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## FISCAL IMPACT REPORT

SPONSOR Munoz/Padilla ORIGINAL DATE 1/25/22  
LAST UPDATED 2/11/22 HB \_\_\_\_\_

SHORT TITLE State Employee Minimum Wage SB 125/aSFC

ANALYST Jorgensen

### **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
State		\$8,180.4	\$8,180.4	\$16,360.8	Recurring	Various
Public Education		\$10,500.0	\$10,500.0	\$21,000.0	Recurring	Various
Higher Education		\$8,300.0	\$8,300.0	\$16,600.0	Recurring	Various
Total		\$26,980.4	\$26,980.4	\$53,960.8	Recurring	Various

Relates to appropriation in the General Appropriation Act

### **SOURCES OF INFORMATION**

LFC Files

#### Responses Received From

Higher Education Department (HED)  
State Personnel Office (SPO)

### **SUMMARY**

#### Synopsis of SFC Amendment

The Senate Finance Committee amendment to Senate Bill 125 sets a minimum wage of \$15.00 for all state, public education, and higher education employees. The bill also increases the minimum wage by 2 percent each year.

#### Synopsis of Original Bill

Senate Bill 125 (SB125) sets a minimum wage of \$15.00 for all state employees.

The effective date of this bill is July 1, 2022.

### **FISCAL IMPLICATIONS**

LFC analysis based on budgets for all legislative, judicial, and executive agency personnel records indicates there are 1,640 individuals earning less than \$15.00 per hour and the total annual cost to increase these salaries to a minimum of \$15.00 per hour is \$8,180.4 million. LFC estimates that the cost for higher education institutions would be approximately \$8.3 million and the cost for public education entities is \$10.5 million. These amounts are shown in the estimated additional operating budget impact table.

In addition, agencies and public and higher educational institutions would have to pay the cost of increasing the minimum wage by 2 percent per year. This amount would either have to be appropriated for each year or absorbed by agency operating budgets. The automatic increases could create a situation in which salaries must increase even in years when overall budgets decrease.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

The General Appropriation Act includes sufficient funding to increase all state and public and higher education employees' salaries to \$15.00 per hour.

Senate Bill 7 provides for a \$15 minimum wage for the same employees.

CJ/acv/rl