



**GOVERNING BOARD AGENDA ITEM
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

DATE OF MEETING: **December 5, 2023**

TITLE: **Approval to Increase Pay Rates for Classified Employees Effective January 1, 2024 for Compliance with Arizona’s Minimum Wage Laws**

BACKGROUND:

On November 8, 2016, Arizona voters approved Proposition 206, which created Arizona’s Fair Wages and Healthy Families Act (codified at A.R.S. § 23-362 et seq.) and raised Arizona’s minimum wage to \$10.00 per hour effective January 1, 2017. Section 23-363 of the Act requires subsequent annual increases to Arizona’s minimum wage pursuant to the below schedule:

- \$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.

Arizona’s minimum wage law currently requires minimum wage increases annually that align with inflationary changes measured each August. As a result, Arizona’s mandatory minimum wage will increase \$0.50 on January 1, 2024 to \$14.35 per hour.

To comply with the Arizona mandatory minimum wage change, starting pay for Levels 1-3 on the support staff placement schedule, as well as the hourly wage of all classified employees currently earning below the state’s mandatory minimum wage, must be increased to at least \$14.35 no later than January 1, 2024. Yet, doing this alone, without accounting for differentials between the different pay levels and/or employee experience in the affected classifications, will put the District back into the same “wage compression” situation that it experienced between 2017 and 2021. It will also negate the work that the Governing Board did on December 7, 2021 to re-establish wage differentials.

In effort to maintain wage differentials between pay levels on the Support Staff Placement schedule, Administration recommends increasing all pay levels by \$0.50 and applying the same wage increase (\$0.50 per hour) to all currently employed classified/support staff to become effective January 1, 2024:

Level	Current Minimum	Recommended Increase	New Minimum
1	\$14.00	\$0.50	\$14.50
2	\$14.15	\$0.50	\$14.65
3	\$14.30	\$0.50	\$14.80
4	\$14.45	\$0.50	\$14.95
5	\$14.70	\$0.50	\$15.20
6	\$15.00	\$0.50	\$15.50
7	\$15.55	\$0.50	\$16.05
8	\$15.85	\$0.50	\$16.35

9	\$16.25	\$0.50	\$16.75
10	\$16.95	\$0.50	\$17.45
11	\$17.25	\$0.50	\$17.75
12	\$18.41	\$0.50	\$18.91
13	\$20.03	\$0.50	\$20.53
14	\$21.96	\$0.50	\$22.46

Moreover, since the new year starts in the middle of pay period 14 (December 24, 2023 to January 6, 2024), Administration recommends that the Governing Board approve these wage increases to begin at the start of pay period 14, rather than waiting until January 1, 2024. Pay adjustment in the middle of a pay period are already tedious for the Payroll Department, but adjustments over the winter break will be even more difficult.

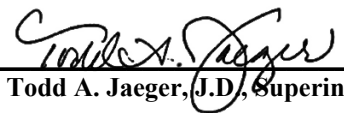
RECOMMENDATION:

Administration recommends that the Governing Board approve the proposed increase to base wages for eligible classified (hourly) employees to become effective at the beginning of pay period 14, which starts December 24, 2023.

INITIATED BY:


 John Hastings, Director of Human Resources

Date: November 28, 2023


 Todd A. Jaeger, J.D., Superintendent