



MEMORANDUM

Date: May 12, 2022

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Leshner 
County Administrator

Re: **Response to Inquiry about Budget Impact of Cost of Living/Market Salary Increases**

Supervisor Heinz asked staff to first identify the number of employees who will be impacted by the salary adjustments as proposed in the tentative budget. The answer is:

- Employees who earn \$75,000 year or less: 5,795 impacted employees
- Employees who earn between \$75,001 and \$150,000: 786 impacted employees
- Employees who earn more than \$150,000: 33 impacted employees

Supervisor Heinz also asked staff to identify the number of employees who would be impacted in each of the following categories, assuming the proposed salary adjustment as noted below:

Employees who earn:

- \$25/hour or less (\$52,000/yr or less): 3,929 current employees – 8.5% salary increase
- Between \$25.01 and 36.057/hour (between \$52,001 and \$75,000/yr): 1,866 current employees – 5.0 % salary increase
- Between \$36.058 and 46.00/hour (between \$75,001 and \$95,680/yr): 506 current employees – 4.0% salary increase
- Between \$46.001 and \$72.1154/hour (between \$95,681 and \$150,000/yr): 280 current employees –3.0% salary increase
- \$150,001 and above: 33 current employees – 1.0% salary increase

He then asked what the impact of these salary increases would be on the budget.

| | FY 2023* | Estimated Vacancy Savings 2 Months | Subtotal |
|-----------------------|---------------|--|---------------|
| General Fund | \$ 16,747,894 | \$ 5,054,756 | \$ 11,693,138 |
| Special Revenue Fund | \$ 6,201,134 | \$ 2,734,236 | \$ 3,466,898 |
| Enterprise Fund | \$ 1,737,059 | \$ 194,290 | \$ 1,542,769 |
| Internal Service Fund | \$ 551,243 | \$ 265,668 | \$ 285,575 |
| Total | \$ 25,237,330 | \$ 8,248,950 | \$ 16,988,380 |

* This analysis includes only filled positions.

The projected cost to the General Fund for Fiscal Year 2022/2023 would be:

| | Entire Cost | | |
|---------------------|---------------|-------------------|--------------|
| | Recommended | Additional Budget | |
| FY 2023 | Budget | Capacity/Funding | |
| | | Needed | |
| General Fund | \$ 16,747,894 | \$ 7,529,960 | \$ 9,217,934 |

Should the Board of Supervisors wish to adopt the salary adjustments delineated above, it is recommended that each General Fund Department work with Finance and Risk Management to determine how they will cover the increased costs. Much, if not all, of the increase can be done through the elimination of vacant PCNs that are currently not being recruited through NeoGov or other departmental line items. It is also recommended that the Non-General Fund Departments absorb 100% of the entire cost of the raises within their Departmental budgets. As stated above, this can be done through the elimination of vacant PCNs that are currently not being recruited through NeoGov or other departmental line items.

JKL/anc

- c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
- Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer, Health and Community Services
- Cathy Bohland, Director, Human Resources
- Michelle Campagne, Director, Finance and Risk Management
- Ellen Moulton, Director, Analytics and Data Governance