



## Fiscal Estimate Narratives

DWD 4/20/2007

LRB Number	<b>07-1435/1</b>	Introduction Number	<b>SB-130</b>	Estimate Type	<b>Original</b>
<b>Description</b> A state minimum wage and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

SB 130, if enacted into law, would on September 1, 2007 increase Wisconsin's adult minimum wage rate from \$6.50 to \$7.25 for non-agricultural adult workers and corresponding raises to Wisconsin's other minimum wage rates. SB 130 also contains a provision that indexes the minimum wage to the Consumer Price Index and requires the department to annually submit an administrative rule change to adjust the minimum wage rate for inflation. The department makes the following assumptions about this legislation:

1. The passage of this legislation will result in fewer than 20 additional complaints filed with the department alleging that an employer failed to pay an employee the updated minimum wage rate. The department bases this assumption upon its recent experiences with the 2005 and 2006 minimum wage increases. Since the department currently processes in excess of 4,000 unpaid wage complaints of all types each year the department believes it can absorb this increased workload.
2. The annual cost of updating the minimum wage rates in the administrative rule, reprinting the new administrative rule each year and publicizing the new rule will be about \$1,500 per year.
3. The minimum wage increases each year will impact state government, counties, and municipalities who routinely hire minimum wage level employees to perform various jobs as working in summer parks programs, lifeguarding at public pools, school summer work programs just to name a few. The department lacks sufficient data to estimate the actual financial impact of the currently proposed minimum wage increase on the various government entities.

### Long-Range Fiscal Implications

The annual review and updating of Wisconsin's minimum wage will continue to cost the department about \$1,500 per year to update the minimum wage rule, reprint copies of the rule and publicize the rule change each year.

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number 07-1435/1</b>		<b>Introduction Number SB-130</b>	
<b>Description</b> A state minimum wage and granting 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>  \$1,500 will be needed to update Wisconsin's minimum wage rule, reprint copies of the rule and minimum wage literature and to publicize the new wage rates.			
<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	\$0	\$0	
(FTE Position Changes)	(0.0 FTE)	(0.0 FTE)	
State Operations - Other Costs	0	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
<b>TOTAL State Costs by Category</b>	<b>\$0</b>	<b>\$0</b>	
<b>B. State Costs by Source of Funds</b>			
GPR	0	0	
FED	0	0	
PRO/PRS (0)	0	0	
SEG/SEG-S (0)	0	0	
<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	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS (0)	0	0	
SEG/SEG-S (0)	0	0	
<b>TOTAL State Revenues</b>	<b>\$0</b>	<b>\$0</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$0	\$	
NET CHANGE IN REVENUE	\$0	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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