

# OFFICE OF FISCAL ANALYSIS

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sSB-356

## AN ACT CONCERNING ELECTRONIC FILING OF CERTIFIED PAYROLL AND DAILY LOGS FOR CERTAIN PUBLIC WORKS PROJECTS.

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Labor Dept.	GF - Cost	None	None
Judicial Dept. (Probation); Correction, Dept.	GF - Potential Cost	See Below	See Below
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The bill changes requirements for employers covered by the state prevailing wage laws regarding certified payroll records. This results in the fiscal impact described below.

**Section 1** creates a new felony, which results in a potential cost to the Department of Correction and the Judicial Department for incarceration or probation and a potential revenue gain to the General Fund from fines<sup>1</sup>. On average, the marginal cost to the state for incarcerating an offender for the year is \$3,300<sup>2</sup> while the average marginal cost for supervision in the community is less than \$600<sup>3</sup> each year for adults and

<sup>1</sup> The maximum penalty is \$5,000.

<sup>2</sup> Inmate marginal cost is based on increased consumables (e.g., food, clothing, water, sewage, living supplies, etc.). This does not include a change in staffing costs or utility expenses because these expenses would only be realized if a unit or facility opened.

<sup>3</sup> Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a

\$450 each year for juveniles.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of offenses.

**Section 2** requires the Department of Labor (DOL) to develop and maintain an online system through which an employer must submit certified payroll records and to maintain a searchable online database on the agency's website for such information. This results in a one-time cost to DOL of at least \$2.5 million in FY 29 for related vendor costs<sup>4</sup>.

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cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.

<sup>4</sup> This estimate is based on conversations DOL has had with their counterparts in New York and New Jersey regarding the implementation of similar legislation.