

Fiscal Estimate Narratives

DOA 3/30/2010

LRB Number	09-4271/1	Introduction Number	SB-610	Estimate Type	Original
Description Employment eligibility verification requirements for state and local government employees and state procurement and construction contracts					

Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill prohibits state agencies from contracting for materials, services, or construction work with companies that do not use the Federal employment eligibility verification program (E-verify) for verifying the employment eligibility of its employees.

The Department of Administration (DOA) estimates that the direct costs to modify contract language, verify affidavits of compliance, and incorporate new terms into requests for proposals and bids could be absorbed by department staff. However, it should be noted that this bill may reduce the overall number of vendors in the competitive process. If vendors decided not to use the E-verify system, they would be unable to bid on state contracts and, therefore, the pool of bidders and competition would decrease, potentially increasing the low bid for contracts and projects. The cost impact at this time, however, is indeterminate.

The fiscal impact on local governments is indeterminate. Local units of government should be able to use the E-verify system to verify the employment eligibility of new employees with minimal additional workload. However, it is not possible for DOA to estimate the work effort local units of government will have to employ to meet the requirements regarding verifying the work eligibility of existing employees.

Long-Range Fiscal Implications

Unknown.