



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 209** HLS 26RS 793
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 31, 2026 9:12 AM	Author: BOYD
Dept./Agy.: Louisiana Works	
Subject: Increases State Minimum Wage	Analyst: Darynn Hoppe

EMPLOYMENT/WAGES-MINIMUM OR INCREASE GF EX See Note Page 1 of 2
 Provides relative to the state minimum wage

Proposed law requires each city, parish, district clerk of court, and clerk of the civil district for Orleans Parish to maintain a docket of the record of cases filed for employer violation of wage payments to be submitted monthly to Louisiana Works (LA Works). Proposed law establishes a state minimum wage and sets it at \$10 per hour beginning on January 1, 2027, \$12 per hour beginning on January 1, 2029 and \$14 per hour beginning on January 1, 2031. If the federal minimum wage is raised above the state minimum wage, the state minimum wage shall be raised to that level. The bill does not apply to student employees of private employers, tipped employees, and agriculture employees. Proposed law provides that an employee may file a civil lawsuit in the proper venue for damages against an employer for a violation. An employer in violation is liable for the difference in wages and the statutory minimum wage plus reasonable attorney fees and court costs if the lawsuit is filed within one year from the date that an employee becomes aware that the employer is in violation. Proposed law requires LA Works to compile a list of names of the violating employers, the number of employees affected, and the dollar amount of each violation to submit to the House and Senate Committee on Labor and Industrial Relations and the Office of the Governor.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase state expenditures by \$2.4 M in FY 27, \$2.3 M in FY 28, \$3 M in FY 29, \$3.7 M in FY 30, and \$5.5 M in FY 31

Total Estimated Impact (Wage Increase Impact)

The following table summarizes the effect of the wage increase impact as reported by the Civil Service Department and the cost of enforcement as reported by LA Works. Wage increases at each minimum wage tier will cumulatively increase state expenditures.

Minimum Wage	FY 27	FY 28	FY 29	FY 30	FY 31
\$10	\$ 162,193	\$ 324,386	\$ 324,386	\$ 324,386	\$ 324,386
\$12	\$ 0	\$ 0	\$ 681,519	\$ 1,363,038	\$ 1,363,038
\$14	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,478,726
Wage Impact	\$ 162,193	\$ 324,386	\$ 1,005,905	\$ 1,687,424	\$ 3,166,150
LWC Enforcement	\$ 2,226,690	\$ 1,929,539	\$ 1,967,380	\$ 2,005,977	\$ 2,045,347
Total Cost	\$ 2,388,883	\$ 2,253,925	\$ 2,973,285	\$ 3,693,401	\$ 5,211,497

The minimum wage tiers bring wages to \$12/hr and \$15/hr on January 1st in each respective fiscal year and assume When Actually Employed (WAEs) work 1,245 hours per year, which is the maximum for WAEs. Student employees of the state and universities are included in the estimates. A table on page 2 below breaks down state employees by number and classification.

Wage Increase Impact as reported by Civil Service Department

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 employee's retirement plan. Although not included in the analysis, related benefits are anticipated to increase by an indeterminable amount under this measure. Salary enhancements beyond minimum wage implementation are excluded from the wage impact analysis.

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REVENUE EXPLANATION

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

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<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}

Alan M. Boxberger
Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

The Below table shows the number of state employees reported by the Civil Service Department who would be affected by proposed law. This table includes student workers.

Affected State Employees	FY 27	FY 28	FY 29	FY 30	FY 31
Classified Employees	0	0	68	58	250
Unclassified Employees	164	164	429	429	808
WAEs	<u>15</u>	<u>15</u>	<u>194</u>	<u>194</u>	<u>414</u>
Total	<u>179</u>	<u>179</u>	<u>691</u>	<u>691</u>	<u>1,472</u>

Louisiana Workforce Commission Enforcement Costs

Presently, the State is under the federal minimum wage enforced by the U.S. Department of Labor (US DOL), Wage and Hour Division through the Fair Labor Standards Act (FLSA). As such, the U.S. Wage and Hour Division handles the majority of wage and hour complaints. According to Louisiana Works (LA Works), if a state minimum wage law is enacted, they have a memorandum of understanding (MOU) with the US DOL to investigate and enforce wage and hour complaints.

According to LA Works, if the department is tasked to provide the same or similar enforcement services as US DOL Wage and Hour Division, a new division within LA Works will have to be created and staffed. LA Works estimates that they would need to hire 10 investigators, an investigator supervisor, an attorney, and an administrative assistant to investigate and enforce wage complaints. The average salary for these 14 classified T.O. positions is estimated to be \$77,979 per employee, \$1,091,706 in total salaries in the first year. Additionally one time implementation costs are estimated to be \$371,750 for computer equipment, office space, 10 vehicles, travel, and employee training. Travel and training costs are expected to continue in subsequent fiscal years, along with salary growth. LA Works currently enforces child labor laws using employees in a similar manner and created their estimate for costs of enforcement based on that division within the department.

Local Wage Impact Costs

The proposed law may increase local governmental expenditures by an indeterminable amount due to the new state minimum wage exceeding the current federal rate. Costs will rise to the extent local employees are currently paid below the new minimum, equal to the difference between current wages and the proposed minimum wage.

Judicial and Local Courts

If the proposed law increases civil cases in district courts, there may be an indeterminable rise in costs for district attorney prosecutions, judicial workload, and related expenses. The number of additional cases, if any, is speculative.

Public Assistance Programs

To the extent a minimum wage increase results in individuals' earnings exceeding eligibility thresholds for means-tested programs such as SNAP and TANF cash assistance (FITAP and KCSP), there may be an indeterminable decrease in public assistance enrollment and expenditures; however, the number of individuals affected is unknown.

SNAP is administered by the Department of Children and Family Services (DCFS), with administrative costs funded approximately 50% by the State General Fund and 50% by a federal match from the Food and Nutrition Services (FNS). A decline in enrollment could modestly reduce administrative costs, though any impact is likely minimal. SNAP benefits are federally funded and issued directly to recipients, so changes in benefit levels would not affect DCFS expenditures or revenue.

TANF cash assistance programs are also federally funded and administered by DCFS. Due to the low-income eligibility threshold, few beneficiaries are likely to be affected by a wage increase, resulting in a minimal impact on program administration and benefit costs.

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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