

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 155(FIN)
 (H) Publish Date: 5/6/03

Revision Date/Time (Note if correction): _____ Department: **Labor and Workforce Development**
 Title: **Public Construction Project Requirements** BRU: **Labor Standards and Safety**
 Component: **Wage and Hour**
 Sponsor: **House Rules**
 Requester: **House L&C** Component Number: **345**

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	44.7	44.7	44.7	44.7	44.7	44.7
Travel						
Contractual	7.2	7.2	7.2	7.2	7.2	7.2
Supplies	2.0	0.2	0.2	0.2	0.2	0.2
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	53.9	52.1	52.1	52.1	52.1	52.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (Gen Fund 1004)	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	53.9	52.1	52.1	52.1	52.1	52.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	53.9	52.1	52.1	52.1	52.1	52.1

Estimate of any current year (FY2003) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would amend AS 36.05.040 to require bi-weekly rather than weekly submission of certified payrolls to the Department of Labor and Workforce Development (DLWD), and the addition of a new section under AS 36.05.045 to institute a reporting requirement to DLWD at the beginning and end of a project . In addition, DLWD proposes to institute a new fee at the beginning of a project.

(Continued on second page.)

Prepared by: **Hali Denton, Acting Director** Phone: **465-4855**
 Division: **Labor Standards & Safety** Date/Time: **4/8/03 3:31 PM**
 Approved by: **Greg O'Claray, Commissioner** Date: **04/08/03**
 Agency: **Department of Labor and Workforce Development**

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FISCAL NOTE #2

**STATE OF ALASKA
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BILL NO. CSHB 155(FIN)

ANALYSIS: (continued)

Under the new plan, contractors will submit an affidavit of compliance at the beginning of a project certifying intent to comply with prevailing wage laws. Submission of the affidavit of compliance will include a payment of one percent of the total contract value, up to a payment cap of \$5,000. Projects of less than \$25,000 will require filing of the affidavit, but are exempt from the payment of the fee. The contractor will continue the current practice of submitting payrolls to contracting agencies where required.

The department will be required to develop an electronic payroll filing system to be available to contractors by July 2004.

Based on a five-year average, with an estimated 1,000 projects opening per year and with an average contract value of approximately \$250,000, revenue is projected to be approximately \$2,500,000 in the first year. Succeeding years will increase or decrease with the number and value of public contracts let.

The department requests a new position: an Accounting Technician I to receive and account for the fees and manage the affidavits and certified payrolls in the Anchorage office.

The department proposes to begin collecting the fees July 1, 2003.