

OFFICE OF FISCAL ANALYSIS

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HB-5004

AN ACT INCREASING THE MINIMUM FAIR WAGE. AMENDMENT

LCO No.: 8286

File Copy No.: 267

House Calendar No.: 173

OFA Fiscal Note

Reduces Cost In Bill

The amendment reduces the cost in the bill by (1) implementing minimum wage increases at different increments between FY 20 and FY 24 and (2) eliminating the annual percentage increase in the minimum wage based on the employment cost index in FY 24 and beyond. This is anticipated to reduce costs associated with state contracts and employees identified in the underlying fiscal note during the years of the phase-in, including approximately \$500,000 FY 20, \$2.8 million in FY 21, and \$6.5 million in FY 22.

By slowing the phase-in of the minimum wage increase, the amendment also reduces costs to municipalities. Under the amendment's provisions, municipalities would not incur the full cost of a \$15 minimum wage until FY 24.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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