



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 206** SLS 25RS 399
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.: **w/ PROP SEN COMM AMD**
Sub. Bill For.:

Date: May 13, 2025	5:34 PM	Author: CARTER, GARY
Dept./Agy.: Workforce Commission		
Subject: Minimum Wage Increases		Analyst: Mimi Blanchard

EMPLOYMENT OR INCREASE GF EX See Note Page 1 of 2
Provides relative to the state minimum wage. (gov sig)

Proposed law establishes a state minimum wage and sets it at \$10 per hour beginning on January 1, 2025, \$12 per hour beginning on January 1, 2027 and \$14 per hour beginning on January 1, 2029. 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.

Effective upon signature Considers amendment #1229

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	2025-26	2026-27	2027-28	2028-29	2029-30	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 \$241,286 in FY 26 and FY 27, \$1.3 M in FY 28 and FY 29, and \$3.6 M in FY 30. These costs can be attributed to the increased wages of persons employed by the State as specified in proposed law.

Total Estimated Impact (Wage Increase Impact)
The following table summarizes the effect of the wage increase impact as reported by the Civil Service Department. Wage increases at each minimum wage tier will cumulatively increase state expenditures.

Minimum Wage	FY 26	FY 27	FY 28	FY 29	FY 30
\$10	\$ 241,286	\$ 241,286	\$ 241,286	\$ 241,286	\$ 241,286
\$12	-	-	\$ 1,101,487	\$ 1,101,487	\$ 1,101,487
\$14	-	-	-	-	\$ 2,259,024
Total Cost	\$ 241,286	\$ 241,286	\$ 1,342,773	\$ 1,342,773	\$ 3,601,797

The minimum wage tiers bring wages to \$10/hr, \$12/hr, and \$14/hr on January 1st in each respective fiscal year and assume When Actually Employees (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. The following table shows the classification of state employees who are impacted at each minimum wage tier.

Affected State Employees	FY 26	FY 27	FY 28	FY 29	FY 30
Classified Employees	0	0	64	64	316
Unclassified Employees	194	194	335	335	597
WAEs	5	5	189	189	480
Total	199	199	588	588	1393

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

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input 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}	<div>Deborah Vivien Chief Economist</div>



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CONTINUED EXPLANATION from page one: Page 2 of 2

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.

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

Dual Referral Rules

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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Chief Economist