

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3221/1	Introduction Number SB-307
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Subject
 Minimum wage; tie to poverty level for family of four

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes
 No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <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"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<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 445(1)(a)	

Agency/Prepared By	Authorized Signature	Date
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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. To maximize compliance with the law the department would need to do an annual mass mailing to employers to inform them of the new minimum wage rates each year. 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 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 be increased approximately 71% over the current wage. With a minimum wage rate that is substantially higher than the federal minimum wage rate workers will be more likely to file minimum wage complaints with the department rather than with the United States Department of Labor. The department will need one additional senior level Equal Rights Officer 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 adjustments will necessitate the annual replacement of outdated posters and brochures at a cost of \$2,000 per year.

Local Costs: Many government units utilize minimum wage level employees to perform tasks like supervising parks recreation programs, mowing lawns, lifeguarding, processing tax returns just to name a few. The government units will now have to pay approximately 71% more in the first year after passage of this legislation for each hour worked. Unfortunately the department lacks sufficient data to determine how many workers will be affected or the total cost to government units.

Long-Range Fiscal Implications

First year costs will continue into the foreseeable future.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
The department will incur \$6,500 to equip the Equal Rights Officer-Senior position (computer, office furniture, etc.) plus \$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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