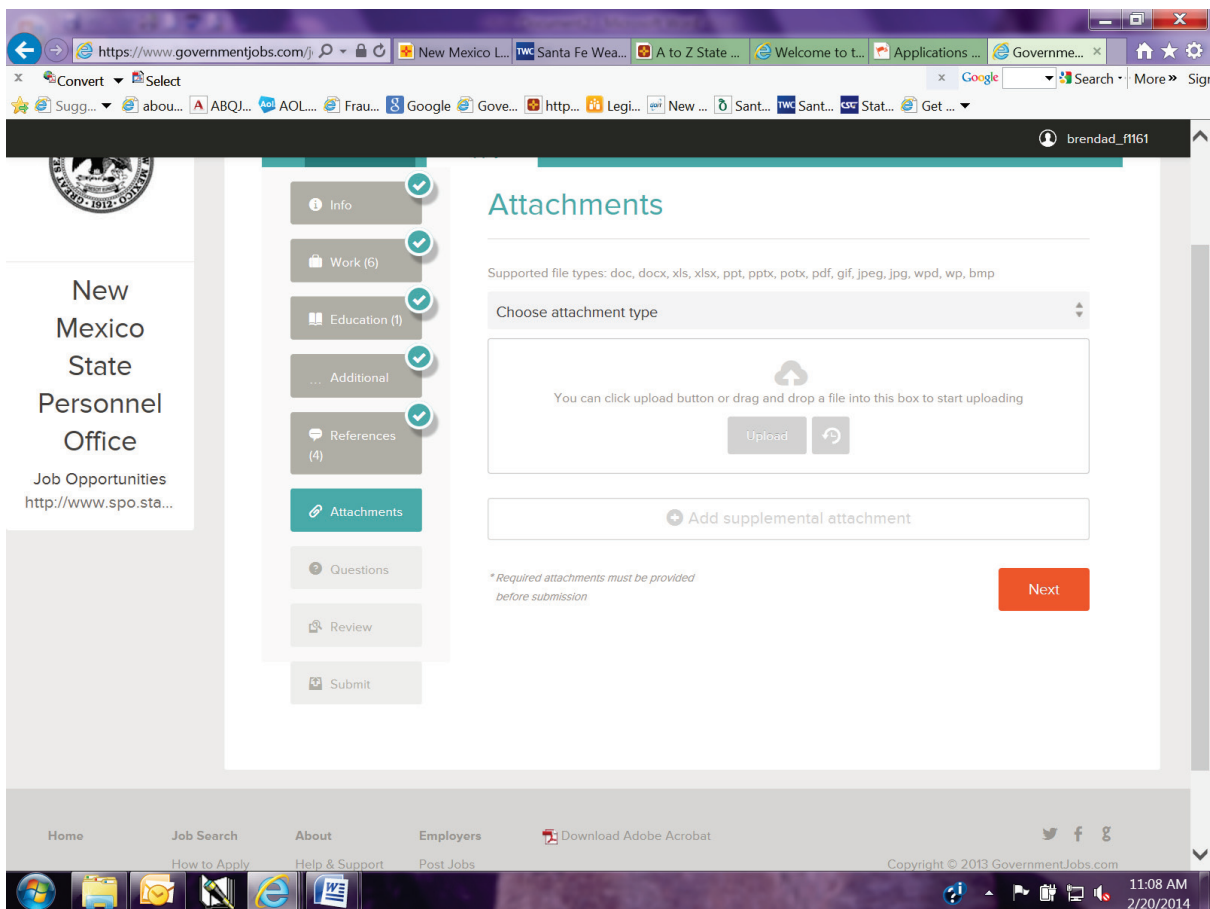
The Department of Information Technology:

- Develop criteria and a process for reviewing software provider's service level agreements when agencies purchase software-as-a-service to ensure requirements and performance expectations are met.
- Establish a statewide policy for cloud computing, including security requirements.
- Provide the State Personnel Office assistance in developing and implementing a contingency plan and a disaster recovery plan.

IN NEOGOV APPLICANTS MAY HAVE DIFFICULTY DETERMINING IF APPLICATIONS ARE ACCURATE AND COMPLETE

Although the recent NEOGOV upgrade redesigned the process to make it easier for jobseekers to access accounts, create applications faster, and improve navigation, applicants have difficulty determining if an application is accurate and complete. The application process requires applicants to create an applicant profile account and complete an application containing education, work experience, certificates, and transcripts, or other attachments, if applicable. In completing a section in the application a checkmark indicates all required fields were completed. However, when prompted for attachments, the applicant may have difficulty determining if the last attachment, such as transcripts, is already in its profile. Also, documents are no longer attached automatically based on what was submitted with the last application. Applicants must attach the documents each time they apply. The last 15 attachments uploaded are available in NEOGOV to reattach when they apply. However, the system does not easily indicate how to upload the available documents making it difficult to determine if the proper documents are attached. SPO's notice regarding the upgrade may not have provided sufficient time for users to learn and adjust to the changes in the system. As early as February 2012, one State Personnel Board member asked if NEOGOV could be programmed to determine if proper documents are attached to an application.

NEOGOVS APPLICANT SCREEN



NEOGOVS may not be user friendly and intuitive to all users. Fonts are small and extremely light, making reading difficult as shown above.

Through the applicant self-service portal, applicants may track application status on-line with periodic emails automatically sent to indicate progression in the screening process. Applicants are notified via email when the

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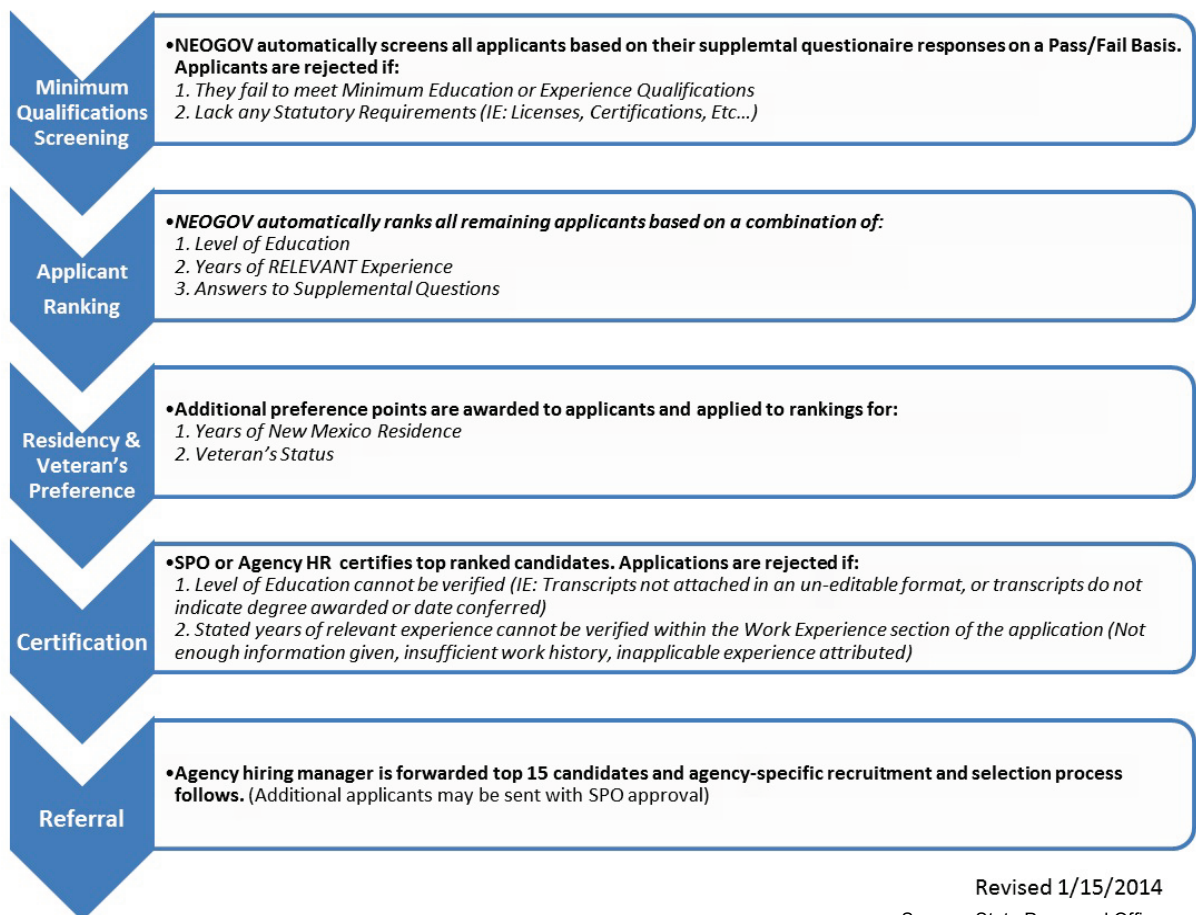
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initial application is received, when minimum qualifications were not met, and if applicant was an unsuccessful candidate. Some agencies and applicants reported concerns with the automated notifications, indicating the emails were from the agency’s human resources department but actually originated from SPO’s applicant support. This causes confusion when the applicant contacts the agency directly and the agency is not aware of the notification. In addition, applicants are contacting agency human resource staff for assistance with the application process.

The application process is cumbersome and because of administrative technicalities potentially qualified candidates are not considered, leaving agencies with an incomplete qualified applicant pool. Although the NEOGOV system allows an applicant to attach their resume, SPO no longer allows resumes to document work experience. Text resumes and attached resumes are no longer being reviewed or considered. If an applicant has previously included work history on a resume, they must transfer work history into the work experience section prior to applying. LFC observed instances where an individual was the top scoring candidate who did not include all work history in the work experience section but attached a resume. The HR administrator could not certify the number of years of experience the applicant indicated in the work experience section of the application and disqualified the applicant. However, the applicant’s resume confirmed the applicant’s years of experience.

State Personnel Office Selection Process



Potentially qualified applicants are denied consideration for not attaching transcripts when a degree is required. Transcripts may be uploaded after the application is submitted but must be included before the job posting closes. For example, a qualified applicant who has been out of college for 30 years did not have a transcript readily available could not attach the transcript before the job posting closed and was eliminated for consideration. Although the application was substantially complete at the time of submission, the system did not allow a concession for delay in attaching the transcript. However, when NEOGOV was initially implemented an agency user frequently asked questions indicated SPO would notify individuals of missing transcripts and request the transcript be forwarded to the agency contact within 48 hours. Apparently this practice was discontinued. Also, in previous years SPO would contact applicants if their applications were incomplete and allow applicants to provide the missing documents. NEOGOV does not have a system link to the requirement for a degree and whether or not the transcripts are attached exists. The NEOGOV upgrade has a notice stating “required attachments must be provided before submission” but this notice is not included in the education section of the application. Documents such as transcripts and degrees will likely be needed consistently and are not part of the applicant’s permanent profile. This is inefficient for the applicant and the HR analyst. When a job posting requires a degree, the system could have the applicant attach a transcript when completing the education section of the application.

SPO’s automated notification letters now include a statement that allows the applicant to request a review of the determination within five business days. If the applicant fails to contact SPO within five business days, the applicant waives the right for a review of the determination. In addition, the notification states the applicant cannot amend or modify its application after the advertisement has closed. The notification also indicates SPO is available to review future applications, upload transcripts and provide other assistance in the application process.

Although automatic scoring should reduce subjectivity and the time to review and screen applications, an element of human judgment remains part of the process. Before a referred list is sent to a hiring manager, part of the ranking process includes confirmation the information provided by the applicant is verifiable. This includes verification of transcripts and stated related work experience. Applicants whose education and experience cannot be confirmed will not move forward in the process. The confirmation process is not systematically completed. The HR analyst must review each section of work experience and determine if the experience is related to the purpose of the position. When the SPO HR analyst does not have the expertise in a particular job classification, professional judgment is used and sometimes SPO requests assistance from agency’s subject matter experts.

Also there are inconsistencies in automated notifications and applicant’s status. A current state employee applied for an IT Generalist I position at another agency and had been an IT Generalist II previously for four years. The applicant was notified that minimum requirements were not met and would not be considered for the position. The on-line application status indicated the individual was eligible. SPO’s website states the application status “eligible” means based on the applicant’s responses to supplemental questions it has met or exceeded the minimum qualifications and has passed the first stage of screening. Applicants are initially scored on a pass or fail for minimum qualifications. Each job posting has three scoring phases:

1. Required minimum qualifications (education and experience);
2. Supplemental questions; and
3. Preference points (residency and veterans).

Supplemental questions are developed by agencies to collect additional job-related information regarding an applicant’s qualifications for a position. To receive full consideration, the applicant must answer the supplemental questions. SPO’s website indicates most advertisements will have a minimum of five supplemental questions. Supplemental questions for job postings are selected from an “item bank” in NEOGOV and each question is worth either one point or five points. In most cases three supplemental questions are standard:

1. Indicate the highest level of education completed.
2. How many years of experience do you have related to the purpose of the position?
3. Do you possess a valid New Mexico driver’s license?

NEOGOV functionality is not automated when assigning preference points. Statute allows up to ten preference points assessed on applications to provide additional credit for being a New Mexico resident for up to five years. When applying the New Mexico resident preference points, HR analysts must apply a filter and manually enter the number of points. This becomes tedious and time consuming when agencies have a large volume of applicants to process. The system does not automatically populate the number of points based on the years of residency.

In addition, up to ten preference points may be applied for being a veteran, disabled veteran or a current member of the National Guard. HR analysts must verify documentation for these preferences. With the recent upgrade it is not clear if the documentation remains in the applicant's profile or if it has to be attached each time an application is filed.

Recommendations

State Personnel Office:

- Determine if NEOGOV has the functionality to create a system link in the education section when there is a requirement for a degree and indicate whether or not the transcripts are attached.
- Automate the New Mexico residency preference point's assignment.



**New Mexico State Personnel
Board
State Personnel Office**

**SUSANA MARTINEZ
GOVERNOR**

Eugene J. Moser
Director

Nivia L. Thames
Deputy Director

State Personnel Board
Paul T. Yarbrough, Chairman
Christine Romero, Vice Chairman

Dennis Garcia Rebecca Long

April 9, 2014

Mr. David Abbey, Director
Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, New Mexico 87501

Mr. Abbey:

In response regarding the Legislative Finance Committee's (LFC) draft audit report of the NEOGOV system. SPO staff met with LFC Auditor, LFC Fiscal Policy Analyst and Deputy Director on April 7, 2014, to review the *Status and Functionality of NEOGOV and Impact to Hiring* "DRAFT" report scheduled to be presented to the LFC on April 10, 2014. The audit report provided and discussed acknowledges positive areas and identifies areas of concern. During this meeting SPO provided responses to each of the concerning items indicated in the report. On April 8, 2014, SPO received LFC staff's revised draft of the report.

In the meeting with your staff during the meeting, State Personnel staff provided responses to LFC's areas of concern regarding some inaccuracies and utilization of outdated information as a basis for many statements. We are disappointed that the information provided and specifically outlined during that meeting is not included or even referenced in the report. Those issues will be presented at the meeting tomorrow.

Sincerely,

Eugene J. Moser
Director
State Personnel Office

2600 Cerrillos Road, Santa Fe, New Mexico, 87505 (505) 476-7759



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New Mexico State Personnel Board State Personnel Office

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GOVERNOR

Eugene J. Moser
Director

Nivia L. Thames
Deputy Director

State Personnel Board
Paul T. Yarbrough, Chairman
Christine Romero, Vice Chairmar

Dennis Garcia Rebecca Long

April 10, 2014

Mr. David Abbey, Director
Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, New Mexico 87501

Mr. Abbey:

Please find the State Personnel Office's (SPO) written responses regarding the Legislative Finance Committee's (LFC) audit of the NEOGOV system. SPO staff met with a LFC Auditor, a LFC Fiscal Policy Analyst and a LFC Deputy Director on April 7, 2014, to review the *Status and Functionality of NEOGOV and Impact to Hiring* "DRAFT" report scheduled to be presented to the LFC on April 10, 2014. It should be noted that SPO provided details regarding the inaccuracies within the report in effort to ensure the information that is included in the final audit is as accurate and as useful as possible. However, the most recent version did not incorporate the majority of these items. Please consider the information provided below to correct and clarify the findings addressed in the audit.

Background Information

The State Personnel Board (Board) and the State Personnel Office (SPO) were created by the State Personnel Act, Sections 10-9-1 through 10-9-25, NMSA 1978. The purpose of the State Personnel Act is to establish for New Mexico a system of personnel administration based solely on qualification and ability, which will provide greater economy and efficiency in the management of state affairs.

Section 10-9-13 NMSA 1978 requires the Board rules to provide for "the establishment of employment lists for the certification of the highest standing candidates to the prospective employers to be followed in hiring from the lists." 1.7.5.12 NMAC *Selection* states that "Selection shall be based solely on qualification and ability. Selection for any appointment to positions in the classified service shall be justified in writing and made from employment lists." The Board rule requires employment lists to include names of ranked candidates who have applied and met the established requirements.

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State Personnel Office, #14-03
Status and Functionality of NEOGOV and Impact to Hiring
April 10, 2014

Prior to 2011, state agencies would receive a complete list of applicants who applied for an advertised position. This process did not include a method to confirm if an applicant was qualified. These lists did not meet the statutory requirements for the certification of applicants.

In order to bring SPO in compliance with statutory requirements, there were several important features that NEOGOV offered that PeopleSoft could not immediately provide. These included:

- Applicants were not accurately and quantifiably ranked as minimum qualifications were eliminated. As such, applicants who did not meet minimum qualification standards were not excluded from consideration as required by §10-9-15 NMSA 1978, that states employers are only to hire employees from employment lists of applicants who meet prescribed minimum requirements and have passed all prescribed tests administered by the State Personnel Director
- There was no systematic requirement to verify educational requirements i.e., possession of a degree
- Veteran's preference points were provided prior to the final "score" rather than "over and above" as required by law §10-9-13.2(A) NMSA 1978

NEOGOVS provided an effective means to systematically reintroduce minimum qualifications back into the recruitment and selection process. The process of redesigning job descriptions to include minimum qualifications was initiated prior to the selection of NEOGOV. This project plan was presented to SPO and agency project staff on June 1, 2011. Twenty-seven project staff from eleven state agencies identified and engaged prior to June 1.

Summary of NEOGOV Expenditures

The FY11/12 amount for NEOGOV is incorrect. The correct amount should be \$98,499.87

1. SPO completed process review requirements prior to purchasing NEOGOV

SPO did complete a Business Process Review document that was deemed to be a "living document" that was subject to change. This documentation provided a baseline starting point to begin from and this was provided to Ms. Fresquez, LFC Auditor.

An implementation team from SPO worked on a daily basis with Ms. Joanne Hilty, the assigned NEOGOV implementer, throughout the weeks leading up to the implementation date of June 30. Throughout this process the SPO/NEOGOVS team made minor revisions to the implementation plan based on new functionality learned by partnering with NEOGOV.

SPO understood the key areas in which PeopleSoft was out of compliance with the Personnel Act and had communicated this numerous times to key stakeholders including the Executive and the Legislature. There was not a need for a formal written report to be submitted as the issues were apparent and understood.

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2. DOIT Approval

SPO was not aware that the Department of Information Technology (DoIT) approval was needed prior to subscribing to the NEOGOV service. However, once SPO became aware of the subscription requirement the required exception paperwork was submitted on Friday, June 17th with written approval from the Secretary of DoIT on Monday, June 20th.

It is critical to point out that NEOGOV is a subscription based Software-as-a-Service (SaaS) product operating within a cloud environment and as such is not owned by the State of New Mexico. As such, SPO does not own software, servers or employ IT staff to administer infrastructure related installation and maintenance services.

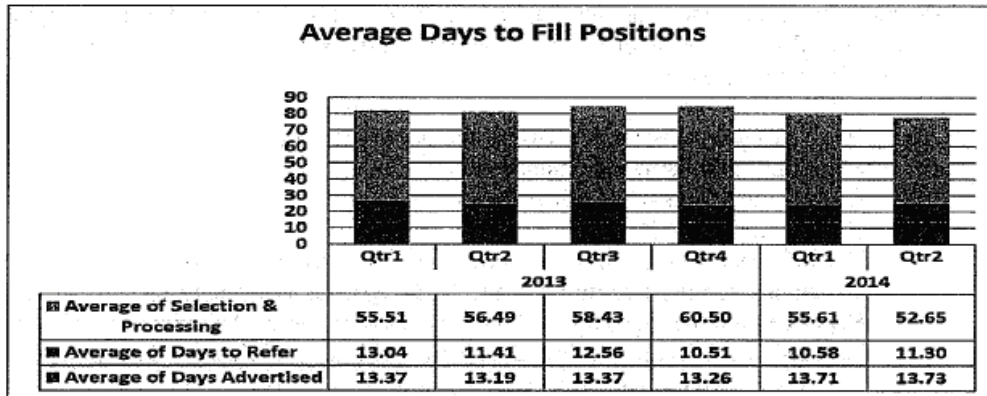
3. Operating procedures to match the efficiencies gained with NEOGOV

The recruitment process has larger institutional requirements unrelated to NEOGOV. The NEOGOV system manages online recruitment and as such is not a full service HR management system. For example, In Grade Hires, Promotional Increases and other SPO rule required actions that are a result of a recruitment have to follow established processes outside of NEOGOV. However, SPO did implement new recruitment operating procedures to coincide with the NEOGOV process.

4. Improvement in Processing Time

The audit report compares the increased number of days to hire from sixty-nine (69) in FY12 to seventy-eight (78) in FY14. The most comparable data prior to utilization of NEOGOV was in the late 1990s when SPO ranked applicants and provided the top qualified applicants. An LFC Program Evaluation Report dated January 08, 2001, shows that the average number of days to fill a classified position was one hundred and thirty-four (134) days; including one hundred days (100) at the agency and thirty-four days (34) at SPO.

The audit provides data from FY12 thru FY14. It should be noted that FY12 is divided between PeopleSoft and NEOGOV and is not an accurate comparison. The implementation of NEOGOV occurred in the second month of Quarter 2 of FY12. The data from FY13 and the first two quarters of FY14 indicate that the days to fill has remained consistent as documented in the New Mexico State Personnel Office FY14 2nd Quarter Workforce Report.



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The NEOGOV statistics referenced in the report were from all employers, public and private, on average and are estimated averages from a company marketing perspective as customers moved from a cumbersome and perhaps manual process to using NEOGOV.

- Based on the State's estimates of pre-PeopleSoft data (134 days) as compared to the FY14 average of seventy-eight (78) days, there has been a 41.8% reduction (56 days) in the time to fill using similar formulas with similar criteria (ranked lists, minimum qualifications, agencies only provided list of highest ranked applicants, etc.) It also must be pointed out that the number of SPO centralized recruitment staff has also dropped from over twenty (20) to ten (10) personnel today.
- Probationary Period completion statistics shown in the report cannot be solely attributed to NEOGOV. Other factors include:
 - Re-establishment of minimum qualifications
 - Improving economy and other employment options
 - Managers holding staff accountable to job expectations
 - One-year (1) unemployment benefit extension
 - Lack of salary increases, etc.
- The report indicates that there was a lack of communication to departments on changes to the hiring processes.
 - NEOGOV implementation information was discussed at cabinet level meetings from June 2011 to implementation
 - Board presentations included updates at every meeting
 - The HR council was updated at each of its monthly meetings
 - Notice was provided on the SPO website prior to implementation
 - SPO sent an email to all HR Officers on September 27, 2011 notifying them of the NEOGOV training that took place during the month of October
 - SPO published an article in the October 17th – November 14th (2011) edition of Round the Roundhouse indicating upcoming changes
 - An article was published in the Albuquerque Journal regarding the NEOGOV implementation
- The audit compares New Mexico to the State of Washington without pointing out significant differences in its utilization and Washington's statutory obligations. In Washington, the process is decentralized without statutory obligations. Each agency can use NEOGOV how they see fit. For example, some agencies:
 - Use NEOGOV only for advertising and not to generate lists
 - Refer the entire list while others do not
 - Require transcripts while others do not
 - Do not use NEOGOV at all
 - Use different reporting criteria while some agencies do not provide any information that is included in reports resulting in a lack of consistency in reporting.
 - Reported an initial decrease in days to fill however in the last two years (2) the numbers have increased (primarily due to a change with their Collective Bargaining Agreement)

Source: Devonee Davis: On-Line System Expert- State of Washington

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- Hiring Process and Timeline (Table 1): The information does not include the same reporting criteria established for use in the quarterly reports. Given the lack of detail, we are unable to confirm reporting information, however, this information is available through NEOGOV for all agencies.
- DOT flowchart (Appendix F): DOT has confirmed that the information included is out of date and inaccurate.

5. SPO's process for providing a referred list to agencies

- The audit states administrative code allows agencies to develop policies governing the use of employment lists with SPO Director approval. However, Subsection C of 1.7.5.12 NMAC clearly states that these policies are in reference to how lists are used for Selection.
- As stated in the audit, the "SHARE system allows agencies the ability to print a system scored list and screening results to include all submitted applications and resumes." It is unclear why the LFC auditor feels that this is more effective than scoring and ranking applicants on the basis of qualification and ability as minimum qualifications were not utilized or required. This resulted in any applicant be forwarded, qualified or not, to the hiring manager. Because none of the information was confirmed, many applicants who were not qualified were at the top of employment lists.
- Reports: information provided in reports is only as good as the data provided.
 - Initially, agencies were not indicating who or when an applicant was hired into NEOGOV. This caused multiple reporting errors. SPO has worked closely with agencies to clean up the data. Agencies are aware of the reporting feature in NEOGOV.
 - SPO recently offered a "NEOGOv refresher course" where the Reporting feature was reviewed including how to use the most relevant reports in addition to resources available for customized reports.
 - All agency users have access to NEOGOV support services, including on call phone center and web based information as additional resources.

6. Formal mechanism to obtain agency and applicant feedback on the use of NEOGOV

- After any applicant applies for a position, they have the opportunity to provide feedback regarding the use of the system. This information is used by NEOGOV to make adaptations to the system. In addition HR users can provide feedback (NEOGOv IDEA LAB) and are provided with notifications if their ideas are being considered.
- According to the audit: "Agency feedback to the LFC, although limited, indicated the NEOGOV recruitment system is labor intensive and burdensome." This is a subjective statement and without further detail it is difficult to concretely address these issues and to confirm they are related to NEOGOV.

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7. Interface between NEOGOV and SHARE

- Currently, the data collected in NEOGOV is different from the information required for hiring an applicant (which is more extensive) and, more importantly, does not delay the hiring process but provides better and more data in assessing recruitment and classification issues. Additionally, SPO is working with DoIT to go through the proper channels to interface and upload data directly into PeopleSoft resulting in more consistency and eliminating keying errors. SPO is researching this additional feature and will be working with DoIT's SHARE technical staff to install this feature.

8. The NEOGOV Service Level Agreement (SLA) with SPO

- This is standard contractual language as SPO has worked with NEOGOV to configure and implement features of NEOGOV. SPO is comfortable with this language contained in the SLA. However, NEOGOV has been no less than outstanding in resolving issues and providing customer service.

9. Security assessment required by DoIT.

- SPO did not do a security assessment as this is a Software-as-a-Service (SaaS) subscription based product. NEOGOV has done a security assessment and has satisfied the security needs of over 1,100 public sector customers. SPO is working with NEOGOV to obtain documentation verifying that this has been done.
- NEOGOV has a disaster recovery plan at the vendor level. SPO is working with NEOGOV to obtain documentation that this has been done. However, SPO recognizes the need to have a documented functional "contingency" plan in place in the event of a disaster and will be partnering with DoIT to establish this plan.

10. Applicants' use of NEOGOV

- There is a link at the bottom of the applicant log-in page that explains to applicants how to apply and how to attach documents. NEOGOV updated all users and applicants of all changes being made prior to the implementation date. Additionally, SPO posted this information on its website and emailed agency human resource staff prior to enacting changes.

11. NEOGOVS application process

- SPO is required by statute to provide employment lists for the certification of the highest standing candidates to employers. Due to this statutory requirement, it is necessary to verify the information certified by an applicant on their NEOGOV application.

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- There is an expectation that applicants will review the ample information on the actual application of what is required of them. If an applicant does not follow the process and their work experience/education cannot be confirmed, it also means their rank cannot be confirmed/verified and they should not/cannot be referred to a hiring manager.
- SPO continues to work with agencies on improving the content of their advertisements to reduce applicant errors. For example, agencies such as Department of Corrections have revised their advertisements to include revised supplemental questions. After doing so, they have seen an improved applicant list and a reduction in vacancies (*Probationer and Parole Officers/ Source: New Mexico Corrections Department*).

12. Automatic scoring should reduce subjectivity and time to review and screen applicants

- Trained Human Resource professionals have to use an element of judgment in many of the core functions of their jobs; for example, in determining how much an individual is paid, whether or not a promotion is warranted, decisions regarding discipline, etc. In many cases, Subject Matter Experts (SMEs) are used when warranted to assist HR staff when certifying employment lists.
- The example provided in the audit regarding the IT Generalist is misleading, and cannot be verified without supporting documentation regarding the details of the circumstance.

13. NEOGOV functionality

- As noted above, SPO is required by the Act to provide veterans/residency preference points **after** a list has been ranked. Currently, there is not a way to automate adding additional points after a list has been ranked which requires manual entry. Any effort to provide preference points before a list has been ranked would be a violation of Section 10-9-13.2 NMSA 1978 Veteran's Preference and Section 10-9-13(C) NMSA 1978 Rules; adoption; coverage.

14. SPO's Responses to LFC's Recommendations

- **Create a Traceability matrix:** SPO can create a Traceability matrix
- **Formal Survey for NEOGOV Users:** SPO will develop an on-line survey instrument using Survey Monkey and make it available on its website
- **Review the Implementation Process:** SPO has an ongoing relationship with the original integrator and can review additional functionality with NEOGOV technical and functional support staff; however, there is no need to review the installation process as it was completed almost three years ago and was reviewed prior to the go-live date
- **Security Assessment:** SPO/DoIT will not have a third party do a security assessment but will work with NEOGOV to get documentation on its third party assessment

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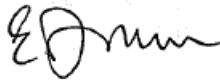
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- **Contract with DoIT to Develop a Contingency Plan and Disaster Recovery Plan:** SPO will work with DoIT staff to develop and implement a contingency plan and will work with NEOGOV to obtain documentation on its disaster recovery plan
- **Provide standard reports to LFC:** Data is already provided in a quarterly Workforce Reports provided to the Governor, State Personnel Board, state departments and to the LFC throughout the year. These reports are available on the SPO website.
- **Requiring Transcripts:** NEOGOV does allow the user to create a "job template" that would stop users if they did not attach their transcripts; however, for the majority of positions advertised this template cannot be used due to the equivalency language provided in the minimum qualifications.
- **Preference Points:** SPO will contact NEOGOV regarding automating the application of preference points after a list has been ranked.

If you have any further questions, please contact me at (505) 476-7752.

Sincerely,



Eugene J. Moser
Director

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APPENDIX A: Evaluation Objectives, Scope and Methodology

Evaluation Objectives.

- Assess the status and functionality of NEOGOV system.
- Assess the impact to hiring.

Scope and Methodology.

- Reviewed applicable laws and regulations.
- Reviewed prior LFC reports.
- Reviewed available information on NEOGOV™ website.
- Reviewed NEOGOV information from other states and the internet.
- Reviewed the State Personnel Board's meeting minutes.
- Conducted interviews with the state agencies human resources staff and other key personnel.
- Met with the State Personnel Director, department's acting Chief Information Officer and other staff.
- Reviewed available project budget, contracts, and financial data.
- Reviewed the Department of Information Technology's approval document.

Evaluation Team.

Brenda Fresquez, Lead Program Evaluator
Patricia Barton, IT Consultant

Authority for Evaluation. The LFC is authorized under the provisions of Section 2-5-3 NMSA 1978 to examine laws governing the finances and operations of departments, agencies, and institutions of New Mexico and all of its political subdivisions; the effects of laws on the proper functioning of these governmental units; and the policies and costs. The LFC is also authorized to make recommendations for change to the Legislature. In furtherance of its statutory responsibility, the LFC may conduct inquiries into specific transactions affecting the operating policies and cost of governmental units and their compliance with state laws.

Exit Conference. The contents of this report were discussed with the State Personnel Office during the exit conference on April 7, 2014. A report draft was provided the department on March 20, 2014 for formal written response.

Report Distribution. This report is intended for the information of the Office of the Governor, the New Mexico Human Services Department, the Office of the State Auditor, and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Charles Sallee
Deputy Director for Program Evaluation

APPENDIX B: LFC Request for NEOGOV Reports

Representative Luciano "Lucky" Varela
Chairman

Representative William "Bill" J. Gray
Representative Larry A. Larrañaga
Representative Henry "Kiki" Saavedra
Representative Nick L. Salazar
Representative Edward C. Sandoval
Representative Don L. Tripp
Representative James P. White

State of New Mexico
LEGISLATIVE FINANCE COMMITTEE

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Phone: (505) 986-4550 • Fax (505) 986-4545

David Abbey
Director



Senator John Arthur Smith
Vice-Chairman

Senator Sue Wilson Beffort
Senator Pete Campos
Senator Carlos R. Cisneros
Senator Carroll H. Leavell
Senator Howie C. Morales
Senator George K. Munoz
Senator Steven P. Neville

March 31, 2014

Eugene Moser, Director
New Mexico State Personnel Office
2600 Cerrillos Road
Santa Fe, New Mexico 87105

Director Moser:

Legislative Finance Committee (LFC) staff have completed their field work and forwarded a draft copy of the report on NEOGOV to your office for review, and have requested an exit conference to discuss the findings and recommendations. The report notes that a number staff requests for information and meetings with key staff remain unfulfilled as of March 2014. While my staff welcomes the opportunity to still review this information, we are moving forward to close out this project. However, some information requested, and not received, during the evaluation is needed for ongoing performance monitoring.

NEOGOVS has the capability to produce standard reports on the amount of time taken for each stage of the hiring process by agency and by position. Presumably these hiring life cycle reports produce the underlying data used by your office to report the SPO performance measure on average days to hire. The reports do not contain any confidential data or personally identifying information. You have mentioned on a number of occasions to the Committee on the capability of NEOGOV to track the timeliness of the hiring process.

I am requesting copies of "Requisition Life Cycle" hiring reports (see attached description) for the third quarter of FY14 for the following agencies:

- Children, Youth and Families Department,
- Corrections Department,
- Department of Health,
- Department of Human Services,
- Public Education Department,
- Higher Education Department,
- State Personnel Office,
- Department of Transportation

State Personnel Office, #14-03
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April 10, 2014

Follow-up Letter on NEOGOV Review – March 31, 2014
Page 2 of 2

As you know, Section 2-5-7 NMSA 1978 requires state agencies, upon request, to furnish and make available documents and information requested by the LFC. Please provide the reports to my office by April 10, 2014.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "David Abbey". The signature is written in a cursive, flowing style.

David Abbey, Director

DA:CS/jl

Cc: Representative Luciano "Lucky" Varela, Chairman, Legislative Finance Committee
Members of the Legislative Finance Committee
Dr. Tom Clifford, Secretary, Department of Finance and Administration
Keith Gardner, Chief of Staff, Office of the Governor

Report Name	Description	Fields
Application Statistics by Job	Displays the number of applications received by job, includes department. Select Date Range	Date Range, Department, Job#, Job Description (title), # Apps Received
Days Between Cert and Hire	Displays the number of recruitments that were filled in fewer days than the target date, and the number of days between target dates. Select Job(s)	Average Days Between Cert and Hire, # Announcements (recruitments), # Target Days from Cert to Hire, Average Days
EEO	Displays EEO data within a specified date range. Select date range, department(s), job(s), sort by Department/EEO category OR EEO Category/Department.	Department, Job #, Job Title, Gender/Ethnicity, Disability, Veteran, #Online Applications, #Paper Applications, Total # Applications, % Online, Graphs
Requisition Life Cycle	Displays the date and number of days the requisition spent at each step in the process. Select Requisition(s), Req. Status, Date Range, Continuous Postings, Application Status	Date Range, Req. Status, Application Status, Req.#, Title, Status, EEO Category, Class Code, Analyst, Department, Date Created, Days Adv From to Adv To, Days for Last Exam, Eligible Date, Days from Eligible to Referred Date, Days from Referred to Interviewed, Days from Interviewed to Offer, Days from Offer to Start Date, Total Number of Days, Comments
Supplemental Questions Statistics	Displays each supplemental question with the number and type of responses for each question, with percentage breakdown for each answer. Select Job(s), Start Range, Application Status	Date Range, Job Title, Application Status, Supplemental Questions, Answer Types, # of Answers Received for Each Response, Percentage of Total for Each Response
Test Analytics	Item, test, and performance statistics for test items and overall tests. (Accessed through View Results on View Applicants by Step page)	Point Bi-Serial Coefficient, KR-20, KR-21, Kurtosis, difficulty, upper/middle/lower performance, 4/5 rule violations, and Sub-Test Evaluations and Statistics
Workload by Analyst	Displays the number of items performed by each Analyst. Select Date Range, Application Status	Date Range, Analyst, # Lists Opened, # Apps Entered, # Apps Rejected, # Exams Scheduled, # Eligible Candidates, # Candidates Referred

**APPENDIX C: SPO General Memorandum 2011-02, Personnel Transactions
Submittal and Approval Process**



**New Mexico State Personnel
Board
State Personnel Office**

**SUSANA MARTINEZ
GOVERNOR**

Eugene J. Moser
Director

Nivia L. Thames
Deputy Director

State Personnel Board
Paul T. Yarbrough, Chairman
Christine Romero, Vice Chairman

Devon Day Chris Sanchez
Rebecca Long

General Memorandum 2011 - 002

Date: June 15, 2011

To: Cabinet Secretaries, Agency Heads, and Agency Human Resource Managers

From: Duffy Rodriguez, Deputy Cabinet Secretary, Dept. of Finance and Administration
Eugene J. Moser, Director, State Personnel Office *ESM*

Subject: Personnel Transactions- submittal and approval process

As you are aware, the following personnel transactions require review and approval from the Office of the Governor, the State Personnel Office (SPO) and the Department of Finance and Administration (DFA):

- Recruitment and hire requests
- In-Pay Band Salary Adjustments
- Temporary Salary Increases
- Temporary Recruitment Differentials
- Temporary Retention Differentials
- Out-of-State Differential
- Create a Reg/Perm, STRM, or Temporary (Budgeted, Non-Budgeted, NB 180, or T180) position
- Extend a Temporary (non-Budgeted, NB 180, or T180) position
- Reclassify a position upward, lateral or downward
- Organizational changes

In order to streamline our efforts and partner with your agencies while assisting with the accomplishment of your agency's Human Capital and Budget Management goals, we must ensure that the Office of the Governor, SPO and DFA receive consistent information through the approval process.

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Therefore, when requesting approval for your agency's personnel transactions, we are asking your staff to follow the steps listed below:

1. Prepare a detailed letter of justification identifying each of your agency's requested personnel transactions, the letter should be addressed to Governor Martinez, Director Moser, and Deputy Cabinet Secretary Rodriguez from the agency's Cabinet Secretary or the Agency Head. This letter should include documentation that supports the requested personnel transactions, required SPO forms (i.e. SDF/PADF, compensation forms, administration forms, etc.) and DFA budget projections;
2. Upon receipt of the documentation your agency's Human Resource (HR) Manager must schedule a meeting with the agency's Budget Analyst, the agency's assigned SPO Executive HR Manager and DFA Executive Budget Analyst to discuss the requests and any questions each party may have regarding the requested personnel actions.
3. After this meeting, the SPO Executive HR Manager and DFA Executive Budget Analyst will review the personnel transactions and prepare their analysis for Director Moser's and Deputy Cabinet Secretary Rodriguez's approval;
4. Once both Director Moser, and Deputy Cabinet Secretary Rodriguez issue an approval (you will be notified via email), the personnel transactions will be forwarded to the Office of the Governor for final review and approval;
5. Once approval has been secured from the Office of the Governor, (you will be notified via email) you may proceed as usual with processing the personnel transactions.

The following personnel transactions require only SPO or DFA approval and are not subject to the above process:

Require only SPO approval:

- Job postings - Job Related Qualification Standards (JRQS), and changes to the job posting
- In-Grade Hires greater than 115.1% compa-ratio
- Promotional Increases less than 5% or greater than 15%
- Salary upon Reduction greater than 15%
- Salary upon Transfer greater than 10%
- Salary upon Temporary Promotion less than 5% or greater than 15%
- Double fills, Under fills, and Over fills
- Administrative Leave in excess of 160 hours -pending a disciplinary action
- Recruitment Waivers
- Update - Reports to
- Update - Department
- Update - Key Position
- Update - Location Code

Require only DFA approval:

- Extend a Reg/Perm, STRM, or Temporary (Budgeted) position
- Inactivate Reg/Perm, STRM or Temporary (Budgeted) positions
- Update - Budgeted position
- Update - FTE value
- Update - Adds to FTE actual count

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Personnel transactions
June 15, 2011
Page 3

The effective date of a personnel transaction will begin the pay period immediately following the date when you receive final approval from the Office of the Governor. Please be aware that personnel transactions ***will not*** be approved with retroactive effective dates. This method of approval submittal is effective June 15, 2011.

If you have any questions, please contact your assigned SPO Executive HR Manager or DFA Executive Budget Analyst.

Thank you in advance for your cooperation and patience.

Cc: SPO Executive HR Managers
DFA Executive Budget Analysts
Office of the Governor

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State Personnel Office, #14-03
Status and Functionality of NEOGOV and Impact to Hiring
April 10, 2014



**New Mexico State Personnel
Board
State Personnel Office**

**SUSANA MARTINEZ
GOVERNOR**

Eugene J. Moser
Director

Nivia L. Thames
Deputy Director

State Personnel Board
Paul T. Yarbrough, Chairman
Christine Romero, Vice Chairman

Devon Day Chris Sanchez
Rebecca Long

General Memorandum 2011- 002 (REVISED)

To: Cabinet Secretaries, Agency Heads, and Human Resource Managers

From: Duffy Rodriguez, Deputy Cabinet Secretary, Department of Finance & Administration
Eugene J. Moser, Director, State Personnel Office *EGM*

Subject: Personnel Transactions - Submittal and Approval Process

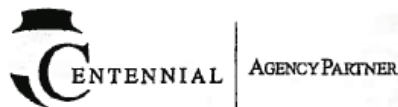
Date: November 16, 2012

Below you will find instructions on the submittal and approval process for various personnel transactions within your agency.

	All agencies must obtain approval by the Office of the Governor, the State Personnel Office (SPO) and the Department of Finance and Administration (DFA) to proceed with the following personnel transactions:
1	In-Pay Band Salary Adjustments
2	Temporary Salary Increases (excluding CBA requirements)
3	Temporary Recruitment Differentials
4	Temporary Retention Differentials
5	Out-of-State differential
6	Create a Reg/Perm, STRM, or Temporary (Budgeted, Non-Budgeted, NB 180, or T180) position
7	Extend a Temporary (non-Budgeted, NB 180, or T180) position
8	Reclassify a position upward, lateral or downward

In order to streamline our efforts and partner with your agencies while assisting with the accomplishment of your agency's Human Capital and Budget Management goals, we must ensure that the Office of the Governor, SPO and DFA receive consistent information through the approval process.

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Therefore, when requesting approval for your agency's personnel transactions, we are asking your staff to follow the steps listed below:

1. Prepare a detailed letter of justification identifying each of the agency's requested personnel transactions. The letter should be addressed to Governor Martinez, Director Moser, and Deputy Cabinet Secretary Rodriguez from the agency's Cabinet Secretary or the Agency Head. This letter should include documentation that supports the requested personnel transactions, required SPO forms (i.e., SDF/PADF, compensation forms, etc.) and DFA budget projections;
2. Upon submittal the SPO Consultant and DFA Executive Budget Analyst will review the personnel transactions and prepare their analysis for approval by Director Moser and Deputy Secretary Rodriguez;
3. Once both Director Moser and Deputy Cabinet Secretary Rodriguez issue an approval (the agency will be notified via email), the personnel transactions will be forwarded to the Office of the Governor for final review and approval;
4. Once approval is secured from the Office of the Governor, (the agency will be notified via email) the agency may proceed as usual with processing the personnel transactions.

The personnel transactions listed below are not subject to the above approval process and ONLY require SPO and DFA approval.

	All agencies must obtain approval by SPO and DFA in order to proceed with the following personnel transactions:
1	Recruitment and hire requests
2	Double fills

The personnel transactions listed below require ONLY SPO approval:

	All agencies must obtain approval by SPO to proceed with the following personnel transactions:
1	In-Grade Hires greater than 115.1% compa- ratio
2	Promotional Increases less than 5% or greater than 15%
3	Salary upon Reduction greater than 15%
4	Salary increases or decreases upon lateral transfers
5	Salary upon Temporary Promotion less than 5% or greater than 15%
6	Under fills and Over fills
7	Administrative Leave in excess of 160 hours - pending a disciplinary action
8	Administrative Leave in excess of 5 consecutive days – non discipline
9	Recruitment Waivers
10	Update - Reports to
11	Update - Department
12	Update - Key Position
13	Update - Location Code

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The personnel transactions listed below require ONLY DFA approval:

All agencies must obtain approval by DFA to proceed with the following personnel transactions:	
1	Extend a Reg/Perm, STRM, or Temporary (Budgeted) positions
2	Inactivate Reg/Perm, STRM or Temporary (Budgeted) positions
3	Update - Budgeted position
4	Update - FTE value
5	Update - Adds to FTE actual count

The effective date of a personnel transaction will begin the pay period immediately following the date when you receive final approval from the Office of the Governor, SPO and/or DFA. Please be aware that personnel transactions **will not** be approved with retroactive effective dates.

Please see attached chart for further insight on the approval process.

If you have any questions, please contact your assigned SPO HR Consultant or DFA Executive Budget Analyst.

Thank you in advance for your cooperation and patience.

cc: SPO Consultants
DFA Executive Budget Analysts
Office of the Governor

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Personnel Transactions	State Personnel Office (SPO)	Department of Finance and Administration (DFA)	Office of the Governor
In-Pay Band Salary Adjustments	Y	Y	Y
Temporary Salary Increases (excluding CBA requirements)	Y	Y	Y
Temporary Recruitment Differentials	Y	Y	Y
Temporary Retention Differentials	Y	Y	Y
Out-of-State differential	Y	Y	Y
Create a Reg/Perm, STRM, or Temporary (Budgeted, Non-Budgeted, NB 180, or T180) position	Y	Y	Y
Extend a Temporary (non-Budgeted, NB 180, or T180) position	Y	Y	Y
Reclassify a position upward, lateral or downward	Y	Y	Y
Recruitment and hire requests	Y	Y	Does not require approval
Double fills	Y	Y	Does not require approval
In-Grade Hires greater than 115.1% compa- ratio	Y	Does not require approval	Does not require approval
Promotional Increases less than 5% or greater than 15%	Y	Does not require approval	Does not require approval
Salary upon Reduction greater than 15%	Y	Does not require approval	Does not require approval
Salary Increases or decreases upon lateral transfers	Y	Does not require approval	Does not require approval
Salary upon Temporary Promotion less than 5% or greater than 15%	Y	Does not require approval	Does not require approval
Under fills and Over fills	Y	Does not require approval	Does not require approval
Administrative Leave in excess of 160 hours -pending a disciplinary action	Y	Does not require approval	Does not require approval
Administrative Leave in excess of 5 consecutive days -non discipline	Y	Does not require approval	Does not require approval
Recruitment Waivers	Y	Does not require approval	Does not require approval
Update- Reports to	Y	Does not require approval	Does not require approval
Update-Department	Y	Does not require approval	Does not require approval
Update- Key Position	Y	Does not require approval	Does not require approval
Update- Location Code	Y	Does not require approval	Does not require approval
Extend a Reg/Perm, STRM, or Temporary (Budgeted) position	Does not require approval	Y	Does not require approval
Inactivate Reg/Perm, STRM or Temporary (Budgeted) positions	Does not require approval	Y	Does not require approval
Update- Budgeted position	Does not require approval	Y	Does not require approval
Update- FTE value	Does not require approval	Y	Does not require approval
Update-Adds to FTE actual count	Does not require approval	Y	Does not require approval

↑ Checks indicate the approval needed to move forward with such Personnel transactions



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Devon Day Rebecca Long

MEMORANDUM

TO: HR Managers
FROM: Eugene J. Moser, Director
THRU: Andrea Rivera-Smith, Career Services
DATE: June 28, 2013
SUBJECT: Revision to Recruit and Hire Process

The State Personnel Office (SPO) and the Department of Finance and Administration (DFA) currently approve recruit and hire requests prior to the requested position(s) being advertised. Effective July 1, 2013, all state agencies will no longer be required to obtain SPO and DFA approval to advertise. Once an agency has received all required internal approvals, to include budget and human resources, they should submit a Requisition (Position Advertisement Request) to NEOGOV to initiate the advertisement. *It is the responsibility of the State Agency to ensure that all internal approvals are obtained prior to submission.*

To ensure that all positions are advertised with the proper classification, the Career Services Bureau is requiring that a current Supporting Document Form and Position Assignment Documentation Form (SDF/PADF) be attached to all Requisitions.

We anticipate that this will save critical time during the selection process. Thank you for your cooperation. If you have any questions please contact Andrea Rivera-Smith @ Andrea.Rivera-Smith@state.nm.us.

Thank you.

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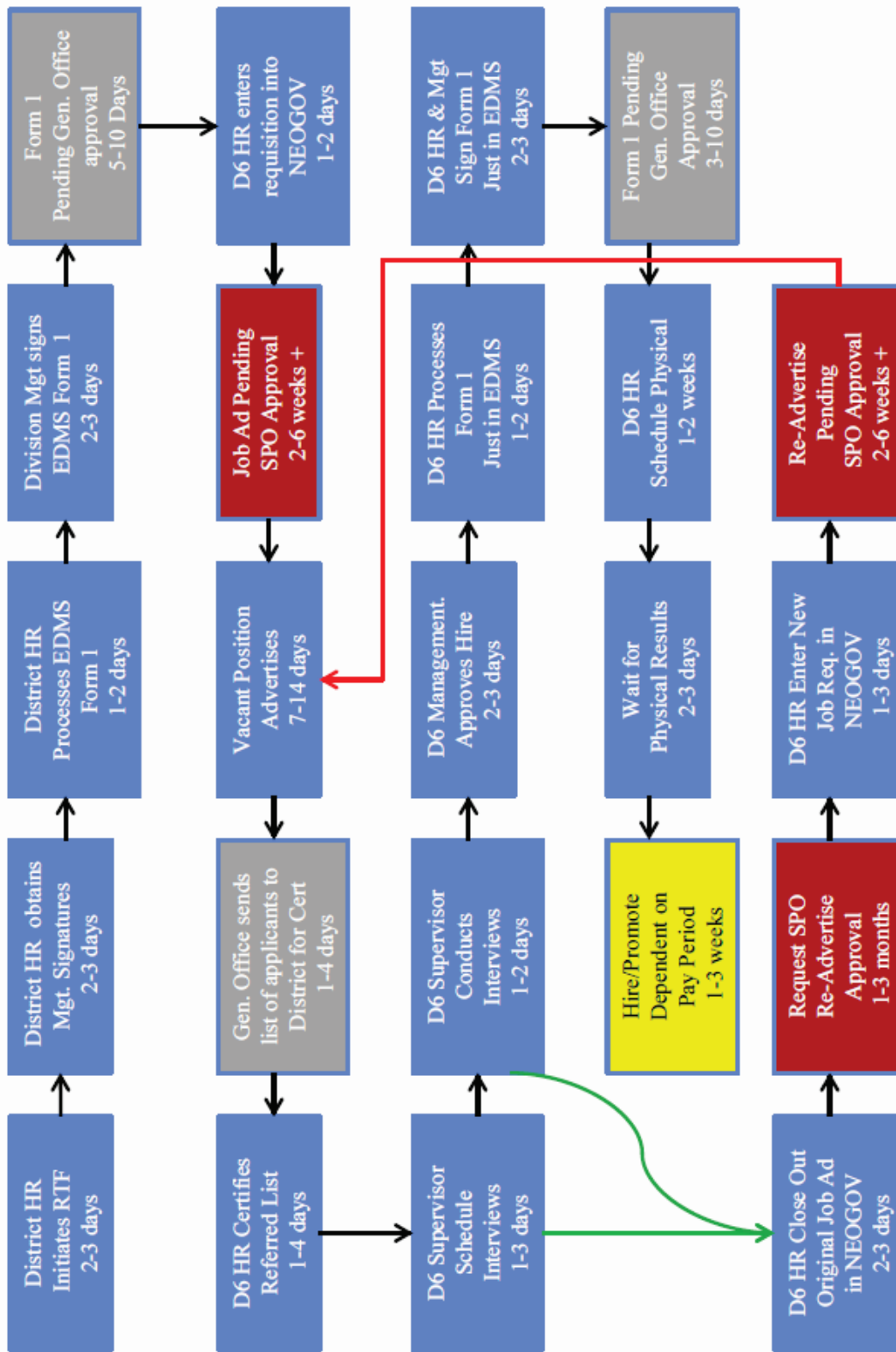


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APPENDIX F: Department of Transportation, District 6 – Hiring Process Flowchart

**Department of Transportation, District 6
Hiring Process Timeline**



Number of days to hire without re-advertising: 64 to 126 days
 Number of days to hire with re-advertising: 97 to 222 days

APPENDIX G: Project Limitations and Status of Information Request

The program evaluation was hindered by the State Personnel Office's limited cooperation, unwillingness to provide information, and lack of access to the NEOGOV system. The LFC staff attempted to accommodate the agency by providing alternative dates for scheduled fieldwork and requested information.

Status of LFC Information Requests				
Item No.	Item Description	Date Requested	Date Received	Comments
1	Needs assessment and gap analysis.	11/19/2013	12/2/2013 - Incomplete	SPO provided a business process review (form from NEOGOV).
2	Application requirements document	11/19/2013	12/2/2013 - Incomplete	
3	Application use cases or user stories.	11/19/2013	12/2/2013 - Incomplete	SPO provided information from NEOGOV website were customer testimonials, not application use cases for determining how NEOGOV should function based on SPO's requirements.
4	Interview other SPO staff who are subject matter experts (email 12/9/14)	12/9/2013		
5	System access to run automated functionality testing of application in staged environment or production if necessary.	12/2/2013		NEOGOVS hosted in cloud by vendor and it may not be feasible.
6	System access to perform security testing of application.	12/2/2013		NEOGOVS may have a security assessment of application, SPO will follow-up with the vendor.
7	Current (FY14) Service Level Agreement (SLA) between NEOGOV and SPO.	11/19/2013		The SLA provided on 12/2/13 expired 6/30/13.
8	Completed Order Forms associated with the NEOGOV Service Agreement.	12/9/2013		SLA states there are supplied Order Forms to more fully describing the services to be provided by software provider.
9	Agreement, such as Memorandum of Understanding, with DOH, DOT, CYFD and EMNRD for funding the initial cost of NEOGOV.	12/9/2013		How did the transaction for the FY12 payment of \$75 thousand get processed?
10	List of agencies and agency HR managers who have access to eligibility lists and on-line referrals.	12/9/2013		
11	List of SPO staff trained on NEOGOV including the date of training.	12/9/2013		
12	NEOGOVS training materials.	12/9/2013		
13	NEOGOVS on-demand training available to NEOGOVS customers (email).	12/9/2014		
14	NEOGOVS Training for HR officers (phone call).	1/10/2014		

State Personnel Office, #14-03
 Status and Functionality of NEOGOV and Impact to Hiring
 April 10, 2014

Item No.	Item Description	Date Requested	Date Received	Comments
15	Sample standard reports used by agencies, including Requisition Life Cycle (small and large agency) and Application Statistics by Job.	1/24/2014		
16	Example of minimum qualifications results from Survey Monkey for a professional level job description where a degree is required, e.g., Engineer or Accountant.	1/24/2014		
17	List of agencies trained in On-line Hiring Center (OHC) and Insight, including names of individuals.	1/24/2014		
18	List of other software packages SPO looked at prior to decision to purchase NEOGOV.	1/24/2014		
19	SPO NEOGOV training demonstration	1/24/2014		Alternative proposal from SPO instead of No. 13 and No. 14