

OFFICE OF FISCAL ANALYSIS

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sSB-1370

AN ACT REQUIRING WORKERS PERFORMING OFF-SITE CUSTOM FABRICATION FOR A PUBLIC WORKS PROJECT TO BE PAID PREVAILING WAGE RATES.

As Amended by Senate "A" (LCO 7652)

Senate Calendar No.: 209

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Labor Dept.	GF - Potential Cost	104,306	102,806
State Comptroller - Fringe Benefits ¹	GF - Potential Cost	39,517	39,517
Various State Agencies	App Fund - Potential Cost	See Below	See Below

Note: GF=General Fund; App Fund=All Appropriated Funds

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
All Municipalities	Potential Cost	See Below	See Below

Explanation

The bill requires workers performing off-site fabrication for a public works project to be paid prevailing wage rates. This could potentially result in a cost to the Department of Labor (DOL), the State Comptroller-Fringe Benefits account, and the state and municipalities as employers.

The cost to DOL and the Comptroller- Fringe Benefits account is

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

dependent on the potential volume of complaints and investigations brought to the Wage and Workplace Standards Division. As a reference, hiring an additional Wage Enforcement Agent would result in a cost to (1) DOL of \$104,306 (\$97,069 for salary and \$7,237 for equipment/overhead) in FY 26 and \$102,806 (\$97,069 for salary and \$5,737 for overhead) in FY 27 and (2) the State Comptroller- Fringe Benefits account of \$39,517 in each FY 26 and FY 27.

Additionally, there is a potential cost to the state and municipalities (for the municipal share of the project cost) as there may be increased contractual costs for these projects beginning in FY 26, to the extent that these projects currently fall below the existing prevailing wage threshold.

Senate “A” specifies that “off-site custom fabrication” refers to sites within the state, resulting in no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the volume of complaints and investigations brought to the Wage and Workplace Standards Division.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.