

Estimate of Costs to the State of Alaska for the Implementation of the Minimum Wage Increase Ballot Initiative AS 23.10.065(a)

Multi-Agency Cost Summary

Agency	Cost
Alaska Department of Labor and Workforce Development	\$2,083
Office of the Lieutenant Governor	\$9,000
Office of the Lieutenant Governor- Division of Elections	\$71,257
TOTAL	\$82,340

Estimate of costs to the Alaska Department of Labor and Workforce Development

As required by AS 15.45.090(a)(4), the Alaska Department of Labor and Workforce Development (DOLWD) has prepared the following statement of costs to implement the proposed minimum wage increase ballot initiative. The minimum cost to the Alaska Department of Labor and Workforce Development, excluding legal costs to the state, is estimated to be \$2,083.

The ballot initiative replaces the current minimum wage, which under AS 23.10.065(a) is set at \$.50 higher than the federal minimum wage. The initiative calls for a minimum wage increase to \$8.75 as of January 1, 2015 and \$9.75 as of January 1, 2016. After 2016, the initiative establishes that the minimum wage shall be adjusted for inflation on an annual basis and that the minimum wage shall remain at least \$1.00 higher than the federal minimum wage.

There is insufficient data to establish certain cost estimates associated with minimum wage increases as a result of the initiative. Currently, there would be no impact on wages paid to employees of the State of Alaska; however, it is unknown what if any effect the minimum wage increase may have on services contracted by the State of Alaska to private entities.

The quantifiable expenses caused by the ballot initiative adjustments to minimum wage are associated with publications produced by the DOLWD to notify employers and employees of legal requirements that include the minimum wage. The estimated yearly cost for all publications associated with annual adjustments to minimum wage is \$2,083. The annual estimated expenses for publications would begin in FY2015.

5,000 posters – “Summary of Wage and Hour Act”:	\$308
5,000 “Know Your Rights” child labor brochures:	\$525
<u>1,500 “Alaska Fishing Industry” brochures:</u>	<u>\$1,250</u>
Total	\$2,083

Estimate of costs to the Office of the Lieutenant Governor and the Division of Elections

As required by AS 15.45.090(a)(4), the Alaska Office of the Lieutenant Governor has prepared the following statement of costs to implement the proposed minimum wage increase ballot initiative.

Office of the Lieutenant Governor

Assuming the initiative is placed on the ballot, the minimum cost to conduct public hearings concerning the initiative in two communities in each of four judicial districts is estimated to be \$9,000.

Lt. Governor's Office estimate by category

<u>Travel</u>	<u>\$ 9,000</u>
Total	\$ 9,000

Estimated travel expenses include round-trip air transportation, per diem and other associated travel costs for the Lieutenant Governor and staff to travel to seven communities in Alaska: It is assumed one of the hearings would be in Anchorage which would not involve travel costs.

Division of Elections

As required by AS 15.45.090(a)(3), the Division of Elections has prepared the following statement of costs to implement the proposed minimum wage increase ballot initiative.

The minimum cost to the Division of Elections associated with certification of the initiative application and review of the initiative petition, excluding legal costs to the state and the costs to the state of any challenge to the validity of the petition, is estimated to be \$71,257.

Elections estimate by category

Personal Services	\$69,957
<u>Services</u>	<u>\$ 1,300</u>
Total	\$71,257

Personal services expenses associated with certification of the initiative application and review of the initiative petition:

Three full-time employees at 522 hours is \$29,200
8 temporary employees at 2,520 hours is \$40,757

Services expenses associated with certification of the initiative application and review of the initiative petition:

Printing of booklets is \$1,300.