

## 23AMLS - Statement of Costs

### Multi Agency Cost Summary

Agency	Cost
Alaska Department of Labor and Workplace Development	\$316,831
Office of the Lieutenant Governor	\$15,000
Office of the Lieutenant Governor – Division of Elections	\$126,996
<b>TOTAL</b>	<b>\$458,827</b>

### 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 \$316,831.

The ballot initiative increases the current Alaska minimum wage to \$13.00 per hour as of July 1, 2025, to \$14.00 per hour as of July 1, 2026, and to \$15.00 per hour as of July 1, 2027. After, 2027, 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 \$2.00 higher than the federal minimum wage. The initiative adds new sections at AS 23.10.066, .067, .068 and .069 to establish a requirement for paid sick leave for employees that allows accrual of 56 hours of paid leave for employers with 15 or more employees, and 40 hours for employers with less than 15 employees. AS 23.10.490 would prohibit employers from compelling employees to attend meetings regarding religious or political matters that are unrelated to their work.

There is insufficient data to establish certain cost estimates associated with minimum wage increases. 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 initiative expands the purview of the Wage and Hour section in Labor Standards & Safety (LSS) to include enforcement and compliance for employer paid sick leave provisions and investigating retaliation complaints by employees for “right to avoid speech” violations. Investigations for paid sick leave requirements will be more complex than the standard wage claims Wage and Hour now investigates. These will require extensive audits of employers’ policies and accrual rates for all employees, as well as reasons for usage or denial for all employees. The “right to avoid speech” initiative will require Wage and Hour to investigate retaliation complaints. Retaliation investigations will require the development of a distinctive investigative process to establish a causal relationship. Both the sick leave and “right to avoid speech” cases will not be settled through small claims court but will require Wage and Hour to seek resolution through civil court.

Wage and Hour will need an additional Administrative Assistant 2 to handle an estimated additional 20-25 inquiries Wage and Hour anticipates it will be receiving each week regarding these issues (a projected increase of 1040-1300 inquiries annually). The Administrative Assistant 2 will also create and sustain the systems and administrative processes and publications produced by the DOLWD to notify employers and employees of legal requirements that include the minimum wage and sick leave requirements, and to prepare files for civil cases. The estimated cost of one full-time Administrative Assistant 2 is \$95,732.

It is estimated that of the additional inquiries, 10% will result in investigations, which is an additional 104-130 investigations each year. Two Investigator 2 positions will be needed to implement and enforce the new programs and develop outreach programs for the public and handle the additional investigations. The estimated expenses for two full-time Investigator 2 positions is \$216,392.

The estimated yearly cost for all publications associated with annual adjustments to minimum wage is \$4,707.

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### Estimate by Category

Personal Services	\$312,124
10,000 Posters – “Summary of Wage and Hour Act”	\$919
10,000 “Know Your Rights” Child Labor Brochures	\$1,288
3,000 “Alaska Fishing Industry” Brochures	\$2,500
<b>TOTAL</b>	<b>\$316,831</b>

### Estimate of Costs to the Office of the Lieutenant Governor and the Division of Elections

As required by AS 15.45.090(a)(3), the Office of the Lieutenant Governor and the Division of Elections have prepared the following statement of costs to implement the proposed ballot initiative.

#### Lieutenant Governor

Under Alaska Statute 15.45.195, at least 30 days before the election at which an initiative is to appear on the ballot, the lieutenant governor or a designee of the lieutenant governor shall hold two or more public hearings concerning the initiative in each judicial district of the state. Each public hearing under this section shall include the written or oral testimony of one supporter and one opponent of the initiative.

Estimated cost of travel for Lt. Governor and one staff member **\$15,000**

#### Division of Elections

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 \$126,996.

Six temporary employees will be required to review signatures for 2,520 hours at an estimated cost of \$52,793 and certification of the initiative application and review of the initiative petition estimated for 504 hours will cost an estimated \$21,674. Printing service expenses associated with certification of the initiative application and review of the initiative petition will require \$1,420 for the printing of voter booklets.

Estimated cost of translating the ballot measure language for audio and sample ballots, an Official Election Pamphlet pro statement, Official Election Pamphlet con statement, and Official Election Pamphlet neutral summary into languages required by the Toyukak Settlement and Section 203 of the Federal Voting Rights Act, will require an estimated \$51,109.

### Estimate by Category

Petition Review	\$74,467
Petition Printing Services	\$1,420
Language Translations of Initiative Text	\$51,109
<b>TOTAL</b>	<b>\$126,996</b>