

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

|                                    |  |
|------------------------------------|--|
| <b>LRB Number</b> <b>15-0207/1</b> | <b>Introduction Number</b> <b>SB-002</b> |
|------------------------------------|--|

**Description**  
 State minimum wage, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, providing an exemption from rule-making procedures, and requiring the exercise of rule-making authority

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate  
 Increase Existing Appropriations     
  Increase Existing Revenues  
 Decrease Existing Appropriations     
  Decrease Existing Revenues  
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget  
 Yes       No  
 Decrease Costs

**Local:**

No Local Government Costs  
 Indeterminate

|  |  |  |
|--|--|--|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>4. <input type="checkbox"/> Decrease Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected<br><input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|--|--|--|

|  |                                       |
|--|---------------------------------------|
| <b>Fund Sources Affected</b>   | <b>Affected Ch. 20 Appropriations</b> |
| <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445(1)(a) |                                       |

|                                |                               |             |
|--------------------------------|-------------------------------|-------------|
| <b>Agency/Prepared By</b>      | <b>Authorized Signature</b>   | <b>Date</b> |
| DWD/ Joe Dvorak (608) 267-6969 | David Anderson (608) 266-2284 | 4/20/2015   |

## Fiscal Estimate Narratives

DWD 4/20/2015

|  |          |                     |        |               |          |
|--|----------|---------------------|--------|---------------|----------|
| LRB Number   | 15-02071 | Introduction Number | SB-002 | Estimate Type | Original |
| <b>Description</b><br>State minimum wage, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, providing an exemption from rule-making procedures, and requiring the exercise of rule-making authority |          |                     |        |               |          |

### Assumptions Used in Arriving at Fiscal Estimate

Current law requires employers pay their employees a living wage. The Department of Workforce Development provides, by rule, minimum wage rates for various employee types; certain exemptions from the minimum wage law; and allowances against the minimum wage.

Under SB 2, these exemptions would remain in place but references to, and provisions for, the payment of a living wage would be repealed and replaced with provisions requiring a minimum wage.

SB 2 sets a minimum general wage rate that increases from the current rate of \$7.25 per hour to \$10.10 in three steps over two years. Three years after the bill's effective date, SB 2 requires DWD to promulgate rules that outline the steps for reviewing and revising the minimum wage rate in a statutorily prescribed manner based on changes to the consumer price index. Finally, the bill establishes a process to increase wages for tipped employees to 70 percent of the general minimum wage.

Administratively, this legislation would result in an estimated 200 additional wage complaints annually that cannot be fielded, investigated, or resolved at current staffing levels. To meet this increased workload, ensure required administrative rules are promulgated, and review and set the minimum wage, one Equal Rights Officer would need to be hired at an annual cost of \$60,900.

Due to statutory language changes, \$5,000 is also needed annually to update publications and reprint materials that contain outdated rates and requirements. Neither expense is absorbable within the agency's current operating budget. The total estimated annual ongoing cost of this bill is \$65,900 GPR.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

|  |                                   |                 |
|--|-----------------------------------|-----------------|
| <b>LRB Number</b> 15-0207/1  | <b>Introduction Number</b> SB-002 |                 |
| <b>Description</b><br>State minimum wage, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, providing an exemption from rule-making procedures, and requiring the exercise of rule-making authority |                                   |                 |
| <b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  |                                   |                 |
| <b>II. Annualized Costs:</b>   |                                   |                 |
| <b>Annualized Fiscal Impact on funds from:</b>   |                                   |                 |
|  | Increased Costs                   | Decreased Costs |
| <b>A. State Costs by Category</b>  |                                   |                 |
| State Operations - Salaries and Fringes  | \$60,900                          | \$              |
| (FTE Position Changes)   | (1.0 FTE)                         |                 |
| State Operations - Other Costs   | 5,000                             |                 |
| Local Assistance   |                                   |                 |
| Aids to Individuals or Organizations   |                                   |                 |
| <b>TOTAL State Costs by Category</b>   | <b>\$65,900</b>                   | <b>\$</b>       |
| <b>B. State Costs by Source of Funds</b>   |                                   |                 |
| GPR  | 65,900                            |                 |
| FED  |                                   |                 |
| PRO/PRS  |                                   |                 |
| SEG/SEG-S  |                                   |                 |
| <b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>   |                                   |                 |
|  | Increased Rev                     | Decreased Rev   |
| GPR Taxes  | \$                                | \$              |
| GPR Earned   |                                   |                 |
| FED  |                                   |                 |
| PRO/PRS  |                                   |                 |
| SEG/SEG-S  |                                   |                 |
| <b>TOTAL State Revenues</b>  | <b>\$</b>                         | <b>\$</b>       |
| <b>NET ANNUALIZED FISCAL IMPACT</b>  |                                   |                 |
|  | <u>State</u>                      | <u>Local</u>    |
| NET CHANGE IN COSTS  | \$65,900                          | \$              |
| NET CHANGE IN REVENUE  | \$                                | \$              |
| <b>Agency/Prepared By</b>  | <b>Authorized Signature</b>       | <b>Date</b>     |
| DWD/ Joe Dvorak (608) 267-6969   | David Anderson (608) 266-2284     | 4/20/2015       |