

Fiscal Year 2022

District Compression



Minimum Wage

- The Industrial Commission of Arizona (ICA) approved **\$12.80** as the new minimum wage **effective January 1, 2022** - an increase of 65¢ per hour
 - *Based on the increase in inflation between August 2020 and August 2021, as published by the U.S. Bureau of Labor Statistics' Consumer Price Index*
- Proposition 206 raised Arizona's minimum wage to \$10.00 per hour effective January 1, 2017 and also called for subsequent increases to the minimum wage:
 - \$10.50 per hour on January 1, 2018
 - \$11.00 per hour on January 1, 2019
 - \$12.00 per hour on January 1, 2020
 - Inflationary increases on January 1, 2021 and annually thereafter
- Approximate cost to Maintenance & Operations (M&O) to increase staff who are below \$12.80 per hour without addressing compression: **\$756,104**
- Currently 77% of our support staff are in position classifications affected by the minimum wage increase





Minimum Starting Rates – Then & Now

Level	FY17	FY22	Percent Diff
A	\$8.68	\$12.15	39.98%
B	\$8.96	\$12.15	35.60%
C	\$9.55	\$12.15	27.23%
D	\$10.15	\$12.15	19.70%
E	\$10.62	\$12.15	14.41%
F	\$11.52	\$12.15	5.47%
G	\$12.04	\$12.59	4.57%
H	\$12.53	\$13.13	4.79%
I	\$13.07	\$13.68	4.67%
J	\$13.55	\$14.12	4.21%
K	\$14.12	\$14.70	4.11%
L	\$15.02	\$15.61	3.93%
M	\$16.03	\$16.50	2.93%
N	\$17.28	\$17.76	2.78%
O	\$18.88	\$19.38	2.65%
P	\$20.77	\$21.31	2.60%

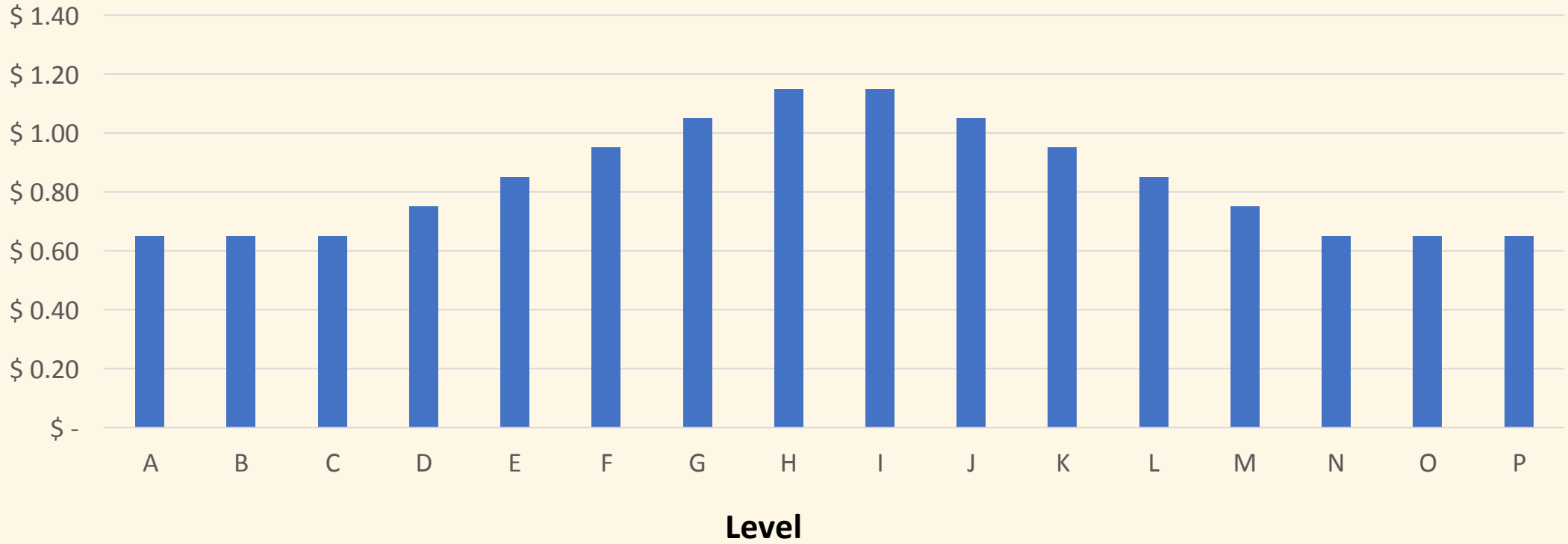
What is Compression?

- Compression occurs when:
 - Pay differential between classifications are too small to be considered equitable
 - Lower level positions push up against higher pay levels
 - New employees are compensated at the same or nearly the same rate of pay as currently employed staff



Sample Recommendation Based on Bell Curve

Increase



Projected M&O Cost: \$674,007 (excludes costs associated with the minimum wage increase)



Salary Level Detail

Level	Current Min.	Increase	New Min.	New Level	# Positions Affected
A	\$12.15	0.65	\$12.80	A	166
B	\$12.15	0.65	\$12.80	A	35
C	\$12.15	0.65	\$12.80	A	62

Level A

- Bus Driver Trainee
- Campus Monitor
- Crossing Guard

Level B

- Cook I
- Food Service Attendant II
- Transportation Attendant

Level C

- Clerk II
- Library Clerk
- School Health Assistant



Salary Level Detail (cont'd)

Level	Current Min.	Increase	New Min.	New Level	# Positions Affected
D	\$12.15	0.75	\$12.90	B	206
E	\$12.15	0.85	\$13.00	C	255
F	\$12.15	0.95	\$13.10	D	56

Level D

- Attendance Clerk
- Custodian I
- Groundskeeper I

Level E

- Bookkeeper I
- IT Specialist
- SpEd TA

Level F

- Elementary School Health Aide
- Library Assistant
- Secretary II



Salary Level Detail (cont'd)

Level	Current Min.	Increase	New Min.	New Level	# Positions Affected
G	\$12.59	1.05	\$13.64	E	47
H	\$13.13	1.15	\$14.28	F	53
I	\$13.68	1.15	\$14.83	G	7

Level G

- Custodian II
- Groundskeeper II
- Preschool Instructional Specialist

Level H

- Bookkeeper II
- Custodian III
- Lead Groundskeeper I

Level I

- Benefits Specialist
- Bilingual Office Assistant
- Community Tech. Supp. Specialist



Salary Level Detail (cont'd)

Level	Current Min.	Increase	New Min.	New Level	# Positions Affected
J	\$14.12	1.05	\$15.17	H	57
K	\$14.70	0.95	\$15.65	I	14
L	\$15.61	0.85	\$16.46	J	16

Level J

- Administrative Assistant I
- Food Service Supervisor
- Maintenance Technician II

Level K

- Computer Repair Technician
- Journeyman Carpenter
- Journeyman Plumber

Level L

- Auto Mechanic I
- Budget Technician
- Lead Journeyman Plumber



Salary Level Detail (cont'd)

Level	Current Min.	Increase	New Min.	New Level	# Positions Affected
M	\$16.50	0.75	\$17.25	K	82
N	\$17.76	0.65	\$18.41	L	12
O	\$19.38	0.65	\$20.03	M	12
P	\$21.31	0.65	\$21.96	N	2

Level M

- Administrative Assistant II
- Auto Mechanic II
- Bus Driver

Level N

- Auto Mechanic Lead
- Electronic Technician
- Refrigeration Mechanic III

Level O

- Accountant
- Chief Mechanic

Level P

- Exec. Asst. to Gov. Board



Pros vs. Cons

Pros

- More attractive starting wages to help with competitive recruitment
- Help with retention
- Ensure differentiation between salary/wage levels
- Bell curve addresses the pay levels most affected by compression

Cons

- Cost
- Does not necessarily address market comparability
- Must be maintained w/each new increase to minimum wage
- Potential to create new compression syndrome w/professional non-teaching & professional exempt staff



Summary



- Lower pay level positions “push up” against higher pay level positions
- The pay differential between classifications are too small or not at all to be considered equitable across positions
- TUSD & JTED have already established minimums greater than the upcoming minimum wage of \$12.80
- Cost
 - \$756,104 to comply with new minimum wage in 2022
 - \$674,007 to address compression
 - \$1,430,111 projected total cost
- A similar review should be done for our professional non-teaching and professional exempt staff when additional funds become available

