

DATE: July 16, 2009

TO: All Regular Employees

FROM: Manuel T. Pacheco, Interim President

SUBJECT: FY 2009-10 Employee Compensation

It has been a pleasure to serve as your interim president for about six weeks now, and I have been impressed by the faculty and staff at New Mexico State University. Your loyalty, hard work and dedication are appreciated, and I respect your commitment to higher education.

Today, I am writing to confirm what many of you already know. Due to the current economic conditions, our state legislature did not approve a compensation increase for university employees for fiscal year 2009-2010. Furthermore, the state is requiring a temporary increase of 1.5 percent in each employee's contribution for retirement benefits for those enrolled in the Educational Retirement System who earn more than \$20,000 (on a full-time annualized basis). Also, effective July 1, 2009, all employees enrolled in the Alternative Retirement Plan will also have an increase in contribution of 1.5 percent to 9.40 percent.

Although the salary situation is disappointing, we are fortunate that the budget cuts at New Mexico State University have not been as drastic as we have seen at other universities. We are committed to working toward a salary structure that is consistent with the quality work you provide to the university. Through the Mercer/NMSU salary study, we are continuing to explore ways to bring your salary closer to the appropriate market. If we do not experience further state budget cuts, we will look for ways to make adjustments before the end of the fiscal year.

If you have questions about your current salary, please contact your department's human resource liaison or check **myNMSU** (under employee tab, pay information).

Your service is critical, and we value all that you contribute.