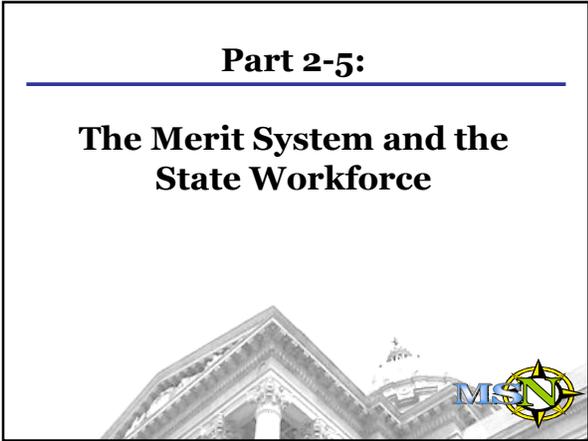


Part 2-5:

The Merit System and the State Workforce



Pay Plan Recommendations

General Structure Adjustment

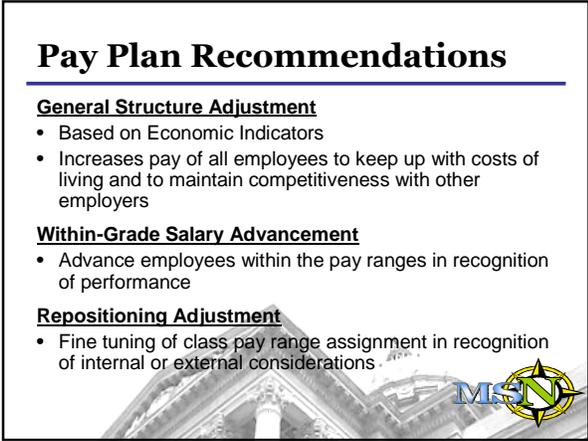
- Based on Economic Indicators
- Increases pay of all employees to keep up with costs of living and to maintain competitiveness with other employers

Within-Grade Salary Advancement

- Advance employees within the pay ranges in recognition of performance

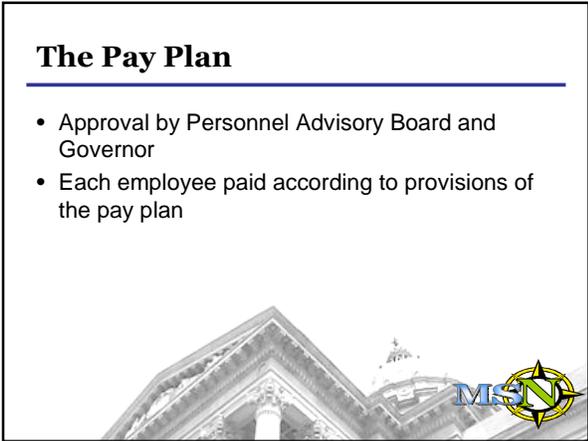
Repositioning Adjustment

- Fine tuning of class pay range assignment in recognition of internal or external considerations



The Pay Plan

- Approval by Personnel Advisory Board and Governor
- Each employee paid according to provisions of the pay plan



**CY 2005 Salaries and Benefits Paid
As Percentage of Total Salaries**

	CY Expense	Percent of Salaries
Pay for Time Worked	\$1,614,177,297	83.6%
Pay for Time Not Worked	\$316,655,466	16.4%
Total Salaries	\$1,930,832,763	100.0%
Benefits In Addition to Salary	\$837,727,623	43.4%
Total Salaries and Benefits	\$2,768,560,386	143.4%