

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-0504/1	Introduction Number SB-004
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Description
 A state minimum wage, permitting the enactment of local living wage ordinances, 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"/> Decrease Existing Appropriations
<input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues
<input type="checkbox"/> Decrease Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Yes <input 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 <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease 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 |
|--|--|--|

Fund Sources Affected

- GPR FED PRO PRS SEG SEGS 20.445(1)(a)

Affected Ch. 20 Appropriations

Agency/Prepared By DWD/ Jim Chiolino (608) 266-3345	Authorized Signature Georgia Maxwell (608) 266-2284	Date 2/7/2013
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Fiscal Estimate Narratives

DWD 2/7/2013

LRB Number	13-0504/1	Introduction Number	SB-004	Estimate Type	Original
Description A state minimum wage, permitting the enactment of local living wage ordinances, 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

SB 4, if enacted into law, would increase Wisconsin's minimum wage for adults to \$7.60 per hour on upon enactment and adjusts other minimum wage rates upward as well. The legislation also requires the department to annually adjust the minimum wage rate based upon the consumer price index. The legislation further permits local municipalities to establish minimum wage ordinances that set minimum wage rates higher than the state minimum wage rate.

1. Passage of this bill will result in fewer than 20 additional minimum wage complaints filed with the department each year. The department bases this assumption upon its most recent experiences with the 2005 and 2006 minimum wage increases. At that time, the department raised the state minimum wage above the federal rate. Those increases led to an additional 20 minimum wage complaints per year filed with the department. Since the department annually processes about 3,500 unpaid wage complaints per year the department believes it can absorb the additional workload.

2. The cost of updating the minimum wage rates in the administrative rule, reprinting the new rule and publicizing the new rule will be about \$1,500.

3. If local government units choose to employ workers at the minimum wage, the cost to employ those workers will increase from \$7.25 per hour (the current minimum wage) to \$7.60 per hour for each adult so employed. The new minimum wage for minors (those under 18 years of age) will be the same as the current federal minimum wage and therefore there will be no impact on this group of employees. The department does not have any accurate figures on how many adult minimum wage employees various government units employ.

Long-Range Fiscal Implications

The annual cost of updating the minimum wage will continue to cost the department about \$1,500 per year to update the administrative rule, reprint the code and minimum wage wage brochures and to publicize the new rates each year.

Fiscal Estimate Worksheet - 2013 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): \$1,500 will be needed to update Wisconsin's minimum wage regulations, reprint copies of the administrative code and minimum wage literature and to publicize the new minimum wage rates.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$0	\$0	
(FTE Position Changes)	(0.0 FTE)	(-0.0 FTE)	
State Operations - Other Costs	1,500	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$1,500	\$0	
B. State Costs by Source of Funds			
GPR	1,500	0	
FED	0	0	
PRO/PRS	0	0	
SEG/SEG-S	0	0	
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	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS	0	0	
SEG/SEG-S	0	0	
TOTAL State Revenues	\$0	\$0	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$1,500	\$	
NET CHANGE IN REVENUE	\$0	\$	
Agency/Prepared By		Authorized Signature	Date
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