



## Fiscal Estimate Narratives

DWD 6/2/2003

LRB Number	03-2353/1	Introduction Number	SB-178	Estimate Type	Original
<b>Subject</b> rest and meal breaks for employees					

### Assumptions Used in Arriving at Fiscal Estimate

Employees who currently work an eight hour or longer work shift without receiving a 30 minute meal break will experience a 30 minute increase in the length of their workday or a 30 minute reduction in pay per shift with passage of this legislation unless the employer applies for and obtains a break waiver from the department.

Statistics currently aren't available on the number of employers who don't provide meal or rest breaks to their employees. Government and private employers who currently don't provide the type of breaks mandated in this legislation, however, will incur a six percent (30minutes/480 minutes) increase in labor costs for employees who normally work an eight hour work shift.

Government and private employers who utilize computer timekeeping systems and employ minors will also incur costs in updating their computer payroll systems to ignore rest break time punches when calculating time worked for minor employees. The added complexity of the computer programs will increase purchase costs for such programs and maintenance costs for the programs.

The department anticipates it will receive 1,000 requests per year from employers for waivers of the rest and meal break requirements contained in this legislation. Using an Equal Rights Officer-Senior to process these requests the department anticipates spending 1.5 hours on average to process each request. It is estimated that it will take 0.80 FTE positions (Equal Rights Officer-Senior) and cost \$50,200 (\$29,600 salary, \$11,400 fringe benefits, \$9,200 Supplies and Services) per year with a one time setup cost for office furnishings, PC, etc. of \$6,500. Additionally associated annual mailing costs are expected to be \$1,000 per year.

The department also anticipates receiving a minimum of 200 complaints per year from employees alleging their employers have violated the break provisions in this legislation. Alloting ten hours per investigation the department estimates it will need 1.00 FTE (Equal Rights Officer-Senior) to investigate and resolve these complaints. The cost of this investigator per year will be \$62,700 (\$37,000 in salary, \$14,200 in fringe benefits and \$11,500 in supplies and services) plus a one time setup cost of \$6,500 for office furnishings and PC.

The department will incur an additional \$90,000 (180,000 pieces of mail @ \$0.50 each) in costs to conduct a mass mailing to the more than 180,000 business entities impacted by this legislation.

### Long-Range Fiscal Implications

This legislation is expected to continue to generate 200 plus complaints per year alleging violations of the break provisions at a department cost of \$62,700. The department will also annually spend \$50,200 to process waiver/modification requests from employers.

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 03-2353/1		<b>Introduction Number</b> SB-178	
<b>Subject</b>			
rest and meal breaks for employees			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
The department will incur \$90,000 in costs to send a mail mailing to approximately 180,000 employers (agricultural + non-agricultural) informing them of the new break requirements. Additionally the department will incur \$13,000 in costs to equip two Equal Rights Officers-Senior positions with office equipment.			
<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	\$92,200	
	(FTE Position Changes)	(1.8 FTE)	
	State Operations - Other Costs	20,700	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$112,900</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR	112,900	
	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, ets.)</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>			
		State	Local
	NET CHANGE IN COSTS	\$112,900	\$
	NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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