



127th MAINE LEGISLATURE

LD 117

LR 1479(02)

An Act To Require the Prevailing Wage To Be Paid on All Public Works Projects for Which State Funding Is Used

Fiscal Note for Bill as Amended by Committee Amendment " "
Committee: Labor, Commerce, Research and Economic Development
Fiscal Note Required: Yes

Fiscal Note

State Mandate - Unfunded
Potential current biennium cost increase - Highway Fund
Potential current biennium cost increase - Local School Administrative Units

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$57,131	\$74,145	\$76,735	\$79,428
Appropriations/Allocations				
General Fund	\$57,131	\$74,145	\$76,735	\$79,428

State Mandates

Required Activity

Expands prevailing wage provisions already in place for contracts let by the State for school and municipal projects to now include contracts let by schools and municipalities for which any amount of state funding is provided to a school or municipality. The existing exemption for contracts under \$50,000 is still in place.

Unit Affected

Municipality

Local Cost

Moderate statewide

The required local activities in this bill may represent a State mandate pursuant to the Constitution of Maine. Unless General Fund appropriations are provided to fund at least 90% of the additional costs or a Mandate Preamble is amended to the bill and two-thirds of the members of each House vote to exempt this mandate from the funding requirement, municipalities may not be required to implement these changes.

Fiscal Detail and Notes

This bill includes General Fund appropriations of \$57,131 in fiscal year 2015-16 and \$74,145 in fiscal year 2016-17 to the Regulation and Enforcement program within the Department of Labor for one Labor/Safety Inspector position and related all other costs associated with additional wage determinations, compliance assistance and enforcement activities due to extending the prevailing wage requirements.

The Department of Transportation, the Department of Administrative and Financial Services and municipalities may incur additional costs on construction projects funded through the State's municipal partnership initiative if the total project is over \$50,000 but the State portion is under \$50,000. Since no additional funding is being given to cover these potential costs, fewer construction projects could be completed.

This legislation may increase the total state and local costs of major capital school construction projects and local repair projects with a cost of \$50,000 or more that are funded by any amount of state funding provided to a school district for that purpose if the prevailing wage is higher than wages and benefits currently being paid by school administrative units for construction projects. The impact of this legislation on the State and individual school administrative units can not be determined at this time.