

Fiscal Estimate Narratives

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LRB Number	11-2069/2	Introduction Number	AB-0183	Estimate Type	Original
Description Applicability of the prevailing wage law; the thresholds for applicability of that law; calculation of the prevailing wage rate; the treatment of volunteers, truck drivers, subjourneypersons, and incidental work under that law; the submission to the Department of Workforce Development of payroll records of persons performing work that is subject to that law; the inspection of those records; and the remedies for a violation of that law					

Assumptions Used in Arriving at Fiscal Estimate

This bill alters or eliminates prevailing wage changes made in Act 28. Specifically, this bill specifies that the prevailing wage law does not apply to turnkey projects or to an acquired or dedicated project; sets the threshold for applicability of the prevailing wage law to a single-trade project of public works at an estimated project cost of completion of \$50,000 and the threshold for a multiple-trade project of public works at an estimated project cost of completion of \$250,000; eliminates the requirement to submit monthly, to the Department of Workforce Development, payroll records of individuals working on a publicly funded private construction project that is subject to the prevailing wage law; prohibits local units of government from enacting prevailing wage ordinances and voids any that are in place as of the effective date of this bill; redefines prevailing wage rate; exempts from the prevailing wage law a project of public works contracted by a local government having a population of less than 10,000; and redefines the application of the prevailing wage law on volunteers, truck drivers, subjourneypersons and incidental work.

The Department compensates inmates in work or program assignments. Some inmate workers perform off-site services for local governments and not-for-profit agencies on project work crews. Project work crew inmates are compensated by the Department and then the Department requests reimbursement from those entities for services received. Some inmates have work release assignments which allow them to work for an employer in the community and return to the institution at a designated time. These individuals are compensated and supervised by the employer.

According to the Department of Workforce Development legal opinion, individuals in the custody of the Department of Corrections, are not employees under Chapters 103, 104 and 109 of the Wisconsin Statutes, and; therefore, are not covered under the prevailing wage law. If an inmate is under the supervision of work by the Department they are not subject to the prevailing wage law. If an inmate is on work release, then the employer must pay the inmate the prevailing wage rate for any prevailing wage project. It is the responsibility of the employer to request a prevailing wage determination from the Department of Workforce Development.

Individuals in local jails would be subject to the prevailing wage law, consistent with an inmate of the Department of Corrections, if they are not under the work supervision of the local jurisdiction.

Long-Range Fiscal Implications