

State of Arizona

Janet Napolitano

Governor of Arizona

Betsey Bayless

Director, Department of Administration

A photograph of an Arizona desert landscape. In the foreground, there are several tall saguaro cacti with arms. The ground is covered with dense, bright yellow wildflowers. The background shows a clear blue sky. The text is overlaid on the top half of the image.

Arizona Department of Administration HUMAN RESOURCES SYSTEM

2003

ADVISORY RECOMMENDATION



BETSEY BAYLESS
DIRECTOR
ARIZONA DEPARTMENT OF ADMINISTRATION

September, 2003

The Honorable Janet Napolitano
Governor, State of Arizona
The Honorable Ken Bennett
President, Arizona State Senate
The Honorable Franklin "Jake" Flake
Speaker, Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007



Dear Governor Napolitano, President Bennett and Speaker Flake:

It is my pleasure to share with you the 2003 Annual Advisory Recommendation on the salaries of our State employees.

We face a difficult challenge. Due to the financial crisis, we have reduced staff and increased workload stress for those remaining workers, thereby slowly eroding the very foundation that delivers the most critical services that comprise our state government. Our need to attract and retain professional, highly trained employees is paramount. Although the State is still considerably behind the Arizona market, our overall position has not deteriorated since last year's report (-16.4% in 2002 vs. -16.3% for 2003). Several factors have contributed to this, foremost being the general increase of \$1450 per employee in June 2002.

I know the financial crisis the State faces makes it difficult to increase salaries; however, we must weigh the options and establish State employee pay as a priority. We simply cannot allow employee pay to erode further without severe negative implications on our ability to deliver even the basic of State government services.

We are hopeful 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 black ink that reads "Betsey Bayless".

Betsey Bayless
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

2003 ANNUAL ADVISORY RECOMMENDATION

GENERAL

Last year the Annual Advisory Recommendation was prepared in the midst of a sluggish economic situation and uncertainty as to when, and to what extent, the economy would recover. The 2002 Recommendation noted the challenge the state of Arizona would face as the demand for services continued to grow. This year, the economy remains slow and the budget situation has worsened, as State agencies struggle to provide meaningful services to more citizens with less funding available. The employees of the State of Arizona continue to provide services to their fellow citizens while their own salaries continue to lag behind in the market.

FINDINGS

The average salary for covered Arizona State employees as of June 30, 2003 was \$31,859. According to data from the last ten years, State employee salaries continue to trail those in the public and private market place.

STATE OF ARIZONA vs. SALARY SURVEY RESULTS

The following information compares State salary averages to those of other organizations using benchmark classifications to compare pay practices. The information is divided into three segments that focus on geographical comparisons and a specific analysis of the major city governments in Arizona. The intent is to provide the best picture of the State's market competitiveness as we attempt to attract and retain valued employees.

Overall variances in the salary surveys show a sustained trend below market for the State. Both the Joint Governmental Salary and Benefits Survey (JGSS)¹ and the Western States Salary Survey² show:

- State employee salaries remain below market.
- Salary range minimums remain below market.
- Thirty-three survey benchmark classes have average salaries more than 25% below market average salaries (Total survey benchmarks: JGSS, 128; Western States, 133).

¹ The JGSS, conducted annually, compares State of Arizona salaries to public and private employers in Arizona. The 2003 survey, conducted in March, had 188 participants.

² The Western States Salary Survey, conducted annually, compares State salaries to other public employers – cities, counties, and states -- in 12 western states. The 2003 survey, conducted in March, had 28 participants.

Western States Salary Survey

The annual *Western States Salary Survey* is a companion survey to the *Joint Governmental Salary Survey*, providing benchmark job comparisons at the higher level professional classifications in government, e.g., State Auditor, Park Manager, and Grants Coordinator. Following are the key measurements:

	<u>2002</u>	<u>2003</u>
State Average Salary vs. Market Average Salary	-26.3%	-21.3%
State Midpoint vs. Market Average Salary	-13.5%	- 8.5%

Although the State is still behind the market, the State's position did improve with the general increase granted to all State employees in June 2002. A chart detailing the results of the survey is provided in Attachment #1.

Joint Governmental Salary and Benefits Survey (JGSS)

This survey is the Department of Administration's most widely referenced tool for assessing the Arizona market position and represents a broad cross section of public and private employers of all sizes. The degree to which the State salaries are below market has not changed since 2002.

It should be noted that a technical correction has been made to more accurately show the State's relationship to the market. Specifically, the classification of "Habilitation Technician"³ has consistently been used as a benchmark, but in the last two years a dwindling number of employers have used it, making comparisons less reliable. Therefore, these charts indicate the percentages with and without the Habilitation Technician classification.

	<u>2002</u>	<u>2003</u>
State Average Salary vs. Market Average Salary	-16.4%	-16.3%
State Midpoint vs. Market Average Salary	- 5.8%	- 6.3%

Without Habilitation Technicians:

State Average Salary vs. Market Average Salary	-19.5%	-19.0%
State Midpoint vs. Market Average Salary	- 9.4%	- 9.0%

Arizona City Governments vs. State Salaries

A comparison of State salary averages to average salaries in nine Arizona cities⁴ shows that the State lost more market position. In 2003, the State is significantly behind the average of these cities' salary programs: -33.2% for 2002, and -35.4% for 2003.

The JGSS has continuously exceeded the State employee average salary in double-digit percentages since 1993, when it was 19.6%. It has not been in single digits since 1988, when it was 7.2%. A history of the JGSS market variance is shown in Figure 1.

³The Habilitation Technicians work with developmentally disabled persons in a structured program, training clients in vocational, socialization and independent living skills.

⁴ Information from JGSS, 2002 and 2003, including Avondale, Chandler, Flagstaff, Glendale, Goodyear, Phoenix, Scottsdale, Tempe, and Tucson.

Figure 1

History of JGSS Market Variances

Year	Average Actual Salary	Average Salary Range Midpoint
1988*	-7.2%	-0.6%
1989	-13.9%	-4.8%
1990	-13.9%	-3.9%
1991	-19.6%	-7.5%
1992	-22.5%	-9.3%
1993	-20.6%	-12.9%
1994	-22.5%	-10.6%
1995	-22.5%	-9.4%
1996	-25.7%	-12.2%
1997	-22.5%	-9.9%
1998	-17.5%	-7.5%
1999	-11.5%	-6.8%
2000	-13.2%	-1.6%
2001	-14.0%	-2.2%
2002	-16.4%	-5.8%
2003	-16.3%	-6.3%

* Step plan ended July 1, 1987

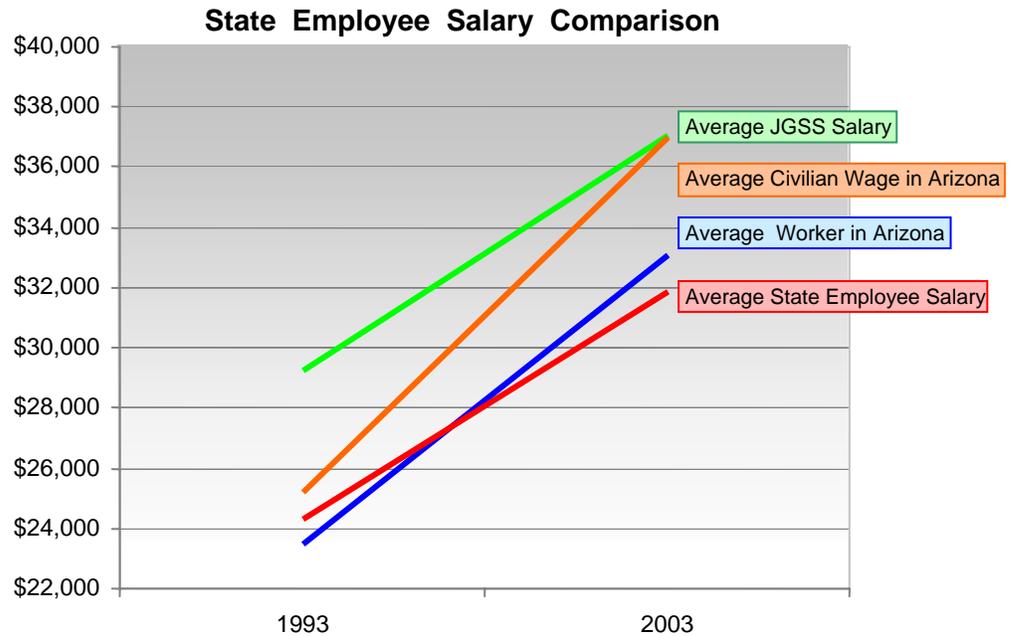
STATE OF ARIZONA vs ARIZONA MARKET WAGE INDICATORS

As shown in Figure 2, *State Employee Salary Comparison*, the Average State Employee Salary trend line continues to fall below all other Arizona market wage indicators – JGSS, Eller College of Business, and the Bureau of Labor Statistics (BLS).⁵

Of the salary trend lines shown in this figure, the information from the JGSS provides the most equitable job comparison survey in terms of the types of jobs included. Both the Eller and BLS information include full- and part-time workers in seasonal and temporary jobs, in construction, manufacturing, retail, and (in the case of BLS), agriculture.

⁵ **JGSS** figures include occupational groupings of clerical, food services, skilled/trades, unskilled, information management/communication, medical, professional, and miscellaneous (such as investigator, paralegal, interpreter, graphic artist, etc.) **Eller College of Business** figures include total Arizona non-agricultural workers. **BLS** figures include all types of employment for full- and part-time workers, including seasonal and temporary, in construction, manufacturing, retail, finance, transportation, government, and services in large Arizona cities. **HRMS** figures include covered, permanent full-time employees

Figure 2



Sources: Average JGSS Salary, March 2003
Average Civilian Wage in Arizona, Eller College of Business, March 2003
Average Worker in Arizona, BLS, December 2002, aged 1%
Average State Employee, HRMS, State of Arizona, June 2003

STATE OF ARIZONA TOTAL COMPENSATION vs OTHER STATE GOVERNMENTS

Total compensation is defined as the total value of an employee's direct and indirect compensation provided by the employer. The State's total compensation package is important on an individual basis and should be promoted to employees as a solid, competitive plan. Since the State spends a significant amount of money on benefits, employees should understand that it is an expenditure in their behalf, just like salary is an expenditure. Employees should realize the cost of benefits is far greater than just the employee portion.

According to the *2002 Central States Compensation Association* survey (which includes all Western states except California), Arizona is third from the bottom of the twenty-three state governments. The State of Arizona contributes an additional 33% of each employee's salary toward benefits, far less than the average 40%. The following chart, Figure 3, shows the specific comparisons from the survey:

Figure 3

State	Total Compensation	Average Salary	Benefits *	Benefit's Percent of Salary
Illinois	64,741	44,607	20,134	45%
Michigan	62,712	43,618	19,094	44%
Colorado	60,213	47,088	13,125	28%
Minnesota	58,115	43,493	14,622	34%
Iowa	57,763	41,289	16,474	40%
Wisconsin	54,927	39,618	15,309	39%
Oregon	52,382	38,508	13,874	36%
Nevada	51,948	37,554	14,394	38%
Idaho	49,238	34,075	15,163	44%
Wyoming	48,810	35,020	13,790	39%
Utah	48,183	35,433	12,750	36%
New Mexico	46,244	32,558	13,686	42%
Louisiana	44,220	30,014	14,206	47%
Arkansas	43,975	29,831	14,144	47%
Nebraska	43,627	32,000	11,627	36%
Oklahoma	43,039	29,935	13,104	44%
Montana	42,998	30,580	12,418	41%
Kansas	42,722	30,575	12,147	40%
North Dakota	42,671	32,292	10,379	32%
South Dakota	42,651	29,859	12,792	43%
Texas	42,562	31,039	11,523	37%
Arizona	42,286	31,824	10,462	33%
Indiana	41,054	28,553	12,501	44%
Missouri	40,284	27,950	12,334	44%
Average	48,916	35,021	13,895	40%

* Benefits include: health, dental, life, vision, sick hours, vacation, holidays, retirement, and Social Security

The State will be conducting further research in FY 2004 to assess the overall competitiveness of the State's employee benefits to those offered by other organizations located in Arizona.

NATIONAL MARKET TRENDS

In spite of the troubled economy, nationally organizations continue to budget for salary increases as shown in the chart below.

<u>Source⁶</u>	2003 Actual % Increase	2004 Projected % Increase
Mercer	3.6	3.6
WorldatWork	3.5	3.6
Conference Board	3.5	3.5
<i>State of Arizona</i>	<i>0</i>	<i>0</i>

According to these national survey sources, businesses are finding it difficult to balance salary budgets with the rising cost of benefit plans, particularly in a depressed economic climate that will not tolerate significant increases in product or service pricing. Unfortunately, the pressure is often released through layoffs, which in turn create a surplus of labor and reduced turnover. Employees with jobs are simply not inclined to seek other job opportunities, which works well for those employers that typically pay below market, as the State does.

Inflation is expected to average 2.6% for 2003 and 2.7% for 2004. In most cases, these percentages will net workers about 1% in increased pay. However, rising benefit costs are not necessarily factored into the equation because of the infinite ways benefit packages are configured and the variety of arrangements for sharing the expenses between employees and employers.

ARIZONA MARKET TRENDS

The information for the Arizona market trends shown in the chart below were obtained from the *Joint Governmental Salary Survey* conducted by ADOA each year. The survey is completed early in the year and projections for 2004 were made in March.

<u>Arizona Comparison</u>	2003 Actual % Increase	2004 Projected % Increase
Public (51)	4.1	3.7
Private (127)	4.0	3.9
Overall	4.0	3.9
<i>State of Arizona</i>	<i>0</i>	<i>0</i>

⁶ **Mercer Human Resources Consulting, Inc.** - international human resources consulting firm recognized for its work in compensation and benefits; provider of salary surveys, studies, and trend analysis for the private and public sectors. **WorldatWork** - world wide nonprofit association dedicated to compensation, benefits, total rewards, and HR professionals. **Conference Board** - nonprofit organization that creates and disseminates information about management and the marketplace to help businesses assess the current economic picture and intelligently forecast trends.

The “Projected Increases” in the charts above do not reflect those organizations, that have “zero budgets” or salary freezes. Thus, the percentages only reflect those employers with salary increase budgets. If “zero budget” organizations were included, the percentages would likely be two to three tenths less than shown.

Of the 188 participants in the 2003 *Joint Governmental Salary Survey*, 15 (8%) have frozen their salary budgets, and an equal number have either postponed or canceled their general or merit increases for 2003.

Nationally, the percent of organizations surveyed by the Conference Board that are in a freeze status is 12%, which is down from 16% in 2002. The actual number may be much higher than reported, because some organizations do not participate in surveys when no money is budgeted.

CHANGES IN EMPLOYEES WAGES

In the April 2003 issue of *Arizona’s Economy*, Alberta H. Charney writes, “While private sector employees enjoyed a 20% increase in real income from 1990 to 2001, State and local government employees suffered a 14.9 percent decline in purchasing power.”⁷

This decline in purchasing power can be shown through a comparison of real examples of current employees’ take home pay in 1998 *versus* what they took home in 2002. The numbers in this chart are directly from payroll records for three ADOA employees:

98/net	02/net	Variance	Job Title
\$13,851	\$13,908	\$56	Admin Asst I
\$16,526	\$16,864	\$338	Custodial Wrkr II
\$21,813	\$22,481	\$668	Bldg Maint Tech II

In the first example, this employee receives **\$2.15 more per check** than he or she did in 1998, even after several general increases in salary. Unfortunately, the upward movement in benefit premiums and retirement contributions, coupled with inflation, has offset the general salary increases. The 02/net figure shown above does not reflect the increase in retirement contributions that was effective July 1, 2003; the net earnings of State employees will decrease further as a result of the increased retirement contributions.

To further reinforce this point, interview results from employees leaving State service make it clear that they are critical of the State’s compensation programs. For instance, the Department of Juvenile Corrections systematically conducts exit interviews with employees terminating “in good standing” in order to identify employee issues and detect negative trends. One question dealing with the reasons for leaving has “insufficient pay” as the second most frequent answer (“better job” being the first), and another question has “higher pay” as the most frequent response.

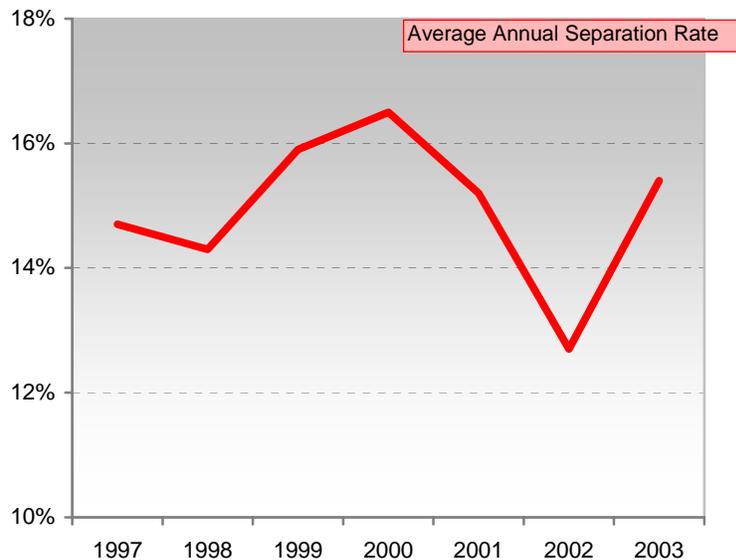
⁷ “The Budget Crisis Was Predictable,” Alberta H. Charney, Ph.D., *Arizona’s Economy*, April 2003.

TURNOVER

Turnover limits the State's ability to provide superior customer service, disrupts programs and operations, and is very costly. The cost impact of turnover is both direct – in compensating departing employees for accrued leave and in recruiting and training replacements – and indirect, in increased workload demands, need for overtime, and in slower service delivery.

The State's turnover rate has returned to a rate typical of the years prior to 2002. The current rate for covered (merit system) employees is 15.4%, compared to 12.7% last year.

Figure 4
Separation Rates of Covered Employees



Source: HRMS June 2003; includes voluntary and involuntary separations

COMPENSATION OPTIONS

There are three basic components of any organization's compensation plan: to attract new employees, to retain current employees, and to motivate employees to consistently perform and contribute at their highest levels.

For the State's compensation plan(s), the lack of funding has seriously eroded the ability to fulfill these objectives. The following information identifies several options to address the objectives. Options include three possible models for improving the State's market position and an approach for addressing critical market positions, as well as other possibilities such as performance recognition and non-compensation based options.

IMPROVE THE STATE'S MARKET POSITION

In the Annual Advisory Recommendation for 2002, the Arizona Department of Administration offered three models for improving the State's market position to be at 95% of the overall market salary rates. These three alternatives have been reviewed and updated.

Model #1:

Since 95% market parity was the five-year plan implemented in 1998, this objective has been interpreted as a target the State still hopes to achieve. In order to achieve this goal in the next year, **\$181,559,710** is the amount necessary to reach the target.

Model #2:

A second cost estimate, utilizing a five-year implementation strategy, has been developed. This proposal starts with FY 2004 and ends FY 2009.

FY 2004	\$ 52,954,916
FY 2005	\$ 55,179,022
FY 2006	\$ 57,496,541
FY 2007	\$ 59,911,396
FY 2008	<u>\$ 62,427,674</u>
Total	\$287,969,548

Because the State is in a "catch-up" mode, 4.2% is necessary each year. This reflects the amount required to match the projected market movement over the five-year period, as well as the 16.3% deficit that needs to be erased starting in 2004.

Model #3:

Building on the concept proposed in Model #2, an approach that further reduces the initial funding requirement but keeps the State on track for achieving the target. This approach simply defers the funding requirements to the end of the five-year plan period when the revenue stream may be more favorable.

FY 2004	\$25,216,626	2.0%
FY 2005	\$38,581,438	3.0%
FY 2006	\$52,985,176	4.0%
FY 2007	\$75,768,801	5.5%
FY 2008	<u>\$94,469,919</u>	6.5%
Total	\$287,021,960	

ESTABLISH A PERFORMANCE RECOGNITION FUND

Recognition can be a more powerful motivator than money.

The idea of recognizing top performers is very important and should not be overlooked when funding is scarce; in fact, it may be more important in these times. There needs to be a way to reward those who make significant contributions in their respective areas of expertise and are obviously outstanding performers. Following is a recommendation to address this need at minimal expense:

- Studies have repeatedly confirmed that employees rank recognition higher than financial rewards, which is the premise for recommending a "Performance Recognition Fund" be established at the agency level for top performers.
- Performance pay will be lump sum payments (not added to base salary).
- Funding can be limited to less than one percent of the agency's base annual payroll.
- Agency managers will be allocated a portion of the funds to award as they deem appropriate.
- Guidelines will be given to managers to assure consistency in the performance criteria and selection methodology.
- This program will be performance driven, not an incentive plan similar to "PIPP."

The cost of a performance fund can be relatively insignificant when compared to the total payroll, but for purposes of illustration a very simple formula is suggested. Starting with the premise that a 5% lump sum award is significant in the eyes of employees, and estimating that the State wants to target 10% of the employee population for an award, the funding for all agencies, state wide is \$6 million.

OFFER NON-CASH COMPENSATION OPTION

With the understanding that no budget dollars exist for base salary increases, there are other alternatives that should be considered for recognizing State employees' contributions and their loyalty to State service. Following is one example of a high value, non-cash benefit.

Paid Holiday Added

Based on the average number of paid holidays for the twenty-five Western state governments, Arizona's ten paid holidays is one day short of the average. The common day missing from Arizona's schedule is the day after Thanksgiving; another option is a "floating" holiday, or personal business day. Many of the other states have local holidays not recognized across the nation, such as Texas Independence Day, Mardi Gras Day, LBJ's Birthday, or Pioneer Day.⁸

According to a survey of the State's human resources managers, time off is a very desirable non-cash commodity for the following reasons:

- Two income families have little time for family or personal obligations.
- Stress induced by hectic schedules leads to health problems that manifest in higher medical costs and absenteeism.
- Emotional stress due to guilt over not being available for family.

⁸ 2002 Central States Compensation Association Survey

ADDRESS CRITICAL JOBS

It is clearly understood that funding for any broad based salary adjustments, such as general or merit increases, is essentially not available short term. But with the thought that limited compensation funding *may* become a reality at some point in the future, the most vulnerable and market sensitive job families have been identified in this section of this Recommendation. To be included in this section, the State's benchmark job must fall into one of two groups.

Group 1

The first group meets the following criteria:

- **Salary range midpoint** at least **20% below** the survey's average midpoint,
- **Employee average salaries** at least **20% below** the survey's actual average salaries,
- Represent a significant number of employees.

The broader job families identified and justified as "critical" are:

- Professional and Administrative
- Paraprofessionals and Clerical

The tool used to isolate the market critical classifications is the "Market Index." Briefly, the "Market Index" is a simple numerical calculation that combines the salary survey information on benchmark classifications, including average salary comparisons, midpoint comparisons, and the number of employees in the classification.

Standard salary survey practice matches one classification in a family of jobs, such as "Child Protective Services Specialist III." This benchmark classification is then used as the basis for adjusting the other classifications in the family, e.g., I, II, and supervisor. The broader grouping presented in this section may include multiple benchmark jobs.

The costing estimates for the recommendations are based on bringing the average salaries for State employees to 10% below the market average salaries for the job family.

Professional and Administrative

This category encompasses more than 15,000 employees. Within the category, classifications that meet the criteria above include such classifications as Child Protective Services Specialists and Supervisors, Human Service Specialists, Social Service Administrators, and Environmental Program Specialists. Approximately 2,600 employees populate these classes, which have salaries that fall 29% to 33% below market.

Ideally, funding would be approved to bring these classifications to within 10% of the market midpoint according to the detailed survey results and salary survey analysis completed by compensation staff. The first year expense for bringing the average salary of employees in these classifications to within 10% of the respective market rates would be approximately \$15,000,000. A lower funding amount could be used to prioritize the classifications based on highest vulnerability to turnover, focusing on those with greater risk to State services if significant vacancies occurred, e.g., Child Protective Services.

Paraprofessionals and Clerical

These broad job families represent over 8,700 employees, or approximately 25% of all State workers. Classifications in this group include Executive Staff Assistants, Administrative Assistants, Legal Assistants, Human Service Workers, Secretaries, Administrative Support Supervisors, and Clerk Typists. State salaries for these classes are 30% or more below market.

The backbone of the State's workforce is represented here because of their support role in almost every agency. Because many are at or near the entry level classifications in State service, they are the most susceptible to excessive turnover, high training expenses, and are very difficult to recruit for when pay is low and locations are not convenient.

Ideally, funding would be approved to bring these classifications to within 10% of the market midpoint according to the detailed survey results and salary survey analysis completed by compensation staff. The first year expense for bringing the average salary of employees in these classifications to within 10% of the respective market rates would be approximately \$867,000. A lower funding amount could be used to prioritize the classifications based on highest vulnerability to turnover, focusing on those with greater risk to State services if significant vacancies occurred, e.g., Administrative Assistants.

Group 2

The State's benchmark must meet the following criteria to fall into the second group:

- **Turnover** identified as a significant problem for the agencies utilizing the positions.
- **Market factors** indicate a pending recruitment/retention issue.
- Identified as **Critical Services** offered by the State.

The broader job families identified and justified as "critical" are:

- Protective Services
- Nursing Professionals

Protective Services

These classifications, in the ADOA payroll system, include Correctional Officers and Youth Correctional Officers, and represent approximately 7,300 employees. Turnover for Youth Correctional Officers was 48.7% last year. Average salaries by classification are 23% to 40% below the local market.

Protective service positions are critical to the mission of State government and fulfill one of the highest needs for its citizens. In order to attract and retain employees with these skills, the State has to compete with other governmental agencies having similar staffing needs, e.g., the police departments, sheriff offices, and probation functions.

Currently, Correctional Officers, both adult and youth, utilize special pay plans. An extensive study of these plans, paired with analysis of the market situation, will result in a determination of the functionality of these "step" plans. This determination will lead to a recommendation for the future salary plans for these classifications.

Nursing Professionals

All registered nurses and related nursing classes are included in this general group. Currently, State nursing salaries are close enough to market levels to be considered competitive **IF** base salaries plus stipends and other special pay are included. However, vacancy rates remain very high, and vacancy savings have been utilized to fund the stipends for many agencies.

Other factors adding to the criticality of this group include:

- The limited supply of nurses in Arizona, which makes it a very competitive market;
- Planned new beds in the Phoenix metro area
 - 74-bed acute care facility at West Valley Hospital Medical Center opening September 2003
 - Banner Health Systems plans for 120 beds in East Phoenix this year
 - New Maricopa County Jail in South Phoenix, with 2300 inmates requiring 60 nurses
 - Banner Estrella Medical Center opening November 2004.
- Turnover rates above 30% for nursing professionals.

The Department of Administration plans to complete an extensive study of nursing positions in Arizona, to include salaries, benefits, incentives, perquisites, and staffing forecasts. Upon completion of this study, ADOA plans to design and recommend an inclusive, total compensation plan for the nursing professionals.

Attachment 1

VARIANCE COMPARISON 2003
JGSS SALARY SURVEY RESULTS

The variances displayed below reflect a comparison of State Service pay practices to the labor market throughout Arizona for six (6) occupational groupings. The data utilized is obtained from the Joint Governmental Salary and Benefits Survey (JGSS) Survey. The negative variances in red reflect how much the market exceeds State salaries; positive variances in green indicate that state salaries exceed what the market is paying. Variance is calculated using weighting by number of state employees in the benchmarks.

STATE SERVICE VS JGSS VARIANCE *

<u>Occupational Group</u>	<u>St Actual Mn to Mkt Avg Mn</u>	<u>Midpoint to Mkt Average</u>	<u>St Actual Mx to Mkt Avg Mx</u>	<u>St Avg to Mkt Avg</u>
Technical 2003	-35.0%	-19.1%	+10.5%	-27.7%
Prof/Admin 2003	-36.6%	-12.0%	+0.5%	-22.8%
Clerical 2003	25.9%	-6.9%	-0.9%	-20.8%
Trades 2003	-16.6%	-5.6%	+5.6%	-15.4%
Medical 2003	-3.5%	-10.9%	+3.8%	-2.5%
Service/Maint 2003	-7.3%	+9.3%	+9.6%	-1.6%
<u>Overall Variance</u>				
Without Hab Techs	-27.4%	-9.0%	+1.6%	-19.0%
With Hab Techs	-24.5%	-6.3%	+3.9%	-16.3%

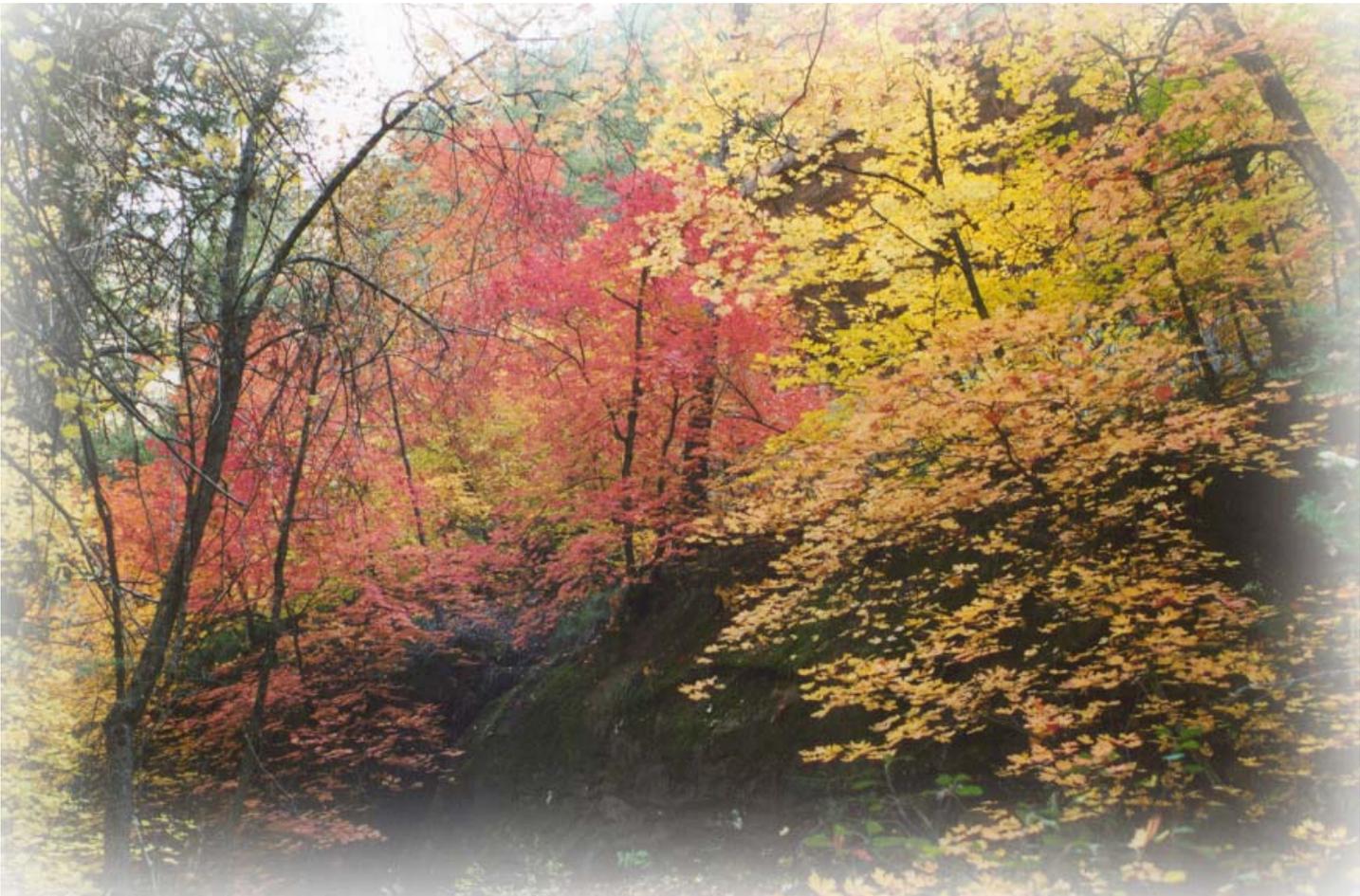
STATE SERVICE VS WESTERN STATES VARIANCE *

	<u>St Actual Mn to Mkt Avg Mn</u>	<u>Midpoint to Mkt Average</u>	<u>St Actual Mx to Mkt Avg Mx</u>	<u>St Avg to Mkt Avg</u>
Western States 2003 (Excludes Director, Asst. Director Benchmarks)	-20.4%	-8.5%	-1.1%	-21.3%

STATE SERVICE VS COMBINED WESTERN STATES/JGSS VARIANCE *

<u>Western & JGSS Combined</u>				
2003	-22.2%	-8.6%	-0.4%	-20.7%

* * "Actual Minimum" refers to the Hiring Rate or Lowest Salary Paid; "Actual Maximum" refers to the highest salary paid



Front and Back Cover Photography by Human Resources employee Ed Miksch