

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-3981/1	Introduction Number SB-505	
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:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input 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 type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
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 20.445(1)(a)		
Agency/Prepared By	Authorized Signature	Date
DWD/ Jean Culbert (608) 266-6898	David Anderson (608) 266-2284	2/4/2014

Fiscal Estimate Narratives

DWD 2/4/2014

LRB Number	13-3981/1	Introduction Number	SB-505	Estimate Type	Original
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					

Assumptions Used in Arriving at Fiscal Estimate

The current minimum wage law requires employers to pay a living wage to their employees. Under that law, the Department of Workforce Development provides, by rule, various types of employee exemptions from the minimum wage law. Under SB 505, the Department of Workforce Development (DWD) will continue to provide these exemptions. However, for employees generally and for tipped employees SB 505 sets new minimum wages. Three years after SB 505's effective date, DWD will be required to promulgate rules revising the minimum wages established under SB 505 using a formula based on the consumer price index for that year and the preceding year. For tipped employees SB 505 would require DWD to increase the minimum wage by 95 cents each year until the minimum wage for tipped employees equals 70 percent of the minimum wage for employees generally.

The annual changes in minimum wage rates by SB 505 would result in DWD updating, printing and distributing posters and brochures on an annual basis at a projected cost of \$16,000. DWD Equal Rights Division also projects SB 505 would result in about 200 more complaints in the first year because the state minimum wage rates would be higher than the federal rates. This increased complaint workload would require an additional Equal Rights Officer (1.0 FTE) be added to the Equal Rights Division at a cost of \$64,122.

There would be minimal costs associated with the annual rulemaking process. The Equal Rights Division could absorb the minor rulemaking costs in its budget.

Local governments that employ people at the current minimum wage would have to raise the wage rate each year. The Equal Rights Division does not have a count of the number of local employees that would be affected. Therefore, the cost to local governmental units cannot be estimated.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
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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			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$45,100		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	35,022		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$80,122		\$
B. State Costs by Source of Funds			
GPR	80,122		
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			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$80,122		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By			
DWD/ Jean Culbert (608) 266-6898		Authorized Signature	Date
		David Anderson (608) 266-2284	2/4/2014