

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-2889/1	Introduction Number SB-216
-----------------------------	-----------------------------------

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
 - 2. Decrease Costs
 - 3. Increase Revenue
 - 4. Decrease Revenue
 - 5. Types of Local Government Units Affected
 - Towns
 - Counties
 - School Districts
 - Village
 - Others
 - WTCS Districts
 - Cities
 - Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory

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

- GPR
 FED
 PRO
 PRS
 SEG
 SEGS

Agency/Prepared By UWS/ Renee Stephenson (608) 263-4422	Authorized Signature Renee Stephenson (608) 263-4422	Date 4/24/2017
---	--	--------------------------

Fiscal Estimate Narratives

UWS 4/24/2017

LRB Number	17-2889/1	Introduction Number	SB-216	Estimate Type	Corrected
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

The proposed bill eliminates the state prevailing wage laws.

Because labor is a significant component of construction costs, elimination of the prevailing wage law could have a significant impact on the cost of university capital projects. However, the UW System does not have adequate information to create a meaningful fiscal estimate for this bill. In particular, an analysis cannot be completed for the following reasons:

- The UW System has limited access to the true cost of labor on university construction projects.
- The impact of eliminating the prevailing wage law will vary across the state based on local labor markets. The UW System does not have detailed labor information on Wisconsin labor market dynamics.
- It is unclear how many university capital projects will be approved and constructed in the next decade. As such, the potential savings or additional costs cannot be estimated.

Long-Range Fiscal Implications

The UW System is cognizant of the importance of quality in the construction of its facilities. University laboratories and buildings are often highly-technical facilities that are more difficult to construct than standard residential or commercial buildings. Proper construction is important to managing ongoing maintenance, repair, and renovation costs.

Additionally, university buildings are generally expected to last longer than commercial buildings. Low-quality construction can result in higher costs over decades.