

FY 2023-2024 BUDGET QUESTION
Response to Request for Information

DEPARTMENT(S): Human Resources Department

CBQ NO.: 085

REQUESTED BY: Fuentes

DATE REQUESTED: 07/19/2023

DATE POSTED: 08/04/2023

REQUEST: What is the cost of an additional 1%, 2% across the board raise?

RESPONSE:

The cost of an additional 1% across-the-board (ATB) wage increase would be \$2.0M to the General Fund, or \$9.9M across all funds. The cost for an additional 2% ATB would cost \$4.0M to the General Fund, or \$19.9M across all funds. These amounts do not include the impact of any further increase in the proposed FY 2023-24 living wage of \$20.80 per hour.

A total 5% increase in the ATB and an increase in the City's living wage to \$21.00 per hour, a total increase of 5% from its FY 2022-23 level of \$20.00 per hour, has a total additional cost of \$3.5M for the General Fund, and \$13.0M across all funds. A total 6% increase in the ATB and an increase in the living wage to \$21.20 per hour, a total increase of 6% from its FY 2022-23 level of \$20.00 per hour, has a total additional cost of \$5.7M for the General Fund, and \$23.3M across all funds. These amounts reflect the direct impact of a further increase in the living wage for regular and temporary employees as well as adjustments necessary to reduce compression since an increase in the living wage to a level above \$20.80 cannot be absorbed by the existing pay structure.