MEMORANDUM

Date: July 31, 2026

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

From: Jan Lesher
County Administrator

Re: **Staffing & Vacancy Policy**

Nothing is more important than our workforce. Pima County employees are the foundation of every service Pima County provides and every result we achieve. Facilities, technology, and funding only create value when we have skilled, committed employees to put them to work. A strong workforce ensures continuity of operations, delivers quality public service, responds to community needs, and ensures accountability. A review of staffing levels and vacancies – and a regular review of these critical issues - helps Pima County identify service gaps, manage workloads, retain employees, and plan for future demands. Ultimately, focusing on our workforce is investing in our ability to fulfill Pima County's mission to serve the public effectively.

Supervisor Scott asked that the Board of Supervisors discuss staffing and vacancies and requested specifically that the item before the Board includes the following:

1. Discussion with County Administrator and Deputy County Administrators as to how staffing requests are analyzed and discussed with elected officials and department directors during the annual budgeting process. Also, discussion with same as to how staffing is discussed and monitored by administration throughout the rest of the year.
2. Discussion with County Administrator and Deputy County Administrators regarding the existing vacancy policy, how/why its current version was developed and if revisions to the current version should be considered.

Introduction

Regular and ongoing review of staffing levels and vacancies is critical to ensure Pima County has the right workforce to provide essential public services efficiently, responsibly, and cost effectively.

Reviewing staffing and vacancies enables the County to align its workforce with community needs, use taxpayer dollars wisely, maintain high-quality public services, and plan effectively for future workforce demands.

Review and Analysis of Staffing Requests

The Deputy County Administrators and I review departmental staffing needs throughout the year related to department operational needs and service performance expectations, and as requests are made to fill existing positions or add new positions. In addition, all positions are reviewed as part of the annual budget development process to ensure staffing levels remain aligned with service demands, organizational priorities, and available resources.

Staffing requests are evaluated based on several key considerations, including:

- **Service needs and workload:** Whether staffing is necessary to maintain essential services, meet statutory responsibilities, and respond to current and anticipated workload.
- **Existing resources:** Department staffing levels, vacancies, turnover, overtime, organizational structure, and whether existing resources can reasonably meet the identified need.
- **Recruitment and retention:** The availability of qualified candidates and whether the need is better addressed through classification, compensation, recruitment, or retention strategies, including how to increase competitiveness and recruitment of identified in-demand positions.
- **Alternative solutions:** Whether technology, process improvements, organizational changes, reassignment of existing resources, or other efficiencies could address the need.
- **Fiscal impact and sustainability:** The full cost of the position and whether the funding source is ongoing, one-time, grant-funded, or otherwise subject to future uncertainty.
- **County priorities:** The extent to which the request supports the County's strategic priorities, department operational objectives, and meets public service expectations and provides a demonstrated benefit to the community.

During the annual budget process, Department Directors present staffing needs and supporting justification. Additionally, they identify any significant changes or factors effecting budget, department operations, grants, and capital improvement needs. County Administration, in consultation with Finance and Risk Management and other appropriate departments, evaluates these requests in the context of competing priorities and available resources. This process allows the County to distinguish between positions that are essential to existing and expanded service delivery and positions where operational efficiencies, technology or other strategies may provide a better solution.

The review does not end with adoption of the annual budget. Staffing needs can change throughout the year as service demands, funding, workload, and recruitment conditions change. County Administration therefore maintains an ongoing dialogue with Department Directors and reviews existing staffing levels, service performance expectations, and staffing requests as circumstances warrant.

Ultimately, the objective is to ensure that Pima County maintains a workforce that is appropriately sized, strategically aligned, and financially sustainable, while meeting public service level expectations and preserving the flexibility to respond to changing community needs.

Vacancy Policy

The second area of questions involves Pima County's ongoing review and evaluation of vacant positions. Supervisor Scott asked how and why the current version of the policy was developed and if revisions to the current version should be considered.

<u>Overview</u>

This Memorandum summarizes the comprehensive actions taken by Pima County to address workforce vacancies, ensure fiscal responsibility, and maintain high-quality public services. The County has implemented strategic policies, ongoing reviews, and targeted initiatives to manage vacant positions, attract and retain talent, and support departmental operations.

Vacancy rates warrant and receive significant discussion for two key reasons: 1) High vacancy rates can sometimes create opportunities for 'vacancy savings' to be realized through the inclusion of positions in the budget for which there is no plan to hire, and 2) vacancy rates can also highlight roles that are genuinely difficult to fill. If positions are maintained and unfilled for the purpose of increasing contingency allocations, this undermines financial integrity and can lead to budget distortions, making it harder to track real staffing needs and expenditures. Vacancy rates that point out 'hard to fill' or 'in-demand' positions might bring to our attention specialized positions requiring unique skills, or jobs with challenging working conditions. Persistent vacancies in these areas can lead to operational inefficiencies, increased workload for existing staff, and reduced service quality.

<u>Elimination of Positions Maintained to Increase Contingency Allocations</u>

In the interests of responsible fiscal administration and sound management practices, it is important that each budgeted position is identified as necessary to meet Pima County's stated mission. To further those interests, on April 16, 2024, the Board of Supervisors adopted BOS Policy D22.16 – Vacant Positions, establishing clear guidelines for managing vacancies across departments. Under this policy, effective July 1, 2024:

- Positions vacant for more than 240 days are subject to elimination unless actively recruited or appealed for programmatic reasons.
- Departments receive quarterly lists of projected vacancies and deadlines for appeals.
- Appeals are reviewed by County Administration and, if approved, forwarded to Finance and Risk Management.

- Positions under recruitment are allowed to complete the process; if unsuccessful, they are eliminated.

At the time the policy was approved, there were 1,006 vacant positions, of which 601 were in the General Fund. A total of 87 of these positions were vacant for more than 540 days or more. Implementation of BOS Policy D22.16 included the immediate elimination of all positions that were vacant for 540 days or more.

A companion Administrative Procedure 22-48 was implemented on July 1, 2024, to ensure adherence to the Board Policy.

Regular, periodic reports to the Board noted the number of positions reviewed by County Administration, the number of appeals granted, and the number of positions eliminated. As of July 13, 2026, there are a total of 730 vacant positions, of which 444 or 61% have been vacant for less than 90 days and 235 or 32% have been vacant for less than 240 days, which indicates that 93% of all vacant positions are in the active process of recruitment. Of the remaining 51 positions that have been vacant for greater than 240 days, six are grant funded positions. Today there are 0.6% of non-grant funded positions that have been open for more than 240 days.

The development and implementation of Board Policy 22-16 and Administrative Procedure 22-48 have successfully eliminated the historic practice of the use of vacancies to provide additional budget capacity within departments.

Addressing Hard to Fill Positions

As the County eliminated unnecessary positions, scrutiny of information related to vacancies is a very useful tool to identify positions that are historically very hard to fill or in demand. The experience of the initial years of implementation indicates that the vast majority of positions that remain open at 240 days are the result of multiple interviews failing to identify or secure a qualified candidate. Departments ask to keep these positions open to continue recruitment efforts and to work with Human Resources to designate these roles as "In-Demand".

A position is considered "In-Demand" if it is one in which a lack of workers could have a devastating effect on the County's ability to maintain daily operations, combined with an absence in the labor market of qualified, experienced workers and the inability to fill an opening and retain current workers.

The metrics for noting the inability to fill an opening and retain current workers or to classify the position(s) as "In-Demand" are a) the number of applicants meeting the minimum qualifications; b) the fill-rate for each requisition; c) the rate of rejected offers; and d) the voluntary turnover rate.

The classification and compensation committee, which is led by the three Deputy County Administrators, regularly works with the Human Resources team to address compensation for the classifications that are identified first by the number of openings and days positions have been vacant noted in the bi-weekly Vacancy Reports and then by a review of those vacancies with the recognized criteria.

Lowering Vacancy Rates

Pima County experienced an increase in turnover and vacancies across the departments during and after the COVID-19 pandemic. The vacancy rate in Fiscal Year 2020/2021 averaged 12% and increased to an annualized average of 16% in Fiscal Year 2021/2022 with some department monthly vacancy rates as high as 17% - 18%. Pima County reached its highest vacancy rates in Fiscal Year 2021/22, right after the height of the pandemic. This unpredictable trend in vacancy rates was largely due to increased demand for public sector services, rehiring furloughed staff and expanded programs across the County. The expansion of the workforce exposed difficulty in recruiting candidates and caused the County to review its compensation, classifications, benefits and operational requirements to ensure successful recruitment and retention of staff.

At the close of Fiscal Year 2022/2023, realized a reduction in its vacancy rates from almost 18% in July 2022 to 12.7% in July 2023. July 2024 ended with an 11.7% vacancy rate for the month. As of July 13, 2026, the monthly vacancy rate is 10.3%

As is demonstrated in the continued decrease in the County vacancy rate, much has been done to address recruitment and retention of employees and to meet the County's goal of being an employer of choice.

A. Strategic Compensation

Classification and Compensation

The most comprehensive strategy to recruit and retain employees at Pima County is to address compensation. To ensure continuous improvement and provide top quality service, Pima County must ensure that our classification and compensation system supports this goal of retaining and recruiting the best individuals. In 2022, Pima County began the critical work of evaluating all categories of jobs to both advance and modernize the County's ability to recruit, hire, and retain employees.

During the analysis, Pima County found that 81% of job classifications were found to be below the market-based pay rate and 33.7% of employees' current salaries were below the minimum of the newly defined salary grades. Over $15 million was authorized for salary and benefits to approve new job classifications and salary structures and to move all employees to the new salary grades and implement new personnel policies to ensure appropriate placement in grades in years to come.

The County continues to review job classifications by engaging in annual benchmarking of 50% of our classifications and identifying "In-Demand" jobs that may warrant an alternative pay strategy or other compensation strategies.

Salary adjustments

Since the pandemic, Pima County has provided the workforce with the following annual adjustments

- FY 2020/2021 - New minimum wage of $12 per hour implemented and minor changes to a few successive lower pay grades
- FY 2021/2022 - 5% effective October 1
- FY 2022/2023 - General/tiered pay adjustments – 8.5% ($35,000/year or less), 5% (between $35,001 and $75,000), 3% (between $75,001 and $150,000/year), and 1% $150,001/year and above for all eligible employees.
- FY 2023/2024 - 3% or Classification & Compensation Report Adjustment
- FY 2024/2025 - Continued Adjustments for Classification & Compensation Report
- FY 2025/2026 - 5% in two phases
- FY 2026/2027 - 3%

B. <u>Improvements to Employee Benefits Packages</u>

To continue to attract quality employees and retain these individuals in the Pima County workforce, since the pandemic, the County has added or expanded benefits offered to employees. In addition to the usual array of benefits – Deferred Compensation, Dental Insurance, Employee Assistance Program, Flexible Spending Accounts, Health Savings Accounts, Life Insurance, Legal and Financial Services, Medical & Pharmacy Insurance, Retirement plans, Short-Term Disability, and Vision Insurance – to address increasing turnover and vacancy rates, Pima County added or expanded the following benefits to our employees.

Childcare Assistance – Childcare Subsidy Program

A new program to provide a stipend for childcare was added in Fiscal Year 2026/2027 with a total of $1.3 million dedicated to supporting County families with the expense of such critical services as childcare centers, school district and home or family care.

Educational Assistance Program – Education Reimbursement and Student Loan Repayment Benefits

Fiscal Year 2026/2027 also saw the expansion of the Educational Assistance Program, which had previously provided financial assistance to County employees for educational expenses to include additional funds for student loan repayment.

Employee Loan Program

Personal loans of up to $10,000 are available through Pima County's Employee Loan Program.

Expansion of Paid Leave Bank

In 2023, Pima County expanded paid leave accrual programs for all County employees, increasing the accrual balance for which an employee may be compensated when leaving the County and added five additional vacation days frontloaded upon employment, which are available to employees when they join the County.

Flexible Work Schedules

Flexible and Alternative Work Schedules and Telecommuting were identified as opportunities for workplaces during the pandemic. At that time the County created short-term telecommuting policies during the public health stay-at-home safety recommendations but quickly adjusted to what is now a longer-term telecommuting benefit, which allows many employees an opportunity to telecommute a portion of the work week.

The County has also added the option for Alternative Work Schedules, which allows employees, with approval, to adjust to a 4/10 or 9/30 flex schedule.

Pandemic Sick and Vacation Paid Benefits

Pima County provided multiple opportunities to build and fortify paid leave banks for all employees over the course of the COVID-19 pandemic emergency. The goal of these additional paid leave measures was to support employees who were affected by COVID-19, public health protocol and safety measures, or to take leave for any reasons associated with the pandemic.

Parental Leave Benefit

Two significant changes made to support parental leave for eligible parents for the birth, adoption or placement of a child in the family are the expansion of the parental leave benefit to twelve full weeks, at 100% rate of pay for the employee. Previously the parental leave benefit was six weeks at a paid leave rate of 66 2/3 percent of the employee's salary.

Conclusion

The County continues to refine its vacancy management process:

- Quarterly reviews and appeals ensure departments can retain critical positions while also ensuring each position is needed.
- "In-Demand" roles receive additional evaluation and enhanced recruitment strategies support.
- Lessons learned from cyclical and extended vacancies, and annual budget and in-year review, inform future policy adjustments.
- Employee satisfaction surveys and compensation strategies support retention and reduce turnover costs.

Through the adoption of strategic policies, targeted compensation and benefits, and ongoing review processes, Pima County has demonstrated a strong commitment to addressing vacancies, supporting departmental needs, and maintaining a stable, competitive workforce. These efforts ensure continuity of services and fiscal stewardship for the community.

JKL/anc

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