

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-3831/1	Introduction Number AB-0720
-----------------------------	------------------------------------

Description
 Creation of a wage council to study and make recommendations concerning increases in the living wage, increasing the state minimum wage, and granting rule-making authority

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. Increase Costs
 Permissive Mandatory
- 3. Increase Revenue
 Permissive Mandatory
- 5. Types of Local Government Units Affected
- 2. Decrease Costs
 Permissive Mandatory
- 4. Decrease Revenue
 Permissive Mandatory
- Towns Village Cities
- Counties Others
- School Districts 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	3/4/2014

Fiscal Estimate Narratives

DWD 3/4/2014

LRB Number	13-3831/1	Introduction Number	AB-0720	Estimate Type	Original
Description Creation of a wage council to study and make recommendations concerning increases in the living wage, increasing the state minimum wage, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Current law requires the Department of Workforce Development (DWD) to appoint a wage council after an investigation reveals there is cause to believe an employee is not being paid a living wage. This bill creates a permanent wage council in DWD and requires the wage council to meet early in the regular session of the legislature and make recommendations to DWD regarding any rule changes that may be necessary to ensure that an employee is receiving a living wage. DWD may convene the wage council at other times during the regular session of the legislature if, upon investigation, DWD finds there is reasonable cause to believe an employee is not receiving a living wage. If DWD does convene the wage council, the wage council must study the need for an increase in the living wage and report its recommendations to DWD.

The DWD Equal Rights Division projects that providing staff support to a permanent wage council and promulgating new rules as specified in this bill would require approximately 400-500 work hours from current staff in the Equal Rights Division. The Equal Rights Division anticipates it will be able to distribute this work load between current staff.

Based on the proposed number of council members, the Equal Rights Division projects annual meeting costs for the wage council will be \$5,000. The cost of publications and printing is estimated at \$5,000 annually also.

This bill also increases the minimum wage for employees generally, beginning January 1, 2015, from \$7.25 per hour to \$8.00 per hour, or an amount determined by DWD rule, whichever is greater.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-3831/1		Introduction Number AB-0720	
Description Creation of a wage council to study and make recommendations concerning increases in the living wage, increasing the state minimum wage, and granting 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	\$		\$
(FTE Position Changes)			
State Operations - Other Costs	10,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$10,000		\$
B. State Costs by Source of Funds			
GPR	10,000		
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			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$10,000		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DWD/ Jean Culbert (608) 266-6898		David Anderson (608) 266-2284	3/4/2014