

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>15-0698/3</b>	Introduction Number <b>AB-0032</b>
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**Description**  
 Elimination of the requirement that laborers, workers, mechanics, and truck drivers employed on the site of a project of public works be paid the prevailing wage

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> DNR/ Joe Polasek (608) 266-2794	<b>Authorized Signature</b> Joe Polasek (608) 266-2794	<b>Date</b> 2/14/2015
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## Fiscal Estimate Narratives

DNR 2/14/2015

LRB Number	15-0698/3	Introduction Number	AB-0032	Estimate Type	Original
<b>Description</b> Elimination of the requirement that laborers, workers, mechanics, and truck drivers employed on the site of a project of public works be paid the prevailing wage					

### Assumptions Used in Arriving at Fiscal Estimate

This bill eliminates the state prevailing wage law, the local prevailing wage law, and the highway prevailing wage law but retains the prohibition against local governments enacting or administering their own prevailing wage laws or similar ordinances.

Direct fiscal impacts are few and difficult to estimate; therefore, the Department considers the fiscal impact of the legislation to be indeterminate.

Potential fiscal impacts are as follows:

1. If Wisconsin's prevailing wage law, local prevailing wage law, and highway prevailing wage law are eliminated from Wisconsin statutes, then project sponsors of state-funded projects would need to abide by the draft legislation when paying employees/contractors. This could potentially reduce labor-related costs.
2. Sponsors of projects funded in whole or in part with loans from Federal sources (Clean Water Fund Program; Safe Drinking Water Loan Program) are currently required to follow the Federal Davis-Bacon Act of 1931 and related acts. Therefore, elimination of state prevailing wage law, local prevailing wage law, and highway prevailing wage law would have no impact.
3. The Federal Pittman Robertson grant is silent on whether sponsors of projects funded from these sources must comply with Wisconsin's prevailing wage law, local prevailing wage law, or highway prevailing wage law. It is assumed that the draft legislation would not impact sponsors working in these Federal grant programs.
4. Projects funded with Federal Land & Water Conservation Fund (LWCF) grant funds are exempt from Davis-Bacon Act compliance; therefore LWCF grant recipients would need to abide by the draft legislation, which could reduce labor-related costs.
5. The bill could impact federal recreation trail grants that are awarded by the Department, provided that the project is located outside the right-of-way of a Federal aid highway.

### Long-Range Fiscal Implications