

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee For
Review of Administrative
Rules (JCR-AR)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... Crule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 98hrJCR-AR_Misc_pt27

➤ Record of Comm. Proceedings ... RCP

➤ **

Tommy G. Thompson
Governor

Linda Stewart
Secretary



State of Wisconsin

Department of Workforce Development

OFFICE OF THE SECRETARY
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
Fax: (608) 266-1784
<http://www.dwd.state.wi.us/>

December 21, 1998

Gary Poulson
Assistant Revisor of Statutes
Suite 800
131 W. Wilson St.
Madison, Wisconsin 53703-3233

Douglas LaFollette
Secretary of State
10th Floor
30 West Mifflin Street
Madison, Wisconsin 53703

DEB 28 1998

Dear Messrs. Poulson and LaFollette:

TRANSMITTAL OF RULE ADOPTION

CLEARINGHOUSE RULE NO.: Emergency Rule
RULE NO.: DWD 290.155
RELATING TO: Threshold Costs relating to Prevailing Wage
Rates for State or Local Public Works
Projects

Pursuant to section 227.20, Stats., agencies are required to file a certified copy of every rule adopted by the agency with the offices of the Secretary of State and the Revisor of Statutes.

At this time, the following material is being submitted to you:

1. Order of Adoption.
2. Rules Certificate Form.
3. Rules in Final Draft Form.

Pursuant to section 227.114, Stats., a summary of the final regulatory flexibility analysis is included for permanent rules. A fiscal estimate and fiscal estimate worksheet is included with an emergency rule.

Respectfully submitted,

A handwritten signature in cursive script that reads "Linda Stewart".

Linda Stewart
Secretary



ORDER OF ADOPTION

Pursuant to authority vested in the Department of Workforce Development by section(s)

66.293(5) and 103.49(3g), Stats., the Department of Workforce Development creates; amends;

repeals and recreates; repeals and adopts rules of Wisconsin Administrative Code chapter(s):

sec. DWD 290.155 (Number)

Threshold Costs relating to Prevailing Wage Rates for

State or Local Public Works Projects (Title)

The attached rules shall take effect on January 4, 1999 pursuant to section 227.24, Stats.

Adopted at Madison, Wisconsin this

date: December 23, 1998

DEPARTMENT OF WORKFORCE DEVELOPMENT


Secretary

RULES CERTIFICATE

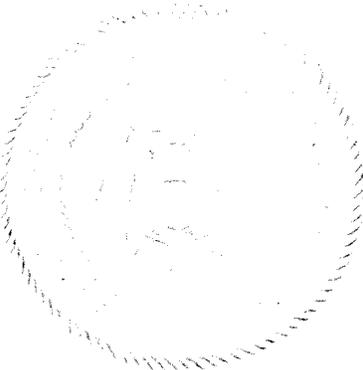
STATE OF WISCONSIN)
) SS
DEPARTMENT OF)
WORKFORCE DEVELOPMENT)

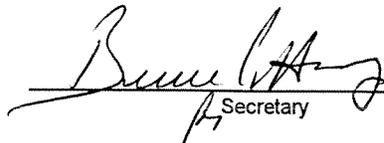
TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Linda Stewart, Secretary of the Department of Workforce Development, and custodian of the official records of said department, do hereby certify that the annexed rule(s) relating to Threshold Costs relating to Prevailing Wage Rates for State or Local Public Works Projects (Subject) were duly approved and adopted by this department on December 21, 1998. (Date)

I further certify that said copy has been compared by me with the original on file in the department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the department at 10:00 Am in the city of Madison, this 23rd day of December 1998.




Secretary



State of Wisconsin
Department of Workforce Development

RULES in FINAL DRAFT FORM

Rule No.: DWD 290.155 – Emergency Rule

Relating to: Threshold Costs relating to Prevailing Wage Rates
for State or Local Public Works Projects

State of Wisconsin Department of Workforce Development

EMERGENCY RULE

THRESHOLD COSTS RELATING TO PREVAILING WAGE RATES FOR STATE OR LOCAL PUBLIC WORKS PROJECTS

The Wisconsin Department of Workforce Development proposes an order to amend DWD 290.155, relating to the annual adjustment of the minimum estimated project costs for the application of the requirement to obtain a determination of prevailing wage rates for workers employed on state or local public works projects.

Finding of Emergency

The Department of Workforce Development finds that an emergency exists and that the attached rule is necessary for the immediate preservation of the public peace, health, safety and welfare. A statement of the facts constituting the emergency is:

As explained in more detail in the analysis below, the Department of Workforce Development, acting under its statutory authority to adjust threshold limits in accordance with changes in construction costs, has determined that the increase in construction costs between November 1997 and December 1998 requires that the threshold limits for prevailing wage rate determinations be raised from \$32,000 to \$33,000 for single-trade projects and from \$160,000 to \$164,000 for multi-trade projects.

If these new threshold limits are not put into effect by an emergency rule, the old limits will remain in effect for approximately six months, until the conclusion of the regular rulemaking process. The practical effect of this would be that, between now and 7/1/99, a single-trade project costing more than \$32,000 but less than \$33,000, or a multi-trade project costing more than \$160,000 but less than \$164,000, would not be exempt from the requirement to get a prevailing wage rate determination. A local unit of government or state agency proceeding with a public works project in this cost range during this period would incur the added complication of complying with the state prevailing wage laws, despite the fact that the threshold limit adjustment is based on national construction cost statistics and is very unlikely to be changed by the regular rulemaking process. The Department is proceeding with this emergency rule to avoid imposing this additional administrative burden on local governments and state agencies.

Analysis

Authority for rule: secs. 66.293(5) and 103.49(3g), Stats.

Statutes interpreted: secs. 66.293(5) and 103.49(3g), Stats.

The state prevailing wage laws require that, when a state agency or local governmental unit constructs a public works project, it must obtain a prevailing wage rate determination from the Department of Workforce Development and require that the contractors and subcontractors on the project pay their employees in accordance with those wage rates. Under secs. 66.293(5) and 103.49(3g), Stats., and the current sec. DWD 290.155, Wis. Admin. Code, the state prevailing wage rate laws do not apply to any "single-trade public works project" (a project involving the employment of only one trade) whose estimated cost is below \$32,000, and it does not apply to any "multi-trade public works project" whose estimated cost is below \$160,000.

Also under secs. 66.293(5) and 103.49(3g), Stats., the department is required to adjust the dollar amounts of the threshold limits each year, in proportion to any change in construction costs since the limits were last determined. The proposed rule changes the threshold limits to \$33,000 for single-trade projects and \$164,000 for multi-trade projects, based on a 2.6% increase in the construction cost index between November 1997 and December 1998.

SECTION 1. DWD 290.155 is amended to read:

DWD 290.155 This chapter does not apply to any single-trade public works project for which the estimated cost of completion is below ~~\$32,000~~ \$33,000, and any multi-trade public works project for which the estimated cost of completion is below ~~\$160,000~~ \$164,000.

SECTION 2. EFFECTIVE DATE. This emergency rule shall take effect upon publication in accordance with sec. 227.24, Stats.

(End)

FISCAL ESTIMATE
DOA-2048 E (R 07/97)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
DWD 290.155

Amendment No. if Applicable

Subject
Prevailing Wage - Minimum Project Costs

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation
or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb
Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

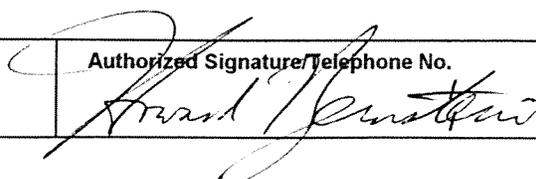
Assumptions Used in Arriving at Fiscal Estimate

Currently, a public works project which costs more than \$32,000 (for a single-trade project) or \$160,000 (for a multi-trade project) must obtain a prevailing wage rate determination from DWD and pay wages at those rates. This rule raises the limits to \$33,000 and \$164,000 to reflect the increase in construction costs since November of 1997. Under this rule, a local government with a public works project that costs more than \$32,000 But less than \$33,000 (for a single trade project) or more than \$160,000 but less than \$164,000 (for a multi-trade project) will now not be covered by the prevailing wage requirement.

Long-Range Fiscal Implications
None

Agency/Prepared by: (Name & Phone No.)
Howard Bernstein 266-9427

Authorized Signature/Telephone No.



Date
12/21/98

FISCAL ESTIMATE WORKSHEET

1997 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R 07/97)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
DWD 290.155

Amendment No.

Subject
Prevailing Wage - Minimum Project Costs

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
\$0

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$0	\$ -0
(FTE Position Changes)		(FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$0	\$ -0
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$0	\$ -0

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$0	\$0
NET CHANGE IN REVENUES	\$0	\$0

Agency/Prepared by: (Name & Phone No.)
DWD/ASD Howard Bernstein

Authorized Signature/Telephone No.

Howard Bernstein 266-9427

Date
12/21/98