

**Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: HB2743

Patron: Shin

Bill Title: Public service companies; prevailing wage rate for underground infrastructure works

Bill Summary: Directs the Department of Labor and Industry to determine and make available the prevailing wage rate for underground infrastructure work. Under the bill, each public service company shall ensure that its bid specifications or other contracts applicable to underground infrastructure works require payment at the prevailing wage rate. The bill requires contractors and subcontractors to post the prevailing wage rate in a prominent and accessible place at the work site. The bill also requires each contractor or subcontractor subject to the provisions of the bill to comply with certain recordkeeping requirements. The provisions of the bill apply to contracts entered into on or after July 1, 2025, for projects of more than \$250,000.

Budget Amendment Necessary: Yes

Items Impacted: 349

Explanation: The bill will result in a fiscal impact to the Department of Labor and Industry (DOLI) that cannot be absorbed within existing appropriation.

Fiscal Summary: DOLI will require general fund expenditures of \$1.6 million in FY 2026 and ongoing general fund expenditures of \$466,180 for enforcement.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DOLI	-	\$1,666,180	\$466,180	\$466,180	\$466,180	\$466,180

Fiscal Analysis: DOLI's Prevailing Wage department currently receives approximately 1800 calls and general correspondence per year and catalogs over 7000 pay-scale certifications. According to the agency, 470 prevailing wage determinations were made last year. DOLI estimates that each of the 126 public service companies that would be subject to the bill will have on average 10 qualifying projects each year. Based on that assumption, the department would need one Prevailing Wage Specialist (\$116,870) who can process up to 8,000 pay-scale certifications and three Prevailing Wage Analysts (\$115,487 each) who can complete 250 prevailing wage determinations and 50 conformance reviews every year. The agency also estimates a cost of \$2850 annually for translation services for inquiries as needed.

Additionally, the department anticipates a one-time cost of \$1.2 million to upgrade and modernize software infrastructure to maintain a prevailing wage record keeping system.

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Other: HB 2356 and SB 853 would also expand DOLI's prevailing wage responsibilities. If each bill passes, the \$1.2 million IT upgrade would only be needed once and could support the combined expansion.

Budget amendments to HB1600 approved by the House Appropriations Committee include \$2.0 million from the general fund and three positions in FY 2026 to support the implementation of House Bills 2743, 2356, and 2098.