

*Colorado Legislative Council Staff Fiscal Note***NO FISCAL IMPACT****Drafting Number:** LLS 07-0161**Prime Sponsor(s):** Rep. Marshall  
Sen. Fitz-Gerald**Date:** January 9, 2007**Bill Status:** House Business Affairs & Labor  
**Fiscal Analyst:** Harry Zeid (303-866-4753)

**TITLE:** CONCERNING COLORADO'S MINIMUM WAGE, AND, IN CONNECTION THEREWITH, MAKING STATUTORY CHANGES AS REQUIRED BY RECENTLY ADOPTED CONSTITUTIONAL PROVISIONS.

**Summary of Assessment**

This bill makes conforming amendments to state statutes in response to "Amendment 42", the initiated constitutional amendment (Section 15 of Article XVIII of the State Constitution) enacted by the people of Colorado at the 2006 General Election. Since the bill conforms state statute to the State Constitution, the bill is assessed as having no fiscal impact. It should be recognized, however, that implementation of this constitutional change will impact the state budget. The bill will become effective upon signature of the Governor.

**Background.** Effective January 1, 2007, Amendment 42 increased the state minimum wage for salaried workers from \$5.15 to \$6.85 per hour, and increased the state minimum wage for workers receiving tips from \$2.13 to 3.83 per hour. Under Amendment 42, state employees are subject to the state minimum wage. The minimum wage will be adjusted annually to reflect changes in the Consumer Price Index.

Passage of Amendment 42 has been estimated to increase state expenditures by \$1.4 million in FY 2006-07 (for the last 6 months of the fiscal year) and \$2.8 million in FY 2007-08. The only state workers impacted by the amendment are students employed in part-time work-study positions at state colleges and universities. Prior to January 1, 2007, most of these students earned more than \$5.15, but less than \$6.85 per hour. Based on current job classifications and salaries paid, all other state workers earn more than \$6.85 per hour.

Wages for work-study jobs are paid through a combination of federal, state, institutional, and private funds. The need for additional funding created by passage of Amendment 42 could be addressed by increasing state funding, increasing student tuition or fees, reducing work-study hours, or any combination of these options. The actual state cost will depend on the options chosen by the schools and by the General Assembly.

The impact on local governments has not been estimated, although expenditures will increase for those local governments that currently pay workers at or near the minimum wage.

**Departments Contacted**

Labor &amp; Employment