

Fiscal Estimate Narratives

DWD 1/8/02

LRB Number	01-3824/1	Introduction Number	SB-359	Estimate Type	Original
Subject					
Rest periods for employees					

Assumptions Used in Arriving at Fiscal Estimate

Government and private employers who employ individuals eight hours a day and currently don't provide the workers with a 15 minute break every four hours will incur a six percent (30 minutes/480 minutes) increase in labor costs with passage of this bill. The unavailability of statistics on the number of employers who currently provide a 15 minute paid break to workers for every four hours worked makes it impossible to accurately determine the cost of this legislation to employers.

Employees who currently work an eight hour day without a 30 minute meal break (paid or unpaid) will either experience a half hour increase in the length of their work day or a 1/2 hour reduction in their paid hours of work with passage of this bill.

The department anticipates it will receive 1,000 requests per year from employers for waivers or modifications of the break requirements contained in this legislation. Using an Equal Rights Officer-Senior to process these requests the department anticipates spending 1.5 hours on average to process each request. It is estimated that it will take 0.80 FTE (Equal Rights Officer position) and cost annually \$47,500 (\$28,100 Salary, \$10,200 Fringe Benefits, \$9,200 Supplies and Services) with a one-time setup cost for office furnishings, PC etc. of \$6,500. Additionally, associated annual mailing costs are approximated to be \$1,000 per year.

The department anticipates that this legislation will result in the department receiving a minimum of 200 complaints a year from employees alleging employers are violating the provisions of this legislation. The department anticipates spending a minimum of ten hours per complaint to investigate these complaints. The department will need 1.00 FTE Equal Rights Officer-Senior position at \$59,400 (\$35,100 Salary, \$12,800 fringe Benefits, \$11,500 Supplies and Services) per year to investigate and resolve these complaints. A one-time setup cost to equip the position with office furnishings, PC etc. is estimated to be approximately \$6,500.

The department will incur an additional \$90,000 (180,000 pieces @ 0.50 cents) in costs to conduct a mass mailing to the more than 180,000 businesses that will be impacted by this new legislation.

Long-Range Fiscal Implications

This legislation may result in 200 plus complaints filed per year alleging violations of the law. This will result in ongoing costs of \$59,400 annually to investigate those complaints. Additionally the department will spend \$48,500 annually to process waiver/modifications of the break requirements from employers.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3824/1		Introduction Number SB-359	
Subject			
Rest periods for employees			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
The department will incur \$90,000 in costs to send a mass mailing to approximately 180,000 employers (agricultural + non-agricultural) informing them of the new break requirements. Additionally, the department will incur costs of \$13,000 to equip two Equal Rights Officers - Senior.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$86,200	
(FTE Position Changes)		(1.8 FTE)	
State Operations - Other Costs		21,700	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$107,900	\$
B. State Costs by Source of Funds			
GPR		107,900	
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			
		State	Local
NET CHANGE IN COSTS		\$107,900	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DWD/ Robert Anderson (608) 266-3345		Kimberly Markham (608) 267-3200	1/7/02