



MEMORANDUM

Date: November 22, 2021

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

From: Jan Leshner 
Chief Deputy County Administrator

Re: **Pima County Living Wage Requirement**

Background

On January 8, 2002, the Board of Supervisors adopted Ordinance No. 2002-1, amending Chapter 11 of the Pima County Code by adding Chapter 11.38, Pima County Living Wage. The Ordinance states that it is beneficial to the health and welfare of all inhabitants of Pima County that workers are paid a wage that enables them to live above the poverty level, otherwise known as a "living wage". Since that time, the Procurement Department has administered the Living Wage program which requires contractors entering into eligible contracts with Pima County for covered services to pay a Living Wage to their employees for the hours expended when providing services to the County. Covered services include: facility and building maintenance; refuse collection and recycling; temporary employee services; janitorial and custodial services; landscape maintenance and weed control; pest control; and security and moving services. In 2003, the Board of Supervisors adopted Ordinance No. 2003-36, slightly amending Chapter 11.38.020, to redefine eligible contracts. No changes have been made to Chapter 11.38 since 2003.

Wage Adjustments

As required in the Code, the base hourly rate of \$9.00 per hour, and \$8.00 per hour if the contractor provided health benefits, have been recalculated each year based on the Consumer Price Index, Western Region. Attachment A, History of Minimum Wage and Pima County Living Wage Rates, shows how the rates have changed since 2003 and includes the new calculated rates to be effective January 1, 2022.

Current Wage

With the Arizona State Minimum Wage requirements escalating since January 1, 2017 pursuant to A.R.S. §23-363 Minimum Wage, a reduction in the gap between the Minimum Wage and the Pima County Living Wage has been occurring (see Attachment A). However, effective January 1, 2022, the calculated Pima County Living Wage *without health benefits* rate is \$14.04. Effective January 1, 2022, the calculated Pima County Living Wage rate *with health benefits* is \$12.80, which equals the State Minimum Wage for 2022. The Certification of Living Wage Payments will be provided in January 2022 to vendors whose contracts are subject to the Living Wage requirement (Attachment B).

Health Benefits Environment

An additional consideration is that federal law mandates health coverage be provided by all employers with fifty (50) or more employees. All of the current contractors except one have more than 50 employees and should be offering healthcare to their employees. Based on the payroll records that are provided to Pima County for review, most employers are paying their employees at the higher rate and not providing health benefits to their employees working on Pima County contracts.

Mandated Indices

A.R.S. §23-363 Minimum Wage requires annual changes based on Consumer Price Index, All Urban Consumers, U.S. City Average. Pima County Code requires annual changes based on Consumer Price Index, Western Region. Since 2012, the index used by the State has been consistently lower than the index used by the County but with this year's COLA and social security increase the rate has normalized.

Year	State's Index	County's Index
2022		5.29%
2021	5.25%	1.59%
2020	1.31%	2.64%
2019	1.75%	3.28%
2018	2.70%	2.65%
2017	1.94%	1.70%
2016	1.06%	1.22%
2015	0.20%	1.78%
2014	1.70%	1.67%
2013	1.52%	2.41%
2012	1.69%	2.28%
2011	3.77%	1.12%
2010	1.15%	-0.26%
2009		

JL/anc

Attachments

c: Terri Spencer, Director, Procurement Department

ATTACHMENT A

History of Minimum Wage and Pima County Living Wage Rates

YEAR	MINIMUM WAGE	LIVING WAGE (LW) WITHOUT BENEFITS	DIFFERENCE BETWEEN LW W/O BENEFITS AND MINIMUM	LIVING WAGE WITH BENEFITS	DIFFERENCE BETWEEN LW W/ BENEFITS AND MINIMUM
2022	\$12.80	\$14.04	\$1.24	\$12.80	\$0.00
2021	\$12.15	\$13.33	\$1.18	\$12.15	\$0.00
2020	\$12.00	\$13.12	\$1.12	\$12.00	\$0.00
2019	\$11.00	\$12.78	\$1.78	\$11.37	\$0.37
2018	\$10.50	\$12.37	\$1.87	\$11.01	\$0.51
2017	\$10.00	\$12.05	\$2.05	\$10.73	\$0.73
2016	\$8.05	\$11.85	\$3.80	\$10.55	\$2.50
2015	\$8.05	\$11.71	\$3.66	\$10.42	\$2.37
2014	\$7.90	\$11.51	\$3.61	\$10.24	\$2.34
2013	\$7.80	\$11.32	\$3.52	\$10.07	\$2.27
2012	\$7.65	\$11.06	\$3.41	\$9.84	\$2.19
2011	\$7.35	\$10.82	\$3.47	\$9.63	\$2.28
2010	\$7.25	\$10.70	\$3.45	\$9.52	\$2.27
2009	\$7.25	\$10.73	\$3.48	\$9.54	\$2.29
2008	\$6.90	\$10.31	\$3.41	\$9.16	\$2.26
2007	\$6.75	\$10.02	\$3.27	\$8.91	\$2.16
2006	\$5.15	\$9.67	\$4.52	\$8.60	\$3.45
2005	\$5.15	\$9.39	\$4.24	\$8.35	\$3.20
2004	\$5.15	\$9.20	\$4.05	\$8.18	\$3.03
2003	\$5.15	\$9.00	\$3.85	\$8.00	\$2.85

ATTACHMENT B



PROCUREMENT
 150 W. CONGRESS ST., 5th FLOOR
 TUCSON, ARIZONA 85701
 TELEPHONE (520) 724-8161, FAX (520) 724-3646

CERTIFICATION OF LIVING WAGE PAYMENTS
Effective upon contract renewal in 2022

This firm certifies that it will meet all specifications, terms, and conditions contained in the Living Wage Contract Ordinance; **AND** that if labor is subcontracted, subcontractors will be held to the exact terms that are required of this firm.

Yes _____ No _____ If no, you must explain all deviations in writing.

Company Name: _____

Description of Services: _____

Job Location: _____

(PLEASE CHECK ONE(S) THAT APPLY)

I do hereby agree to pay all eligible employees working on the above listed contract at least fourteen dollars and four cents (\$14.04) per hour.

AND/OR

I do hereby agree to pay all eligible employees working on the above contract a wage of no less than twelve dollars and eighty cents (\$12.80) per hour **and** provide health benefits with a monthly value at least as high as the difference between a monthly wage based on fourteen dollars and four cents (\$14.04) per hour and the requested monthly wage if no less than twelve dollars and eighty cents (\$12.80) per hour. In essence, the **employer paid portion** of benefits must have a *monthly* value of two-hundred fourteen dollars and ninety-three cents (\$214.93). This equals the one dollar and twenty-four cents (\$1.24) per hour difference.

Providers Name: _____

Address: _____

Phone: _____ Fax: _____

Plan or Program Number: _____ Type of Benefit: _____

Total premium paid per month: _____ Amount paid by employee: _____

(Attach pages if needed for additional providers)

COMPANY NAME: _____

AUTHORIZED SIGNATURE: _____ DATE: _____

 PRINTED NAME

 TITLE OF AUTHORIZED