

# Fiscal Note

State of Alaska  
2019 Legislative Session

Bill Version: HB 28  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB028-DOLWD-LMI-04-27-19  
Title: EQUAL PAY & MINIMUM WAGE ACT  
Sponsor: TARR  
Requester: (H) STA

Department: Department of Labor and Workforce Development  
Appropriation: Commissioner and Administrative Services  
Allocation: Labor Market Information  
OMB Component Number: 336

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>OPERATING EXPENDITURES</b>	<b>FY 2020</b>	<b>FY 2020</b>					
Personal Services	68.5		20.0	20.0	20.0	20.0	20.0
Travel							
Services	10.3						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>78.8</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)	78.8		20.0	20.0	20.0	20.0	20.0
<b>Total</b>	<b>78.8</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

## Positions

Full-time							
Part-time							
Temporary	1.0						

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2019) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2020) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **12/31/19**

## Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on the 2-13-19 Governor's FY2020 request.

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Division:	Labor Market Information	Date:	04/26/2019 01:00 PM
Approved By:	Paloma Harbour, Administrative Services Director	Date:	04/27/19
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2019 LEGISLATIVE SESSION

BILL NO. HB 28

**Analysis**

This legislation increases the minimum wage from \$9.89 per hour to \$15.00 per hour as of January 1, 2020, and establishes requirements for the department to collaborate with the Alaska Commission for Human Rights to produce a report of pay practices in Alaska by election district, make the report available to the public, and file the report with the Alaska Commission for Human Rights and both bodies of the Legislature.

The reporting provisions require information about compensation practices in the state to determine whether employees receive (a) "equal pay for equal work" regardless of race, religion, color, national origin, physical or mental disability, sex, marital status, change in marital status, pregnancy, or parenthood and (b) wages, based on a "full-time weekly work schedule" and a 12-month work year, that are sufficient to pay the "reasonable living expenses" in the applicable election district for a family of four (including two children). Since the terms listed in quotations in the previous sentence are not defined, regulations would be necessary.

The department does not have access to the protected status data of employees, it is unlikely that employers would have this data, and it is unlikely that employees would disclose this data if the department tried to develop a survey to collect the information. This means the department would have to develop a methodology for estimating the required data using existing data sources such as American Community Survey information.

This would require one full-time non-permanent Research Analyst III (range 18) in Juneau at a total salary and benefit cost of \$68.5, and related indirect and core services chargebacks estimated at \$10.3 for a total cost of \$78.8 in FY2020. In FY2021 and beyond, Labor Market Information (also know as Research and Analysis) would be able to use existing staff to update the information within the developed methodology for the report. However, they would be unable to charge their time to existing fund sources that are restricted to other purposes. This will require additional funding estimated to total \$20.0 to produce the report. This estimate is based on staff time and effort spent on the development of other reports such as the Nonresidents Workers in Alaska report as an example.