

Fiscal Estimate Narratives

DWD 4/20/2011

LRB Number	11-1791/1	Introduction Number	AB-0091	Estimate Type	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

Original
 Updated
 Corrected
 Supplemental

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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			
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 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.			
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	0	
	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	\$0	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$0	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$0	\$
NET CHANGE IN REVENUE		\$0	\$
Agency/Prepared By		Authorized Signature	Date
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