

# Advisory Recommendation



Janet Napolitano  
*Governor*

Betsey Bayless  
*Director, Dept. of Administration*

2005



**BETSEY BAYLESS**  
DIRECTOR  
ARIZONA DEPARTMENT OF ADMINISTRATION

September, 2005

The Honorable Janet Napolitano  
Governor, State of Arizona  
The Honorable Ken Bennett  
President, Arizona State Senate  
The Honorable James Weiers  
Speaker, Arizona House of Representatives  
1700 West Washington  
Phoenix, Arizona 85007



Dear Governor Napolitano, President Bennett and Speaker Weiers:

It is my pleasure to share with you the 2005 Annual Advisory Recommendation on the salaries of our State employees.

On behalf of all state employees, we recognize and appreciate the efforts of the Governor and the Legislature to provide funding for salary adjustments during recent years. These increases are desperately needed. The General Salary Adjustment of 1.7% on July 2, 2005, helped to offset the increased contributions of employees into the retirement system, although as you will see in the pages within this report, it did not prevent further deterioration of the state's relative market position.

Our need to attract and retain professional, highly trained employees remains a paramount concern. In spite of recent salary adjustments, state salaries are still considerably behind the market. In this report you will find our employees are now estimated to be nearly 22% behind the Arizona market. As a result, many of our best state employees continue to be drawn to other employers.

We must establish State employee pay as a priority. I strongly urge you to make a 5-year commitment to bring our salaries within 95% of the prevailing wages offered in the job market. By taking immediate action now and making a dedicated commitment to address salaries as a top priority in the budgeting process, we can avoid severe negative implications on our ability to deliver even the most basic of State government services.

We hope that the Annual Advisory Recommendation will provide the information you need when making decisions regarding Arizona State government and its employees' compensation.

Very truly yours,

A handwritten signature in cursive script that reads "Betsey Bayless".

Betsey Bayless  
Director

## 2005 Advisory Recommendation on State Employee Salaries

Each year, the Arizona Department of Administration (ADOA) produces the Annual Advisory Recommendation to be presented to the Governor and the Legislature. The annual recommendation reports on the state's current compensation levels compared to other public and private sector employers in Arizona and other state governments in the central and western regions of the country. These comparisons are based on the Arizona Compensation Survey, the Central States Compensation Association Salary Survey, and other compensation surveys. Turnover statistics are also becoming increasingly valuable as one measurement of employee satisfaction. By analyzing both the state's compensation competitiveness with the labor market and the trends in turnover and understanding the underlying causes, ADOA presents compensation recommendations to set a strategic direction to ensure that the state can be competitive with other Arizona employers and establish a competent, productive, and satisfied work force.

### Arizona State Employees and Compensation

As of July 2005, there were 30,116 covered state employees in the ADOA Human Resources System. The average salary was \$32,897, calculated following the 1.7% General Salary Adjustment (GSA) that was effective July 2, 2005.

The state regularly compares its salary market position to other large employer groups. Over the past ten years, the state has provided for a number of different strategies to adjust salaries and keep pace with the labor market. These strategies included general salary adjustments, merit adjustments, special market adjustments, and other miscellaneous adjustments specifically addressed by the legislature; however, there have also been years where no salary adjustments were funded.

**Figure 1**  
**A Ten Year History of the State's Compensation Compared to Market**

Fiscal Year	Average Salary to Market	Average Salary	General Salary Adjustments	Merit Adjustments	Special Market Adjustments	Other Misc. Adjustments
1997	-25.7%	\$25,300	1% + \$500	-0-	Yes	
1998	-22.5%	\$26,874	2.5% (up to \$1,000)	2.5%	Yes	
1999	-17.5%	\$28,249	-0-	2.5%	Yes	
2000	-11.5%	\$29,208	-0-	2%	Yes	
2001	-13.2%	\$29,725	-0-	2%	Yes	
2002	-14.0%	\$30,331	\$1,450	-0-		Yes
2003	-16.4%	\$31,824	-0-	-0-		
2004	-16.3%	\$31,859	-0-	-0-		
2005	-20.4%	\$32,059	\$1,000	-0-		Yes
<b>2006</b>	<b>-21.7%</b>	<b>\$32,897</b>	<b>1.7%</b>	<b>-0-</b>		<b>Yes</b>

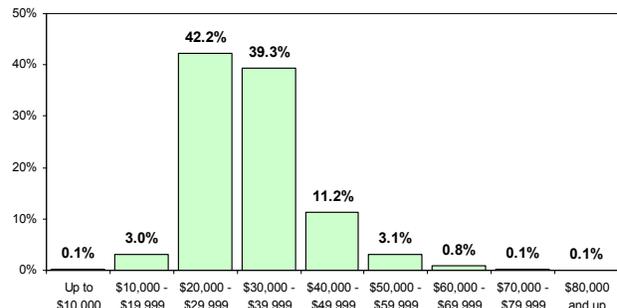
Source: Average Salary to Market is based on the FY2005 Arizona Compensation Survey which compared 127 benchmark jobs representing over 220,000 employees. Average Salary to Market and Average Salary data based on covered employees in System A agencies. Merit Adjustment figures represent the percentage allocated to an agency's personnel services base. Special Market Adjustments are given to specific job classes based upon excessive deviation from market, high turnover, and specific agency needs. Other Misc Adjustments include other adjustments specifically addressed by legislation. FY2006 figures are estimated from participants in the 2005 Arizona Compensation Survey, projecting their estimated salary increases. Average salary reflects the July 2, 2005 GSA of 1.7%.

Figure 1 above illustrates the specific salary adjustments over the past ten years. Ten years ago state employee salaries were over 25% behind the market. The state responded by appropriating a series of adjustments that significantly narrowed the gap between state employee salaries and the market. In Fiscal Year 2000, salaries were just over 11% behind the market. Subsequently, however, the market has continued to outpace appropriated adjustments. The difference between the market and state salaries has gradually increased to the current level where state employee salaries are now estimated to be nearly 22% behind the market.

The distribution of covered employees, shown in Figure 2 illustrates that nearly 85% of covered employees are earning an annual salary less than \$40,000.

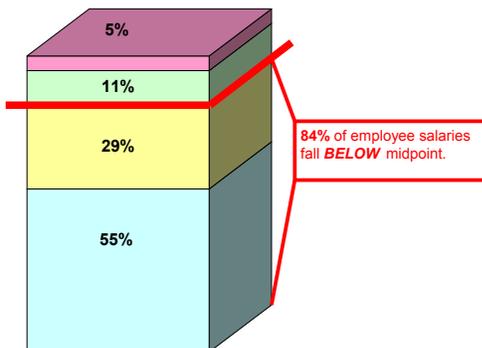
One goal of a pay plan is to establish salary ranges that are competitive within the employment market. Another goal is to pay employees appropriately within the salary range based on their individual value to the organization, performance, training, experience, etc. One issue facing the state is that funds have not been available to move employees through their salary ranges. As a result, over 80% of covered employees are earning salaries below the midpoint of their salary range (Figure 3).

Figure 2 - Covered Employee Salary Distribution



Source: Data from Human Resources Information Solution, includes employees in covered positions on June 30, 2005.

Figure 3 - Proportion of Employees Whose Salaries are Above and Below Midpoint



Source: Human Resources Information Solution, July 2005

Midpoint is the middle dollar amount in a salary range. The midpoint generally reflects the average salary paid in the labor market to competent, fully-trained employees who are satisfactorily performing all facets of the job. However, in recent years, the state's ranges have been adjusted by the amount of general adjustments, not by market movement. Consequently the state's ranges do not reflect the market. Additional funding would be needed if ranges were moved commensurate with the general market movement. State law requires that all employees be paid no less than the minimum of the range, and moving pay ranges at a rate higher than the appropriated salary adjustment would most likely create a situation where a large number of employees would fall below the new minimum.

## Comparing Arizona State Employee Pay to Other Employers

As the average salary for state employees remains relatively flat, the gap between our salaries and those of other employers continues to widen. This trend is evident whether comparisons are made at the national level, at the regional level, within the State of Arizona, or comparing to other public employers within our immediate local area.

**Figure 4**  
**Rank Order of All States by Ratio of Total State Payroll to State Population**

1	Alaska	27	New York
2	Hawaii	28	Oklahoma
3	Delaware	29	Nebraska
4	North Dakota	30	Virginia
5	Vermont	31	South Carolina
6	New Jersey	32	Kansas
7	Connecticut		<b>United States Average</b>
8	New Mexico	33	California
9	Rhode Island	34	Idaho
10	Wyoming	35	South Dakota
11	Iowa	36	Michigan
12	Washington	37	North Carolina
13	Utah	38	Wisconsin
14	Louisiana	39	New Hampshire
15	Alabama	40	Pennsylvania
16	Kentucky	41	Indiana
17	Maryland	42	Missouri
18	Montana	43	Georgia
19	West Virginia	44	Ohio
20	Minnesota	45	Tennessee
21	Arkansas	46	Texas
22	Massachusetts	47	Nevada
23	Oregon	48	Illinois
24	Colorado		<b>49 ..... Arizona</b>
25	Maine	50	Florida
26	Mississippi		

Source: U.S. Census Bureau, Governments Division. March 2004. Population data estimate for July 2004.

In reviewing salary market position, one comparison is that of total state payroll to the state's population. Arizona continues to grow in population and economic strength. However, as Figure 4 shows, Arizona ranks 49<sup>th</sup> in the nation in comparison of total state payroll to the population, and was 29% lower than the nationwide average in 2004.

Not only is Arizona ranked at the bottom of all other states when comparing payroll to the population served, Arizona is also near the bottom of other states when comparing average salaries of other nearby states.

The Central States Salary Survey, conducted by a consortium of states, includes positions common to government service. As in past years, the average Arizona state employee salary continues to lag significantly behind the majority of the states in the central and western regions of the country (Figure 5).

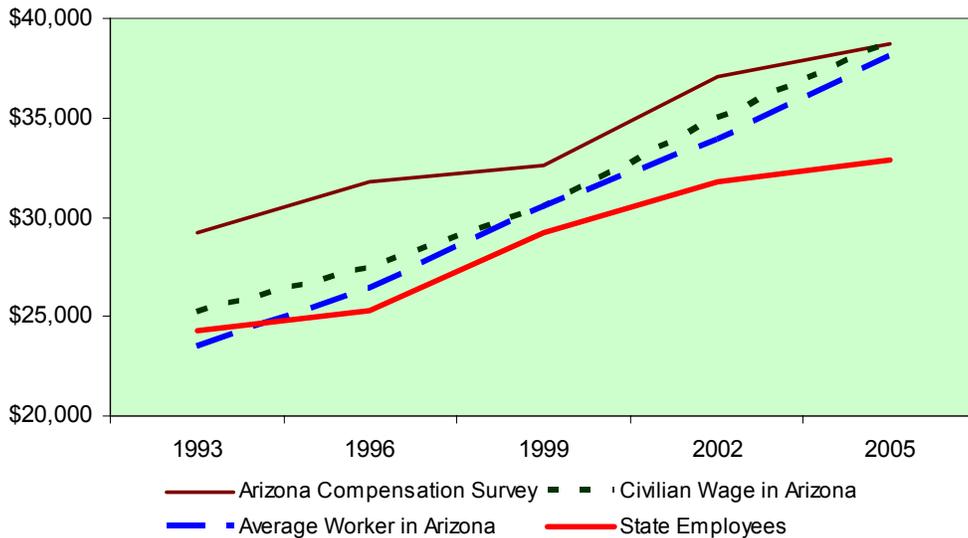
Comparisons can also be made at the state level. When reviewing average salaries paid in Arizona, the state includes both public and private sector employers in its analysis. Three large segments of the employee population reported include Civilian Wages, Average Arizona Worker, and Arizona salaries reported in the Arizona Compensation Survey. These sources provide a broad mix of both employer and employee groups and give a full perspective of our competition in the current labor market.

**Figure 5**  
**Average Salary of Central States**

State	Average Salary
Illinois	\$46,662
Michigan	\$45,693
Iowa	\$45,545
Colorado	\$45,425
Minnesota	\$44,621
Washington	\$43,774
Nevada	\$43,550
Oregon	\$39,324
Wisconsin	\$39,110
Wyoming	\$36,106
Idaho	\$36,091
Utah	\$35,851
Louisiana	\$34,402
New Mexico	\$34,018
North Dakota	\$32,600
Texas	\$32,565
Montana	\$32,524
Kansas	\$32,139
<b>Arizona</b>	<b>\$32,109</b>
South Dakota	\$31,424
Arkansas	\$30,774
Oklahoma	\$29,963
Missouri	\$29,477
<b>Average</b>	<b>\$37,119</b>

Source: 2004 Central States Compensation Association Survey. Arizona salary is shown prior to the 1.7% GSA in order to provide accurate comparisons with Central States data.

**Figure 6**  
**Comparison of Average State Employee Salary to Other Arizona Employees**

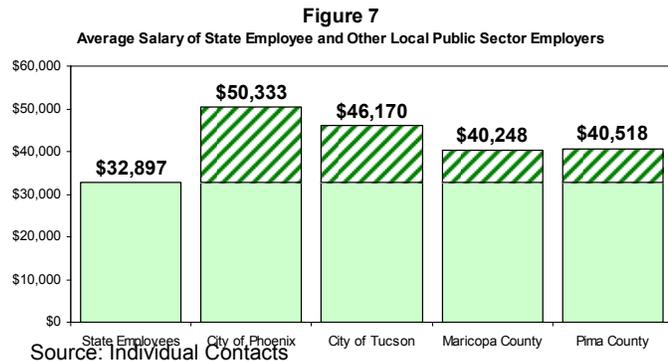


Source: Arizona Compensation Survey, Arizona Department of Administration, 2005; Civilian Wage in Arizona, Eller College of Business, March 2005; Average Worker in Arizona, Bureau of Labor Statistics, Q2 2004; State Employees, Human Resources Information Solution, June 2005.

Figure 6 clearly shows that as the average salary of other Arizona employees rises, the state employee average salary continues to fall behind. Following some improvement in the late 1990's, the average state employee salary began to flatten and fall further behind the market by 2002. This flattening trend has continued and must be considered as the state develops its on-going compensation strategy.

The state also reviews the salary practices of other public entities in Arizona. As providers of many of the same specialized services the state provides, these entities are often in search of the same types of key skills and competencies required by state agencies to succeed in their missions.

The growing disparity between Arizona state employees' salaries and those of other Arizona public employers is clearly displayed in Figure 7. The shaded portion of the chart represents the difference between state employee salaries and other public sector organizations. This difference, from \$7,000 to \$17,000, shows that the state lags behind other major public service entities in southern and central Arizona. Clearly the State is at a tremendous disadvantage in trying to attract and retain key talent. In many cases we have become a training ground for these other employers as the following excerpt indicates:



*A Resident Engineer at ADOT recently resigned to accept a job offer as a Senior Civil Engineer with the City of Chandler. He states in his resignation letter "I have enjoyed working as the Resident Engineer at Pima Field Office. I am very grateful for all the coaching and training I have received, the support and strong understanding by District and all upper management. This training and coaching have prepared me for my new position with the City of Chandler."*

## Outlook for the Market

The job growth statistics in Arizona parallel the growth experienced in many regions of the country. In March 2005, the 12-month job gain in the state exceeded 91,400 jobs. Job growth exceeded 4% as reported by the Eller College of Management in Arizona's Economy, June 2005. Job growth will certainly present a challenge to the state as employees or potential job applicants see opportunities with other employers who are prepared to offer employees much more competitive compensation packages. A recent Society of Human Resources Management study finds that approximately 83% of employees in the workforce will likely be looking for new jobs as the economy improves.

As the Arizona and national economies continue to improve, employers are again reporting salary increases targeted at between 3% and 4% (Figure 8). On July 2, 2005, Arizona employees received a 1.7% general salary adjustment; on the same date, contributions to the Arizona State Retirement Plan increased by 1.7%. Unfortunately, this increase was less than half of where the market was moving or is expected to move. The net effect is that we have dropped even further behind the market.

**Figure 8 - Actual and Projected Salary Increases**

Reference	2005 Actual/Projected Increase	2006 Projected Increase
National – Mercer	3.6	3.6
National – WorldatWork	3.7	3.8
Arizona – Public	3.8	2.9
Arizona – Private	3.6	4.1
<b>State of Arizona</b>	<b>1.7</b>	<b>TBD</b>

Source: National data from Mercer and WorldatWork websites; Arizona data from 2005 Arizona Compensation Survey

At the same time that employees might consider leaving state service to pursue higher paying opportunities elsewhere, they continue to face a multitude of challenges that local media outlets report on an almost daily basis: higher prices for many items (especially gasoline, where prices continued to reach record highs through the first half of 2005), and rapidly escalating real estate prices, especially in the greater Phoenix area, all result in elevated costs of living with which state salary adjustments have not kept up.

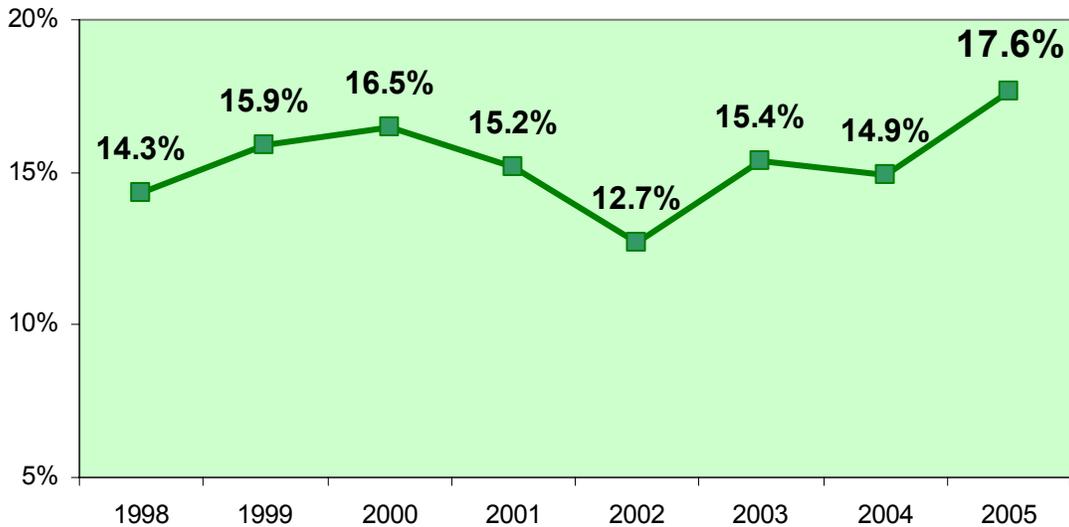
By April 2005, the median price of an existing home in Phoenix was at a record \$221,000, a 35 percent increase from April 2004, according to the Arizona Real Estate Center. Homebuyers are continuing to move further out of the central Phoenix area to find affordable housing. According to the Office of Federal Housing Enterprise Oversight, the regulatory agency for Freddie Mac and Fannie Mae, home prices increased 11.2% nationwide over the year ending in the fourth quarter. In Arizona, prices increased by 14.5% during the year (15.3% in Flagstaff, 14.2% in Phoenix and 12.4% in Tucson). That placed Arizona in 10th place in the nation in terms of increasing home prices.

The data and statistics provided in this section paint a picture that concerns agencies trying to provide the services they are charged with delivering to the citizens of Arizona. The significant salary issues highlighted here have some disturbing implications in terms of staffing and retention. As shown in the next section, these salary trends appear to be reflected in the state's turnover statistics.

## Turnover

Turnover rates are often used to evaluate the workplace and can be an important indicator of employee satisfaction. Compensation is one of the considerations when reviewing how an organization's human resources policies and practices can affect turnover. The following figures provide information on the turnover rates for state employees.

**Figure 9**  
**Separation Rates of Covered Employees**



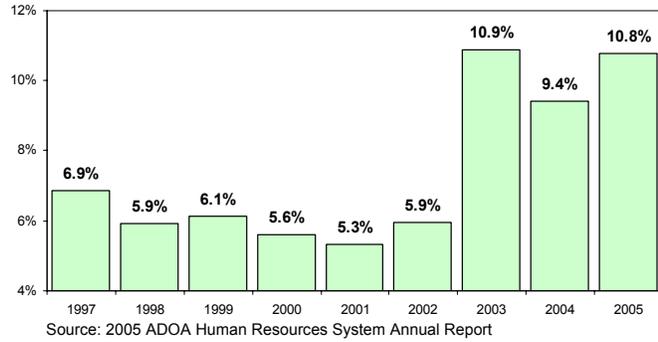
Source: 2005 ADOA Human Resources System Annual Report

The separation rate for Arizona state service employees at the end of FY2005 is nearly 18% (Figure 9). This rate represents a significant increase from an average of 15%, which is the level the state has been experiencing for the last several years. These figures make an interesting supplement to Figure 6 on page 4, which shows the trend line of state salaries compared to other Arizona employers. During the same period that the average state employee salary began to flatten and fall further behind the market, the state experienced an increase in turnover. State agencies are experiencing the impacts of turnover as explained below:

*Director Schriro from the Department of Corrections states "The Correctional series vacancy rate is currently 16 percent overall and is in excess of 23 percent at Lewis and Winslow today with no relief in sight; only 11 recruits graduated from the Academy in May. Even with the appropriated increase of \$1,410 in FY06, our officers' salaries and benefits lag as much as \$5,000 behind adjacent county jail systems. In as much as it costs over \$10,000 to recruit and train each new cadet (multiply by over 1,000 new hires annually) and compensatory time accruals are estimated to reach \$17.9 million in FY06, it only makes sense to use our scarce resources wisely to fairly compensate all of our staff better in FY07."*

As we move forward, the ability to attract and develop a skilled and effective workforce will become an even bigger challenge, especially considering the state's competitive position to market. Figure 10 shows the percentage of separations as a result of retirement has significantly increased the last three years. The rate in 2005 is nearly 60% higher than it was in 1997 and over 100% higher than it was in 2001.

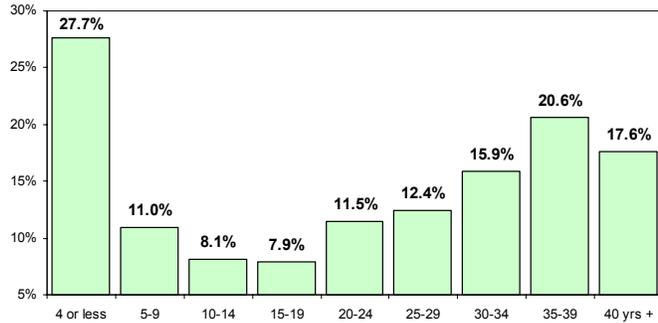
Figure 10 - Percentage of Separations Due to Retirement



Source: 2005 ADOA Human Resources System Annual Report

The percentage of separations among employees with four years of service or less is the highest of any other group. Separation rates are lowest for employees with ten to twenty years of service (Figure 11).

Figure 11 - Turnover by Years of Service



Source: 2005 ADOA Human Resources System Annual Report

Even when salary ranges are not competitive with the market, employers may be able to retain employees by providing a means to progress through the range, through combinations of merit, tenure, or cost-of-living increases. The state does not provide regular increases, and as noted earlier, in many cases has become a training ground for other employers. In many cases, these employees have received the types of experience and training which other employers highly value as can be seen from the following excerpt:

*Another city located in Maricopa County hired two of the Department of Revenue's auditors, offering the employees an increase in salary of \$10,000. The employee was told by the city that one reason they look to hire State workers is because they do not have to provide the training in government auditing techniques and therefore they can afford to pay a higher salary.*

Figure 12 Separation Rates by State

State	Statewide Total
Iowa	4.8%
Minnesota	7.3%
Utah	7.5%
Michigan	7.7%
North Dakota	8.4%
Oregon	9.6%
South Dakota	10.2%
Nevada	11.1%
Illinois	11.8%
Nebraska	11.8%
Oklahoma	12.0%
Colorado	12.4%
Idaho	12.6%
Kansas	12.7%
Wyoming	13.0%
New Mexico	14.3%
Louisiana	14.4%
Montana	14.6%
<b>Arizona</b>	<b>14.9%</b>
Missouri	15.9%
Texas	17.4%
Arkansas	18.0%
<b>Average</b>	<b>11.9%</b>

Source: 2004 Central States Compensation Association Survey. Arizona separation rate from 2004 is shown in order to provide accurate comparisons with Central States data.

### Comparing State Employee Turnover to Others

To better understand the relationship between the state's compensation practices and its impact on turnover, this section provides comparisons of turnover rates of other states in the central and western regions and of other Arizona public employers. These comparisons show that in most cases, the state's turnover levels are higher than other employers.

When compared to the states participating in the Central States Compensation Survey, Arizona has one of the highest turnover rates reported; only Missouri, Texas, and Arkansas reported higher turnover rates (Figure 12).

The state's turnover rate is also significantly higher than other major public employers in the local market (Figure 13).

When an employee leaves an organization, the organization usually experiences substantial costs. Costs to the employer may include decreased productivity, costs of hiring a new employee, increased training time, and other indirect costs. Other turnover consequences relate to the smoothness and continuity of organizational operations, employee morale, and the difficulty of replacing the departed employee.

*During the period July 1, 2004 through June 30, 2005, 28 people left ADOA, General Accounting Office (GAO) out of the 74 authorized FTE positions. This is an approximately 38% turnover rate in a 1 year period. Exit interviews indicate 50% of those leaving left because of inadequate compensation. The constant turnover has resulted in numerous hours of management staff reviewing resumes, contacting candidates, interviewing and making job offers. Just recently, GAO had 4 candidates accept job offers and then accept a more lucrative offer elsewhere prior to their start date with GAO.*

**Figure 13  
Annual Separation Rates of Local Public Employers**

Employer	Annual Separation Rate
Avondale	4.6%
Tempe	4.8%
Phoenix	5.2%
Glendale	6.7%
Scottsdale	7.3%
Chandler	7.9%
Tucson	8.9%
Pima County	14.0%
Maricopa County	16.3%
<b>State of Arizona</b>	<b>17.6%</b>

Source: Individual Contacts, Information presented is the most current available.

Estimates of the total cost of losing a single person to turnover range from 30% of their yearly salary (Cornell University) to 150% as estimated by the Saratoga Institute, and independently by Hewitt Associates. Using the most conservative estimate of 30%, the financial impacts to the state are significant. For example, the current turnover rate of 17.6% yielded 5,325 separations for an estimated total cost over \$50.4 million. In the most recent data available from the 2004 Central States survey, the average turnover rate for state governments was 11.9%. If the State were to reduce turnover to 12% the savings and cost avoidance generated would amount to \$16 million.

**Figure 14  
Estimated Cost of Turnover For Covered Employees - 2005**

Agency	Average Salary	Separation Rate	Cost of Turnover
Other Agencies	\$31,587	19.1%	\$1,705,705
Administration	\$32,814	21.5%	\$1,073,018
AHCCCS	\$29,529	14.3%	\$1,293,370
Attorney General	\$35,448	17.2%	\$287,129
Corporation Commission	\$37,341	17.9%	\$302,462
Corrections	\$30,534	22.1%	\$17,523,463
Economic Security	\$31,047	15.0%	\$13,281,907
Education	\$39,972	16.2%	\$419,706
Environmental Quality	\$37,485	8.1%	\$427,329
Game & Fish	\$34,454	17.0%	\$1,002,611
Health Services	\$35,915	20.3%	\$3,307,772
Industrial Commission	\$31,636	14.8%	\$332,178
Juvenile Corrections	\$31,900	22.8%	\$1,818,300
Land Dept	\$39,719	9.7%	\$202,567
Revenue	\$31,838	12.9%	\$974,243
State Parks	\$29,456	15.5%	\$397,656
Transportation	\$31,520	14.7%	\$5,389,920
Veterans Service Comm	\$27,423	30.2%	\$419,572
Water Resources	\$39,486	6.7%	\$118,458
<b>Overall Average</b>	<b>\$31,589</b>	<b>17.6%</b>	<b>\$50,463,396</b>

Source: The state's Human Resources Information Solution generated data for 2005, average salary was calculated from prorated annual salary at fiscal year-end (prior to the 1.7% GSA), separations are defined as leaving state service, and estimates for the cost of turnover are based on 30% of annual salary. Some agencies (e.g. Dept of Corrections) may have a higher cost of turnover due to extensive training or certification programs or more intensive hiring and selection processes.

## **Recommendations**

As in recent years, the information presented in the Advisory Recommendation leads to one conclusion. State salaries continue to fall below the market by a significant amount (almost 22% in FY2006). Three factors should be addressed to successfully implement a longer term strategic compensation solution.

- **Multi-year Strategy.** The goal of compensating state employees at pay levels in accordance with the labor market can not be achieved in one year. The State will require an on-going strategy to adjust and fund employee salaries. With this in mind, a five-year schedule of planned pay increases is provided.
- **Market Competitiveness.** Considering the total value proposition the state has to offer its employees, it is not critical that we target employee pay at 100% of the market. Based on the robust benefits and retirement packages offered to employees, it is recommended that the State commit to setting a goal for employee salaries at 95% of the market.
- **Type of Adjustment.** Pay levels across state agencies are uniformly low compared to the market. In the first year of the plan, one of two options is recommended. One option is to dedicate the recommended increase entirely to a general salary adjustment to ensure all employees move closer to market. A second option is to allocate the majority of the first year's increase to a general salary adjustment, and the remainder of the increase allocated to performance-based (merit) adjustments. In subsequent years it is recommended that the allocation be based on a combination of general and performance-based (merit) adjustments.

With these points in mind, the following multi-year schedule was designed. The first year of the plan provides employees with a 7.5% increase, which it is believed will be perceived as meaningful to employees and will send a strong message regarding the State's commitment to provide competitive employee pay.

**Figure 15**  
**Estimated Costs to Fund Recommended Increases**

<b>Year</b>	<b>Annual Increase</b>	<b>Annual Cost of Salary Increase</b>	<b>% ERE<sup>1</sup></b>	<b>Annual Cost of ERE</b>	<b>Total Annual Cost</b>
FY2007	7.50%	\$98,999,080	19%	\$18,809,825	\$117,808,905
FY2008	6.31%	\$89,538,068	20%	\$17,012,233	\$106,550,301
FY2009	6.31%	\$95,187,920	21%	\$18,085,705	\$113,273,625
FY2010	6.31%	\$101,194,278	22%	\$19,226,913	\$120,421,191
FY2011	6.31%	<u>\$107,579,637</u>	23%	<u>\$20,440,131</u>	<u>\$128,019,768</u>
	<b>Total 5 year cost</b>	<b>\$492,498,982</b>		<b>\$93,574,807</b>	<b>\$586,073,789</b>

<sup>1</sup> Projected increases in employer related expenses (e.g. retirement contributions)

**Figure 16**  
**Estimated Allocation by Fund Source to Support Recommended Increases**

<b>Year</b>	<b>Annual Cost of Salary Increase</b>	<b>General Fund</b>	<b>Appropriated</b>	<b>Non-Appropriated</b>	<b>Federal Fund</b>
FY2007	\$117,808,905	\$50,033,442	\$37,086,243	\$8,270,185	\$22,419,035
FY2008	\$106,550,301	\$45,251,913	\$33,542,035	\$7,479,831	\$20,276,522
FY2009	\$113,273,625	\$48,107,308	\$35,658,537	\$7,951,808	\$21,555,971
FY2010	\$120,421,191	\$51,142,880	\$37,908,591	\$8,453,568	\$22,916,153
FY2011	\$128,019,768	\$54,369,995	\$40,300,623	\$8,986,988	\$24,362,162
	<b>\$586,073,789</b>	<b>\$248,905,538</b>	<b>\$184,496,029</b>	<b>\$41,142,380</b>	<b>\$111,529,842</b>

In accordance with ARS § 41-763.01, this recommendation only addresses those employees in state service and positions exempted from covered service pursuant to ARS § 41-771. Therefore, this recommendation does not include the following agencies: Affirmative Action, Arizona State University, Auditor General, Board of Regents, Court of Appeals, Department of Gaming, Department of Public Safety, Government Information Technology Agency, Governor's Office, House of Representatives, Joint Legislative Budget Committee, Law Enforcement Merit System, Legislative Council, Library and Archives, Northern Arizona University, Office of Tourism, School for the Deaf and Blind, Senate, Supreme Court, University of Arizona.