



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 1013** HLS 22RS 1773  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.: **REVISED**

<b>Date:</b> May 4, 2022 9:09 AM	<b>Author:</b> WHITE, M
<b>Dept./Agy.:</b> LA Workforce Commission	<b>Analyst:</b> Prashant Sastry
<b>Subject:</b> Provides minimum wage to state employees	

STATE EMPLOYEES OR INCREASE GF EX See Note Page 1 of 2  
 Provides relative to the minimum wage of state employees

Proposed law provides that no employee of any agency or instrumentality of the state shall be paid at a rate of less than \$9 per hour. Provides that if federal or state law requires a minimum rate of pay for a state employee that is higher than the rate required by proposed law, the higher rate shall apply to the employee.

Proposed law provides that in addition to any other remedy provided by law, an employee shall have a civil right of action for damages against an employer for a violation of proposed law, and that the employer will be liable in the amount of the difference between between the amount that the employee was paid and the amount the employer was statutorily obligated to pay plus reasonable attorney fees and court costs. Proposed law requires that that an action pursuant to be commenced within three years from the date that an employee becomes aware that the employer is in violation of proposed law.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed law is anticipated to increase state governmental expenditures by \$402,201 for 331 employees in FY 23 as a result of a new minimum wage. Salaries and wages of classified employees and WAE employees are paid with all means of financing (MOF). All MOF may be affected by the total cost increase resulting from this proposed law. This minimum wage analysis does not include costs associated with related benefits because these rates vary depending on the employees' retirement plan.

**Wage Increase Impact**

Proposed law will increase state expenditures by a total of \$402,201 for FY 23 to fund the additional salary costs associated with the new minimum wage. According to State Civil Service, as of 01/31/2022, there are 112 classified employees, 168 unclassified employees and 51 When Actually Employed (WAE) temporary employees identified that will be earning less than \$9 per hour on 01/01/2023. In FY 23, to comply with the requirements of this proposed law, additional state expenditures of \$145,810 for classified employees, \$232,126 for unclassified employees, and additional state expenditures of \$24,265 for WAE employees are anticipated, which is annualized in future fiscal years. This fiscal note assumes that 112 classified employees will receive an annual 4% Market Rate Adjustment.

	FY-23	FY-24	FY-25	FY-26	FY-27
Classified Employees*	\$145,810	\$151,642	\$157,708	\$164,016	\$170,577
Unclassified Employees	\$232,126	\$232,126	\$232,126	\$232,126	\$232,126
WAE Employees**	<u>\$24,265</u>	<u>\$24,265</u>	<u>\$24,265</u>	<u>\$24,265</u>	<u>\$24,265</u>
Total	\$402,201	\$408,033	\$414,099	\$420,407	\$426,968

\*Assumes annual 4% performance adjustments

\*\*Assumes employees works 1,245 hrs/year which is the max for WAE

**Continue on Page 2**

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Evan Brasseaux**  
 Interim Deputy Fiscal Officer



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**CONTINUED EXPLANATION from page one:**

**Continued Expenditure Explanation from Page 1**

NOTE: Although not included in the analysis, related benefits will increase proportionately to the increase in salary by a rate varying from 7.65% to 43.55% depending on the employee's retirement plan. For example, if an employee is in the LASERS rank and file plan, then the related benefit cost for this employee will increase proportionately to the pay increase by 43.55% (42.1% for employer contributions to LASERS + 1.45% for Medicare). This illustrative calculation does not include WAEs as they are not eligible for LASER retirement. For illustrative purposes, the additional impact of related benefits applying to a LASERS member retirement rate of 42.1% would be \$61,386 for FY 23, \$63,841 for FY 24, \$66,395 for FY 25, \$69,051 for FY 26, and \$71,813 for FY 27 (see note below on page 2).

**Judicial and Local Courts**

To the extent the proposed law increases the number of civil cases in district courts, an indeterminable increase in costs associated with district attorney prosecutions, judicial workload, time and attendance (presence of judges, clerks, bailiffs, counsel, etc.) may result. It is speculative as to how many, if any, additional civil cases will occur as a result of this measure, as is the materiality of associated costs.

**Public Assistance Programs**

To the extent the minimum wage increase results in individuals' earnings exceeding the means-tested public assistance threshold, there may be an indeterminable decrease in public assistance enrollment and expenditures. The number of individuals that would be impacted by the increase is unknown.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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