

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-0869/1</b>	<b>Introduction Number</b> <b>AB-0012</b>
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**Description**  
 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"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**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	5. Types of Local Government Units Affected
<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	

Towns       Village       Cities  
 Counties       Others  
 School Districts       WTCS Districts

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<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)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DWD/ Joe Dvorak (608) 267-6969	David Anderson (608) 266-2284	4/20/2015

## Fiscal Estimate Narratives

DWD 4/20/2015

LRB Number	<b>15-0869/1</b>	Introduction Number	<b>AB-0012</b>	Estimate Type	<b>Original</b>
<b>Description</b> 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

Current law requires employers pay their employees a living wage. The Department of Workforce Development provides, by rule, minimum wage rates for various employee types; certain exemptions from the minimum wage law; and allowances against the minimum wage.

Under AB 12, these exemptions would remain in place but new minimum wages are set to statutorily increase in steps over a two year period. Three years after the bill's effective date, AB 12 requires DWD to promulgate rules that review and revise the minimum wage rate by statute based on changes to the consumer price index, also increasing wages for tipped employees to 70 percent of the general minimum wage. Finally, this bill eliminates the preemption on local minimum wage ordinances.

Administratively, this legislation would result in an estimated 200 additional wage complaints annually that cannot be fielded, investigated, or resolved at current staffing levels. To meet this increased workload, ensure required administrative rules are promulgated, and review and set the minimum wage, one Equal Rights Officer would be need to be hired at an annual cost of \$60,900.

Due to statutory language changes, \$5,000 is also needed annually to update publications and reprint materials that contain outdated rates and requirements. Neither expense is absorbable within the agency's current operating budget. The total estimated annual ongoing cost of this bill is \$65,900 GPR.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> 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		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
<b>II. Annualized Costs:</b>		
	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$60,900	\$
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs	5,000	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$65,900</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	65,900	
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$65,900	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
DWD/ Joe Dvorak (608) 267-6969		4/20/2015
David Anderson (608) 266-2284		