

WISCONSIN LEGISLATIVE COUNCIL STAFF



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CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 00-024

AN ORDER to amend DWD 290.155, relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects.

Submitted by **DEPARTMENT OF WORKFORCE DEVELOPMENT**

02-02-00 RECEIVED BY LEGISLATIVE COUNCIL.

02-18-00 REPORT SENT TO AGENCY.

RNS:DF:jal

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached

YES

NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached

YES

NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached

YES

NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached

YES

NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached

YES

NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached

YES

NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached

YES

NO

April 24, 2000

TO: Members of the Senate Labor Committee

Senator Russell Decker Senator David Zien
Senator Roger Breske Senator Margaret Farrow

FROM: Senator Jim Baumgart, Chair

Re: Clearinghouse Rules referred to Committee

The following rules were referred to the Committee on April 20, 2000.

CLEARINGHOUSE RULE 99-164 - Relating to prevailing wage rates.

Submitted by the Department of Workforce Development

CLEARINGHOUSE RULE 00-024 - Relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects

Submitted by the Department of Workforce Development

Enclosed are copies of the rules. If you have any concerns or questions about the rules or want a public hearing on the rules, please advise immediately.

cc: Dan Fernbach, Legislative Council Attorney

Tommy G. Thompson
Governor

Linda Stewart
Secretary



**OFFICE OF THE
SECRETARY**

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State of Wisconsin

Department of Workforce Development

April 18, 2000

President of the Senate
220 South, State Capitol
Madison, Wisconsin 53702

Speaker of the Assembly
211 West, State Capitol
Madison, Wisconsin 53702

Notice of Administrative Rules in Final Draft Form

Clearinghouse rule number: 00-24

Rule number: s. DWD 290.155

Relating to: Annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects

Dear Senator Risser and Representative Jensen:

I have enclosed proposed rules in final draft form and a rule report as required by s. 227.19(3), Stats., for referral to the appropriate legislative standing committees. If you have any questions regarding this matter, please do not hesitate to contact us.

Respectfully submitted,

A handwritten signature in cursive script that reads "Linda Stewart".

Linda Stewart, Ph.D.
Secretary

Tommy G. Thompson
Governor

Linda Stewart
Secretary



State of Wisconsin

Department of Workforce Development

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Rule Analysis for Legislative Review

Proposed rule affecting s. DWD 290.155 relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects (CR 00-24)

Need for rules

Pursuant to ss. 66.293(5) and 103.49 (3g), Stats., and the current s. DWD 290.155, the state prevailing wage rate laws do not apply to any single-trade public works project with an estimated cost below \$33,000 or any multi-trade public works project with an estimated cost below \$164,000. DWD is required to adjust the dollar amounts of the thresholds each year in proportion to any change in construction costs since the thresholds were last determined. The proposed rule increases the thresholds to \$34,000 for single-trade projects and \$168,000 for multi-trade projects based on a 2.3% increase in the construction cost index between December 1998 and December 1999.

Public hearing

There were no public comments.

Legislative Council staff recommendations

There were no Legislative Council staff recommendations.

Final regulatory flexibility analysis

A final regulatory flexibility analysis is not required because the rule will not have a significant economic impact on a substantial number of small businesses.

Department contacts

Patricia Hewitt, Section Chief
Construction Wage Standards Section
266-6469

Elaine Pridgen
Administrative Rules Coordinator
267-9403

**State of Wisconsin
Department of Workforce Development**

**Annual Adjustment of Thresholds for Application of the Prevailing
Wage Rates for State or Local Public Works Projects**

The Wisconsin Department of Workforce Development proposes an order to amend DWD 290.155, relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects.

Analysis

Authority for rule: Secs. 66.293(5) and 103.49(3g), Stats.

Statutes interpreted: Secs. 66.293(5) and 103.49(3g), Stats.

The state prevailing wage laws require that, when a state agency or local governmental unit constructs a public works project, it must obtain a prevailing wage rate determination from the Department of Workforce Development and require that the contractors and subcontractors on the project pay their employees in accordance with those wage rates. Under secs. 66.293(5) and 103.49(3g), Stats., and the current s. DWD 290.155 the state prevailing wage rate laws do not apply to any "single-trade public works project" (a project involving the employment of only one trade) whose estimated cost is below \$33,000, and it does not apply to any "multi-trade public works project" whose estimated cost is below \$164,000.

Under secs. 66.293(5) and 103.49(3g), Stats., and DWD 290.15, the Department is required to adjust the dollar amounts of the thresholds each year, in proportion to any change in construction costs since the thresholds were last determined. The proposed rule changes the thresholds to \$34,000 for single-trade projects and \$168,000 for multi-trade projects, based on a 2.3% increase in the construction cost index between December 1998 and December 1999.

Rule Text

SECTION 1. DWD 290.155 is amended to read:

DWD 290.155 This chapter does not apply to any single-trade public works project for which the estimated cost of completion is below ~~\$33,000~~ \$34,000, and any multi-trade public works project for which the estimated cost of completion is below ~~\$164,000~~ \$168,000.

SECTION 2. EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s.227.22(2)(intro.), Stats.

ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DGA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED
SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. Amendm.
DWD 290.155

Subject
Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
0

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$0	\$0 -
(FTE Position Changes)		0 (FTE)	0 (- FTE)
State Operations - Other Costs		0	0
Local Assistance		0	0
Aids to Individuals or Organizations		0	0
TOTAL State Costs by Category		\$0	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$0	\$0-
FED		0	0
PRO/PRS		0	0
SEG/SEG-S		0	0
III. State Revenues -		Increased Rev.	Decreased Rev.
Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$0	\$0-

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$0	\$0
NET CHANGE IN REVENUES	\$0	\$0

Agency/Prepared by: (Name & Phone No.)
DWD/ Elaine Pridden 267-9403

Authorized Signature (Telephone No.)

Edward J. Stein 266-9427

Date

2/2/00

LRB or Bill No./Adm. Rule No.
DWD 290.155
Amendment No. if Applicable

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

FISCAL ESTIMATE
DOA-2048 N(R03/97)

Subject
Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects

Fiscal Effect
 State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase 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 Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Create New Appropriation		

Local: No local government costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____
2. <input type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	Affected Ch. 20 Appropriations
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Assumptions Used in Arriving at Fiscal Estimate

Under the proposed rule, a state or local government with a public works project that costs more than \$33,000 but less than \$34,000 for a single-trade project or more than \$164,000 but less than \$168,000 for a multi-trade project will not be covered by the prevailing wage requirement.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.) Elaine Pridden 267-9403	Authorized Signature/Telephone No. 266-9427	Date 2/2/00
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