

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 353** HLS 26RS 733  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 2, 2026 11:35 AM	<b>Author:</b> PHELPS
<b>Dept./Agy.:</b> Louisiana Works/LDR/Civil Service	
<b>Subject:</b> Increases to State Minimum Wage	<b>Analyst:</b> Darynn Hoppe

EMPLOYMENT/WAGES-MINIMUM OR INCREASE GF EX See Note Page 1 of 2  
 Provides relative to the state minimum wage

Proposed law establishes a state minimum wage and sets it at \$12 per hour beginning on January 1, 2027, and \$15 per hour beginning on January 1, 2029. Proposed law provides the state minimum wage to be set at a rate in proportion to the annual average increase in the Consumer Price Index for all Urban Consumers in the South region published by the Bureau of Labor Statistics of the US Department of Labor for previous calendar year, beginning on January 1, 2031. Proposed law provides that such an increase shall be to the nearest multiple of five cents. Proposed law requires that the state minimum wage be no less than the federal minimum wage. Proposed law provides a fine of not less than \$500 and not more than \$1,000 per employee for failure to pay minimum wage. Proposed law requires that an employer who fails to pay his employee minimum wage shall pay the employee the difference between what the employee was paid and the minimum wage rate. Proposed law provides the procedure for the secretary of LA Works to impose penalties. Proposed law excludes student workers employed by the state and by state colleges and universities from the minimum wage requirement. Proposed law provides that La. Works shall be in charge of enforcement of the minimum wage laws.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Agy. Self-Gen.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Ded./Other	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Federal Funds	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Local Funds	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
<b>Annual Total</b>						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to increase state expenditures by \$3.0 M in FY 27, \$6.7 M in FY 28, \$10 M in FY 29, \$10 M in FY 30, \$10.4 M in FY 31.

**Total Estimated Impact (Wage Increase Impact)**

The following table summarizes the effect of the wage increase impact as reported by the Civil Service Department. Wage increases at each minimum wage tier will cumulatively increase state expenditures.

Minimum Wage	FY 27	FY 28	FY 29	FY 30	FY 31
\$12	\$ 767,386	\$ 1,534,773	\$ 1,534,773	\$ 1,534,773	\$ 1,534,773
\$15	\$ 0	\$ 3,233,741	\$ 6,467,483	\$ 6,467,483	\$ 6,467,483
\$15.45	\$ 0	\$ 0	\$ 0	\$ 0	\$ 376,929
<b>Wage Impact</b>	<b>\$ 767,386</b>	<b>\$ 4,768,514</b>	<b>\$ 8,002,256</b>	<b>\$ 8,002,256</b>	<b>\$ 8,379,185</b>
<b>LWC Enforcement</b>	<b>\$ 2,226,690</b>	<b>\$ 1,929,539</b>	<b>\$ 1,967,380</b>	<b>\$ 2,005,977</b>	<b>\$ 2,045,347</b>
<b>Total Cost</b>	<b>\$ 2,994,076</b>	<b>\$ 6,698,053</b>	<b>\$ 9,969,636</b>	<b>\$ 10,008,233</b>	<b>\$ 10,424,531</b>

The minimum wage tiers bring wages to \$12/hr and \$15/hr on January 1st in each respective fiscal year and assume When Actually Employed (WAEs) work 1,245 hours per year, which is the maximum for WAEs. The increase in FY 31 is an increase of 3.1% and is derived from the average Consumer Price Index for Urban Consumers, South Region, over the past ten years. Student employees of the state and universities are not included in the estimates, as the bill exempts student employees of the state, and student employees of state colleges and universities. A table on page 2 below breaks down state employees by number and classification.

**Wage Increase Impact as reported by Civil Service Department**

Salaries and wages of classified employees and WAE employees are paid with all means of financing (MOF). All MOF may be affected by the total cost increase resulting from this proposed law. This minimum wage analysis does not include costs associated with related benefits because these rates vary depending on the employee's retirement plan. Although not included in the analysis, related benefits are anticipated to increase by an indeterminable amount under this measure. **Related benefits match rates generally exceed 35% of salary, which would increase the costs above by a significant amount.** Salary enhancements beyond minimum wage implementation are excluded from the wage impact analysis.

**CONTINUED ON PAGE 2**

**REVENUE EXPLANATION**

Proposed law is anticipated to increase SGR Revenues by an indeterminable amount. This bill establishes fines not less than five hundred dollars (\$500) and no more than one thousand dollars (\$1,000) per employee not receiving minimum wage. LA Works is the agency designated to enforce the provisions of this bill. There is no way to determine the number of violations of proposed law that will occur. To the extent that complaints arise and are verified, LA Works will collect the fines established in this bill.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*  
**Alan M. Boxberger**  
**Legislative Fiscal Officer**



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 353** HLS 26RS 733  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 2, 2026	11:35 AM	<b>Author:</b> PHELPS
<b>Dept./Agy.:</b> Louisiana Works/LDR/Civil Service		<b>Analyst:</b> Darynn Hoppe
<b>Subject:</b> Increases to State Minimum Wage		

**CONTINUED EXPLANATION from page one:**

The Below table shows the number and classification of state employees reported by the Civil Service Department who would be affected by proposed law. This table excludes student workers, as they are exempted from the bill.

Affected State Employees	FY 27	FY 28	FY 29	FY 30	FY 31
Classified Employees	250	250	292	292	0
Unclassified Employees	238	238	183	183	695
WAEs	<u>192</u>	<u>192</u>	<u>1,866</u>	<u>1,866</u>	<u>595</u>
<b>Total</b>	<b>680</b>	<b>680</b>	<b>2,341</b>	<b>2,341</b>	<b>1,290</b>

**Louisiana Workforce Commission Enforcement Costs**

Presently, the State is under the federal minimum wage enforced by the U.S. Department of Labor (US DOL), Wage and Hour Division through the Fair Labor Standards Act (FLSA). As such, the U.S. Wage and Hour Division handles the majority of wage and hour complaints. According to Louisiana Works (LA Works), if a state minimum wage law is enacted, they have a memorandum of understanding (MOU) with the US DOL to investigate and enforce wage and hour complaints.

According to LA Works, if the department is tasked to provide the same or similar enforcement services as US DOL Wage and Hour Division, a new division within LA Works will have to be created and staffed. LA Works estimates that they would need to hire 10 investigators, an investigator supervisor, an attorney, and an administrative assistant to investigate and enforce wage complaints. The average salary for these 14 classified T.O. positions is estimated to be \$77,979 per employee, \$1,091,706 in total salaries in the first year. Additionally one time implementation costs are estimated to be \$371,750 for computer equipment, office space, 10 vehicles, travel, and employee training. Travel and training costs are expected to continue in subsequent fiscal years, along with salary growth. LA Works currently enforces child labor laws using employees in a similar manner and created their estimate for costs of enforcement based on that division within the department.

*NOTE: The LFO cannot corroborate that the provisions of proposed law would require the resources identified by La Works, but acknowledges that a workload increase will be necessitated for implementation. To the extent that workload may be greater or less than estimates provided by LA Works, costs may be higher or lower than the estimates provided.*

**Office of Planning and Budget**

The Office of Planning and Budget (OPB) anticipates a marginal increase in workload and administrative costs to implement proposed law. OPB reports that the anticipated workload increase is associated with potential revisions to internal reports used to build OPB's internal salary and related benefits project that determines personal services costs for each agency. OPB reports that any additional costs from implementation of proposed law can likely be absorbed using existing resources.

**Local Wage Impact Costs**

The proposed law may increase local governmental expenditures by an indeterminable amount due to the new state minimum wage exceeding the current federal rate. Costs will rise to the extent local employees are currently paid below the new minimum, equal to the difference between current wages and the proposed minimum wage.

**Judicial and Local Courts**

If the proposed law increases civil cases in district courts, there may be an indeterminable rise in costs for district attorney prosecutions, judicial workload, and related expenses. The number of additional cases, if any, is speculative.

**Public Assistance Programs**

To the extent a minimum wage increase results in individuals' earnings exceeding eligibility thresholds for means-tested programs such as SNAP and TANF cash assistance (FITAP and KCSP), there may be an indeterminable decrease in public assistance enrollment and expenditures; however, the number of individuals affected is unknown.

SNAP is administered by the Department of Children and Family Services (DCFS), with administrative costs funded approximately 50% by the State General Fund and 50% by a federal match from the Food and Nutrition Services (FNS). A decline in enrollment could modestly reduce administrative costs, though any impact is likely minimal. SNAP benefits are federally funded and issued directly to recipients, so changes in benefit levels would not affect DCFS expenditures or revenue.

TANF cash assistance programs are also federally funded and administered by DCFS. Due to the low-income eligibility threshold, few beneficiaries are likely to be affected by a wage increase, resulting in a minimal impact on program administration and benefit costs.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*  
 Alan M. Boxberger  
 Legislative Fiscal Officer