

# OFFICE OF FISCAL ANALYSIS

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HB-5004

## AN ACT INCREASING THE MINIMUM FAIR WAGE. AMENDMENT

LCO No.: 8579

File Copy No.: 870

House Calendar No.: 173

Senate Calendar No.: 475

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### ***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 25, 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 \$1.2 million FY 20, \$3.7 million in FY 21, and \$7.7 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 25.

The amendment also makes permanent the reduced wage paid to certain employees and reduces the cost of the underlying bill. The extent of the impact depends on the number of employed persons who receive supplemental security income and the number of workers under the age of eighteen.

*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*

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5/16/19

(RC)

*consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*