

### **Amendment to S.23, Minimum Wage Bill**

The Amendment creates a General Fund shortfall of \$1.6 million in FY 2020 and creates pressure on the Medicaid budget cap.

The Amendment creates a General Fund shortfall of about \$27.9 million over 5 years.

#### FY 2020 Costs

The Amendment requires \$6.0 million in gross dollars to raise wages of health care workers in home health agencies, nursing homes, and other agencies by the same percentage as the increase in the minimum wage.

\$5.2 million in gross dollars comes from raising the wages above the new minimum wage.

#### FY 2020 State Shortfall

The State's share of \$6.0 million is \$2.8 million.

Funds available to the State in FY20 are \$1.2 million, leaving a shortfall of \$1.6 million.

#### 5-Year Costs

For 2020 through 2024, the Amendment requires about \$86 million to raise wages of health care workers at the specified agencies.

\$68 million comes from raising the wages above the new minimum wage.

#### 5-Year State Shortfall

The State's share of \$86 million is \$39.6 million.

The net fiscal gain to the State in FY 2024 is \$11.7 million, leaving a shortfall of \$27.9 million.