Fiscal Estimate - 2011 Session

☑ Original		Updated		Corrected		Suppler	nental	
LRB Number	11-1000/		Introdu	action Numbe	er S	B-046		
Description The cost threshold for applicability of the prevailing wage law to a highway, road, street, bridge, sanitary sewer, or water main project contracted by a town								
Fiscal Effect							•	
Approp Decrea Approp	ate e Existing riations se Existing	Increase Revenue: Decrease Revenue:	s Existing	to absor	b withi	s - May be n agency' ts		
Local: ☐ No Local Government Costs ☐ Indeterminate ☐ 1. ☐ Increase Costs ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Decrease Revenue ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Decrease Revenue								
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS								
Agency/Prepare	d By	Aut	thorized Si	gnature			Date	
DWD/ Jim Chioli	no (608) 266-334	45 Geo	orgia Maxw	ell (608) 266-228	4		4/8/2011	

Fiscal Estimate Narratives DWD 4/8/2011

LRB Number 11-1000/1	Introduction Number S	B-046 Estimate T	ype Original					
Description The cost threshold for applicability of the prevailing wage law to a highway, road, street, bridge, sanitary sewer, or water main project contracted by a town								

Assumptions Used in Arriving at Fiscal Estimate

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

This bill increases the threshold for project coverage from \$25,000 to \$125,000, but only for certain types of projects. It also requires the department to modify this separate threshold annually based upon the change in construction costs since the effective date of the former threshold.

With passage of this bill, the department will see a slight workload reduction because it will be issuing fewer project determinations. This, however, will have no impact on resources or staff positions because the agency saw no increase in its budget with the passage of 2009 Wis Act 28. Moreover, these changes would not decrease workload to pre-Act 28 levels.

Passage of this legislation will decrease the number of construction projects that would be covered under the state prevailing wage laws. This means that local governmental units will have to apply for fewer project determinations which will save them processing costs. Local governmental units may experience decrease in construction costs, but, to the extent that prevailing wage rates reflect the rates paid locally, there should be no savings by having certain projects not covered by the laws.

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 modifying the threshold annually. Additionally, the department will have to spend at least \$10,000 to modify its systems to allow the application of different project thresholds to different project types.

Long-Range Fiscal Implications

None.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

X	Original] Up	odated		Corrected		Supplemental		
	Number	11-100	00/1		Intro	duction Nun	nber	SB-046		
Descri The co sanitar		for applica water main	ability of project	the prevai	iling wage l d by a towr	aw to a highway า	, road, st	reet, bridge,		
	-time Costs lized fiscal		ue Impa	acts for St	late and/or	Local Govern	nent (do	not include in		
change depart	es to the law	and to add	opt new d at leas	regulation st \$10,000	ns modifying to modify it	pend at least \$2 g the threshold a ts systems to all	annually.	Additionally, the		
II. Ann	nualized Cos	sts:				Annualized Fis	scal Impa	act on funds from:		
						Increased Costs	3	Decreased Costs		
A. Sta	te Costs by	Category	1							
State	e Operations	s - Salaries	and Fri	inges		\$0)	\$		
(FTE	E Position Ch	hanges)								
State	te Operations	s - Other C	osts							
Loca	al Assistance	Э								
Aids	s to Individua	als or Organ	nization	S						
T	OTAL State	Costs by	Catego	ry		\$0)	\$		
B. Sta	te Costs by	Source of	f Funds							
GPF	٦					C				
FED)					Continue de la continue de la conti				
PRO	D/PRS									
SEC	3/SEG-S									
	ite Revenue ues (e.g., ta					I will increase (or decrea	ase state		
				***	T	Increased Rev	Л	Decreased Rev		
GPF	R Taxes				1	\$C	,	\$		
GPF	REarned									
FED)						1			
PRO	D/PRS					7.	T			
SEG	G/SEG-S						T	*****		
T	OTAL State	Revenues	s			\$0	, 	\$		
			NET	ANNUAL	IZED FISC	AL IMPACT				
						State	2	Local		
NET C	CHANGE IN (COSTS				\$0)	\$		
NET C	CHANGE IN F	REVENUE				\$0)	\$		
										
Agend	cy/Prepared	Ву		Α	uthorized	Signature		Date		
DWD/ Jim Chiolino (608) 266-3345 Geo				Georgia Ma	eorgia Maxwell (608) 266-2284 4/8/2011					