

### Fiscal Estimate - 2019 Session

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> <b>19-3342/1</b>	<b>Introduction Number</b> <b>AB-0961</b>	
<b>Description</b> state minimum wage, allowing the enactment of local minimum wage ordinances, and requiring the exercise of rule-making authority		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriations		
<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 Costs		
<b>Local:</b>		
<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 checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</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>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b> DWD/ Thomas Goodwyn (608) 267-9058	<b>Authorized Signature</b> Danielle Williams (608) 266-2284	<b>Date</b> 3/4/2020

## Fiscal Estimate Narratives

DWD 3/4/2020

LRB Number	19-3342/1	Introduction Number	AB-0961	Estimate Type	Original
<b>Description</b> state minimum wage, allowing the enactment of local minimum wage ordinances, and requiring the exercise of rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

This bill raises the state minimum wage initially to \$8.50 per hour and then makes incremental increases annually in five subsequent years. Beginning six years after the effective date, the bill requires the Department of Workforce Development (DWD) to revise the minimum wage annually based on a formula involving the consumer price index. DWD is also required to publish the revised minimum wage in the Wisconsin Administrative Register and on the department's internet site.

The bill repeals provisions for: establishing lower minimum wages for tipped employees; rules for counting tips or similar gratuities toward payment of minimum wage; setting specific meal and lodging allowances; and setting minimum wages for minor, opportunity, or agricultural and other employees. DWD is required to establish the minimum wage for those employees by rule.

Finally, the bill eliminates the prohibition for a city, village, town or county from enacting and administering an ordinance establishing a minimum wage.

The DWD Equal Rights Division (ERD) estimates this legislation would generate an additional 200 complaints annually that cannot be fielded, investigated, or resolved at current staffing levels. To address this increase, the ERD would have to reallocate existing staff workloads equal to one Equal Rights Officer, which has an annual cost of \$63,600 for salary and fringe benefits and \$21,400 for other operational costs for a total of \$85,000.

In addition, there would be one-time costs \$6,000 to review, revise, and reprint existing publications.

Local government counterparts to the ERD may experience an increase in discrimination complaints which may necessitate additional staff. Local governments may also need to update documentation and publications including official documents and may choose to explore options for development and implementation of local ordinances. These costs are currently indeterminate.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> state minimum wage, allowing the enactment of local minimum wage ordinances, 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>  \$6,000 to review, revise, and reprint existing publications.			
<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	\$63,600	\$
	(FTE Position Changes)		
	State Operations - Other Costs	21,400	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$85,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR	85,000	
	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, ets.)</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	\$85,000	\$
	NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DWD/ Thomas Goodwyn (608) 267-9058		Danielle Williams (608) 266-2284	3/4/2020