

Fiscal Estimate - 2017 Session

Original Updated Corrected Supplemental

LRB Number 17-0325/1		Introduction Number SB-087	
Description the minimum wage required to be paid to tipped employees			
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"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Decrease Costs		
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate		5. Types of Local Government Units Affected	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<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 20.445(1)(a)			
Agency/Prepared By		Authorized Signature	Date
DWD/ Joe Dvorak (608) 267-6969		Georgia Maxwell (608) 266-2284	3/14/2017

Fiscal Estimate Narratives

DWD 3/14/2017

LRB Number	17-0325/1	Introduction Number	SB-087	Estimate Type	Original
Description the minimum wage required to be paid to tipped employees					

Assumptions Used in Arriving at Fiscal Estimate

This bill increases the tipped employee minimum wage from \$2.33 to \$3.28 six months after enactment. The bill then raises this wage to \$7.08 per hour through a series of annual increases of \$.95. Once this wage rate is reached, the bill eliminates the separate tipped minimum wage altogether, subjecting these employees to the general minimum wage (currently \$7.25 per hour or \$5.90 an hour for opportunity employees).

The Department of Workforce Development estimates that this legislation would create 300 additional wage complaints annually that cannot be fielded, investigated, or resolved at current staffing levels within the Department's Division of the Equal Rights. To meet this increased workload, 2.0 FTE Equal Rights Officers would need to be hired at an added annual cost of \$137,000 GPR. There would be a one-time GPR start-up cost of \$7,000 to staff the two positions. Finally, additional one-time GPR costs of \$5000 are needed to update and reprint existing documentation relating to minimum wage laws.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-0325/1	Introduction Number SB-087
Description the minimum wage required to be paid to tipped employees	
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):	
One-time costs of \$5000 are needed to update and reprint existing documentation relating to minimum wage laws. There is also a \$7,000 one-time start-up cost to staff the two positions.	
II. Annualized Costs:	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$100,400
(FTE Position Changes)	(2.0 FTE)
State Operations - Other Costs	36,600
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	
	<u>State</u>
	<u>Local</u>
NET CHANGE IN COSTS	\$137,000
NET CHANGE IN REVENUE	\$
Agency/Prepared By	Authorized Signature
DWD/ Joe Dvorak (608) 267-6969	Georgia Maxwell (608) 266-2284
	Date
	3/14/2017