

STEP INCREASE ELIMINATION

The proposed budget recommends eliminating step increases for 2003-05 for state and school employees. This action saves \$173.4 million General Fund. Of the total amount, \$133.8 million has been removed from the State School Fund in the Department of Education and \$2.6 million has been removed from the Oregon University System. The remaining \$37.0 million General Fund has been removed from the budget overall, and will be identified specifically for each agency during the legislative Ways and Means hearings. At that time, the Department of Administrative Services will also identify Other Funds and Federal Funds expenditure limitations that should be removed for this action.