

Fiscal Estimate - 2021 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 21-4002/1	Introduction Number AB-0477	
Description a state minimum wage, allowing the enactment of local minimum wage ordinances, and granting rule-making authority		
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate <div style="display: flex;"> <div style="width: 50%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 50%;"> 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 </div> </div> </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Cities </div> </div> </div> </div>		
Fund Sources Affected <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		
Affected Ch. 20 Appropriations 20.445 (1) (a)		
Agency/Prepared By	Authorized Signature	Date
DWD/ Thomas Goodwyn (608) 267-9058	Danielle Williams (608) 266-2284	8/6/2021

Fiscal Estimate Narratives

DWD 8/6/2021

LRB Number	21-4002/1	Introduction Number	AB-0477	Estimate Type	Original
Description a state minimum wage, allowing the enactment of local minimum wage ordinances, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill raises the state minimum wage, for most employees, initially to \$10.15 per hour and to \$15.00 per hour one year after the effective date of the bill. Beginning two 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 (CPI) when the CPI has increased over the year before the preceding year. 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; a provision requiring DWD to promulgate rules governing the counting of tips or similar gratuities toward the 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 department estimates this legislation would generate an additional 200 wage related complaints annually that cannot be fielded, investigated, or resolved with current authorized position levels. To address this increase, DWD's Equal Rights Division would incur contractor related costs equal to one Full Time Equivalent Equal Rights Officer which has an annual total cost of \$88,300. The bill does not provide resources or position authority for these duties. The cost is not absorbable within the ER Division's staffing resources.

There would be one-time absorbable charges of \$3,500 for staffing set-up and \$6,000 to review, revise, and reprint existing publications.

Local government counterparts to the ERD may experience an increase in wage related 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 - 2021 Session

Detailed Estimate of Annual Fiscal Effect

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 21-4002/1	Introduction Number AB-0477	
Description a state minimum wage, allowing the enactment of local minimum wage ordinances, 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): \$3,500 for staffing set-up and \$6,000 to review, revise, and reprint existing publications.		
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	88,300	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$88,300	\$
B. State Costs by Source of Funds		
GPR	88,300	
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	\$88,300	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By Authorized Signature Date		
DWD/ Thomas Goodwyn (608) 267-9058	Danielle Williams (608) 266-2284	8/6/2021