

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-3457/1		Introduction Number AB-622	
Subject Minimum wage; tie to federal poverty line			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input checked="" type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input checked="" type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village	
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input checked="" type="checkbox"/> School Districts		<input checked="" type="checkbox"/> WTCS Districts	
<input checked="" type="checkbox"/> Cities			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By DWD/ Robert Anderson (608) 266-3345		Authorized Signature JoAnna Richard (608) 266-3131	Date 11/7/2003

Fiscal Estimate Narratives

DWD 11/7/2003

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Assumptions Used in Arriving at Fiscal Estimate

State Costs: Under this legislation the department would need to annually update the minimum wage rates. The department would incur about \$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 updating of the minimum wage regulations.

The department further anticipates receiving an additional 200 complaints per year alleging violations of the minimum wage law and regulations. Part of the increased workload will be due to the fact the minimum wage would initially be increased 41% over the current wage. With a minimum wage that is substantially higher than the federal minimum wage rate, most workers will choose to file minimum wage complaints with the department rather than the United States Department of Labor. The department will need one additional Equal Rights Officer-Senior position to investigate and resolve these complaints (Total annual cost of \$62,000; \$50,500 in salary and fringe benefits plus \$11,500 in supplies and services) plus a one time cost of \$6,500 for office furnishings, computer equipment, etc. Annual passage of minimum wage increases will necessitate the annual replacement of outdated posters and brochures on minimum wage at a cost of \$2,000 per year.

Local Costs: Many government units utilize minimum wage level employees to perform tasks like supervising park recreation programs, mowing lawns in the summer months, lifeguarding and processing tax returns just to name a few. Increasing the minimum wage by about 41% immediately will require these government units to pay their minimum wage level employees higher wages than they presently receive. Unfortunately the department lacks sufficient data to determine how many workers will be impacted or the total cost to local government units.

Long-Range Fiscal Implications

All of the fiscal effects anticipated in the initial year will continue for the foreseeable future.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$6,500 to equip one Equal Rights Officer-Senior position and \$2,000 to reprint informational materials related to the law change.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$50,500	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		86,500	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$137,000	\$
B. State Costs by Source of Funds			
GPR		137,000	
FED			
PRO/PRS			
SEG/SEG-S			
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		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$137,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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