

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1561/2	Introduction Number SB-049
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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
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
 - Increase Existing Revenues
 - Decrease Existing Revenues
 - Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
 - Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected**
- Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

- GPR
 FED
 PRO
 PRS
 SEG
 SEGS

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Fiscal Estimate Narratives

DNR 2/28/2015

LRB Number	15-1561/2	Introduction Number	SB-049	Estimate Type	Original
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					

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