

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-4291/1	Introduction Number AB-0829	
Description Applicability of the prevailing wage law to publicly funded private construction projects and to regional transit authorities, the threshold for applicability of that law to a project of public works, the submission to the Department of Workforce Development of payroll records of persons performing work that is subject to that law, the inspection of those records, and the remedies for a violation of that law		
Fiscal Effect State: <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445(1)(a)		
Agency/Prepared By	Authorized Signature	Date
DWD/ Timara Budack (608) 267-2495	Andrew Feldman (608) 266-2284	4/22/2010

Fiscal Estimate Narratives

DWD 4/22/2010

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Assumptions Used in Arriving at Fiscal Estimate

The passage of Act 28 in 2009 made several adjustments to Wisconsin's prevailing wage law that increased the number of construction projects covered by the law, created a certified payroll reporting requirement to be operated by the department and made several other changes to the law. While these changes increased the department's workload in enforcing state prevailing wage laws Act 28 provided no additional financial or staff resources to handle this workload.

This bill eliminates all of the changes made to the state prevailing wage laws in Act 28. While the elimination of these changes will return the department's workload in enforcing Wisconsin's prevailing wage laws to prior levels it will have no impact upon the resources or staff positions available to the department. The department will have the same budget and staff available to enforce state prevailing wage laws as it did prior to the passage of Act 28. The department therefore anticipates passage of this legislation will have produce no cost savings to the department.

Passage of this legislation will decrease the number of construction projects undertaken by local government units that will be covered by state prevailing wage laws. At a minimum this means local government entities will have to apply for fewer project determinations which will save these government entities some processing costs. Depending upon one's point of view having a construction not covered by state prevailing laws may or may not provide a saving to the government entity. Nationally there have been several studies concerning this subject with mixed results. The department believes that to the extent that prevailing wage rates reflect the rates paid locally there would be no savings by having a construction project not covered by the prevailing wage laws as compared to being covered.

Passage of this legislation will require the department to spend at least \$2,000 to publicize the changes to the law and to adopt new regulations setting 2010 project thresholds.

Long-Range Fiscal Implications

None.

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Passage of this legislation will require the department to spend at least \$2,000 to publicize the changes to the law and to adopt new regulations setting 2010 project thresholds.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$0		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$0		\$
B. State Costs by Source of Funds			
GPR			
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, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$0		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DWD/ Timara Budack (608) 267-2495		Andrew Feldman (608) 266-2284	4/22/2010