

Fiscal Estimate Narratives

DWD 5/6/2014

LRB Number	13-4189/1	Introduction Number	AB-0888	Estimate Type	Original
Description Employment of apprentices on state public works projects					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a multiple-trade state public works project whose estimated project cost of completion is \$100,000 or more and a single-trade state public works project whose estimated project cost of completion is \$48,000 or more are subject to the prevailing wage law, which requires workers employed on the site of the project to be paid at a prevailing wage rate determined by the Department of Workforce Development (DWD). Also, under current law, if DWD grants an exception or modification to any requirement relating to the employment and training of apprentices in any contract for the performance of work on a state public works project in which work is performed by employees employed in apprenticeable trades (project), DWD must post that information on its Internet site, together with a detailed explanation of why the exception or modification was granted.

Under this bill, DWD anticipates significant changes in administrative operations of the Wisconsin Registered Apprenticeship program. This bill requires that when a state agency enters into a contract for the performance of work on a project, to include in that contract a provision requiring that as a condition to performing that work a contractor, subcontractor, or agent of a contractor or subcontractor that employs five or more employees in apprenticeable trades (employer): 1) have an apprenticeship training program that has been approved by DWD or have an application pending for that approval at the time the bid to perform work on the project is submitted; and 2) be certified by DWD as the sponsor of an acceptable apprenticeship program.

The provisions in this bill will significantly increase DWD's workload. The additional workload includes: required compliance review of many more types of bidding contractors rather than only those who are awarded the bids, noncompliance policy development and enforcement for a larger variety and number of contractors including modifications and exemptions, and requiring DWD to collect and monitor demographic data such as the age, race, and sex of each apprentice employed and the hours worked by each apprentice. Currently, DWD is not required to collect this data.

Under this bill, DWD will require an estimated 6.0 new FTE's and the development of a project management database IT system. The need for increased staff and IT system is based upon an estimated 3,000 individual contracts each year and up to 2,500 separate contractor reports per month. The estimated annual cost for the bill is \$545,500 to support 6.0 FTE to administer the program. In addition, the program will require the development and maintenance of an IT management and database system to facilitate program management, compliance, and track and update the addition data requirement provisions within the bill. The costs of the development of the IT management and database system is \$163,800 one-time funding and with annual costs of \$32,760 for IT system maintenance.

Long-Range Fiscal Implications

DWD will require an estimated \$578,260 of additional GPR funding annually for on-going costs to cover 6.0 FTE's and IT system maintenance.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
The initial estimated one-time cost for development of an IT project management database system is \$163,800.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$446,500		\$
(FTE Position Changes)	(6.0 FTE)		
State Operations - Other Costs	131,760		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$578,260		\$
B. State Costs by Source of Funds			
GPR	578,260		
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, ets.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$578,260		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By			
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