



DIVISION OF DEVELOPMENTAL DISABILITIES

Sent on Behalf of DES/DDD Business Operations

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TRANSMITTAL DATE: November 22, 2016

**TOPIC: Proposition 206, the Minimum Wage and Paid Time Off initiative
and Proposition 414 (Flagstaff)**

All Qualified Vendors

Due to the passage of Proposition 206, the Minimum Wage and Paid Time Off initiative, and Proposition 414 in Flagstaff, the Department of Economic Security is analyzing the rate structure to evaluate the fiscal impact on its operations and our providers. As you are aware, these propositions have provisions to raise the minimum wage in Arizona to \$10.00 per hour beginning January 1, 2017, and then incrementally raise the minimum wage to \$12.00 per hour by 2020; and \$15.00 per hour in Flagstaff by 2021.

We recognize that the passage of these propositions will have significant impacts to some of our providers. We will be working with the provider community, the Governor's office and our State Legislature to help identify possible solutions. We will continue to partner with you as the State moves forward with implementing the change in minimum wage.

Questions regarding this communication may be directed to DDDProviderRelations@azdes.gov.

Thank you!