

March 4, 2013

The Honorable Marvin Kleeb, Chairperson  
House Committee on Commerce, Labor and Economic Development  
Statehouse, Room 286-N  
Topeka, Kansas 66612

Dear Representative Kleeb:

SUBJECT: Fiscal Note for HB 2323 by Representative Winn

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2323 is respectfully submitted to your committee.

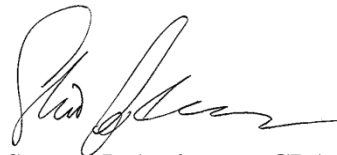
HB 2323 would gauge future increases to the state minimum wage to increases in the consumer price index for all urban consumers (CPI-U). The Secretary of Labor would measure the increase in the CPI-U every year by September 30 and promptly publish the rate increase. The current rate is \$7.25 per hour.

Enactment of HB 2323 would require additional duties by the Department of Labor to examine and publish the rate annually. The agency would do so without requiring additional resources.

The Department of Administration explains that the current minimum hourly rate on the classified pay matrix is currently \$7.56. Any future growth in the inflation rate that would consequently require the state to increase its wages would necessitate additional appropriations of some unknown amount to agencies within the executive branch.

The Kansas Association of Counties and the League of Kansas Municipalities both report that the bill could mandate higher wages paid by local governments, increasing their costs by some unknown amount. Any fiscal effect associated with HB 2323 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Dawn Palmberg, KDOL  
Pam Fink, DofA

Melissa Wangemann, KAC  
Larry Baer, LKM