

Original Updated
 Corrected Supplemental

1999 Session

LRB or Bill No. -- Adm. Rule No.
AB-477 --LRB-3469/1

Amendment No. if Applicable

FISCAL ESTIMATE
DOA-2048 N(R10/94)

Subject
EQUAL RIGHTS-MINIMUM WAGE

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation
or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb
Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Government Units Affected
 Towns Villages Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected:

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations:

445(1)(a)

Assumptions Used in Arriving at Fiscal Estimate

State costs: The department would need to annually update state minimum wage rates and inform affected employers through a mass mailing. The department would incur \$75,000 in annual costs (150,000 pieces of mail at \$0.50 per piece to cover postage, printing and materials) for the mass mailing and cost of updating the minimum wage regulations.

Passage of this legislation will result in the department receiving an additional 200 complaints per year alleging employers aren't paying the minimum wage. Part of this increase will be due to the substantial increase (27%) in the minimum wage and part due to the fact the state minimum wage will be much higher than the federal minimum wage. Consequently many people who now might file minimum wage complaints with the federal government would be more likely to file with the department. The department will need one additional Equal Rights Officer-Senior (\$58,900 total annual cost, including \$47,400 for salary and fringe benefits and \$11,500 for supplies and services, and one-time costs \$7,150 for equipment and office furnishings) to investigate and resolve the additional complaints each year. Additionally, there will be a one-time cost of approximately \$1,000 to reprint other related informational materials.

Local costs: Government units who currently employ workers at or near the present minimum wage will experience increased costs when the state minimum wage is raised with passage of this legislation. The department lacks sufficient data to determine the exact number of workers who may be affected or the total cost to various levels of government.

Adoption of this legislation will increase the annual salary of one full-time minimum wage employee from \$10,712 to \$13,624, an increase of \$2,912 (27% increase). For agricultural employees (18 years of age or older) the increase would amount to \$4,576 which would be a 54% increase.

Long-Range Fiscal Implications

All of the fiscal effects anticipated above would continue into the future.

Agency/Prepared by:(Name & Phone No.)

DWD / Bob Anderson (Not Available) 266-3345

Authorized Signature/Telephone No.

M. Linn

Date

9/24/99

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB or Bill No./Adm Rule No. AB-477 / LRB-3469/1	Amendment No.
	<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental		

Subject
EQUAL RIGHTS-MINIMUM WAGE

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
\$7,150 to equip one Equal Rights Officer-Senior position and \$1,000 to reprint informational materials related to the law change.

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$47,400	- \$0
(FTE Position Changes)	(1.00FTE)	(- FTE)
State Operations - Other Costs	\$86,500	- \$0
Local Assistance	\$0	- \$0
Aids to Individuals or Organizations	\$0	- \$0
TOTAL State Costs by Category	\$133,900	- \$0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$133,900	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$0	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
TOTAL State Revenues:	\$0	- \$0

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
Net Change in Costs:	\$133,900	\$0
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / Bob Anderson (Not Available) 266-3345	Authorized Signature/Telephone No. <i>M. Leonard</i>	Date 9/24/99
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