

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 589** HLS 14RS 638
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 10, 2014 9:01 AM	Author: DIXON
Dept./Agy.: Civil Service/Labor	Analyst: Patrice Thomas
Subject: Establishes a State Minimum Wage	

EMPLOYMENT/WAGES-MINIMUM OR INCREASE See Note Page 1 of 2
 (Constitutional Amendment) Provides for a state minimum wage

Proposed constitutional amendment establishes a state minimum wage that shall be \$0.05 higher per hour than the federal minimum wage. Proposed constitutional amendment provides that the legislature may enact a minimum wage law that is higher than the minimum wage, and if so, the higher minimum wage shall be used. Proposed constitutional amendment provides for submission to the voters at the statewide election to be held 11/04/2014.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$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	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Annual Total	\$0					\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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

This proposed legislation will increase state governmental expenditures by at least \$2,303 in FY 15 as a result of additional salary expense.

Civil Service

Proposed legislation will increase state expenditures by a total of \$2,303 to fund the additional costs of the new minimum wage. According to State Civil Service, as of 01/31/2014, there are 37 when actually employed (WAE) employees projected to earn less than \$7.30 per hour (\$7.25 federal minimum wage + \$.05 per hour) on 11/04/2014. Therefore, to comply with the requirements of this legislation, additional state expenditures of \$2,303 additional state expenditures for WAE employees. Any classified employees making \$7.25 per hour are projected to receive annual 4% performance adjustment on October 1, 2014; therefore classified employees are not impact by this measure. See table below.

	FY 15	FY 16	FY 17	FY 18	FY 19
WAE Employees**	\$0	\$2,303	\$2,303	\$2,303	\$2,303
Total	\$0	\$2,303	\$2,303	\$2,303	\$2,303

**Increase to bring wages to \$7.30 per hour

The above analysis only estimates the impact on classified employees and WAE employees in state agencies, state colleges and universities, housing authorities, ports, levee boards and independent agencies that are subject to the rules of the State Civil Service Commission. Unclassified employees are not subject to the rules of the State Civil Service Commission; therefore unclassified employees are not included in the above analysis.

Continued on Page 2

REVENUE EXPLANATION

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

Senate	<u>Dual Referral Rules</u>	House	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 John D. Carpenter Legislative Fiscal Officer
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {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}		

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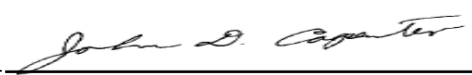
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CONTINUED EXPLANATION from page one:

(Continued Expenditure Explanation from Page 1)

Local
The proposed legislation will increase local governmental expenditures by an indeterminable amount.

Secretary of State
On November 4, 2014, voters will consider the proposed constitutional amendment at the statewide election. The Secretary of State may incur minimal ballot printing costs associated with this measure. However, as a regular practice, the Secretary of State routinely budgets for up to 10 constitutional amendments for the fall statewide elections.

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