

Fiscal Analysis: This bill requires the Department of Labor and Industry to determine prevailing wages for all construction, maintenance, and repair projects on Renewable Portfolio Standard (RPS) energy production projects. DOLI currently enforces prevailing wage requirements on public works projects exceeding \$250,000. According to the department, there are currently 49 RPS-eligible worksites in Virginia and DOLI projects a five percent annual increase through the 2050 deadline for 100 percent RPS generation. DOLI estimates that each site could generate up to 100 construction, alteration, and repair projects annually resulting in 4,900 prevailing wage determinations. DOLI estimates needing nine (9) additional employees: four (4) prevailing

Department of Planning and Budget
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State Fiscal Impact Statement

wage analysts (\$113,888 each), two (2) compliance officers (\$123,080 each), one (1) supervisor (\$178,522), one (1) hearing and legal services officer (\$151,404), and one (1) prevailing wage specialist (\$115,271). Additionally, to keep up with the expansion of the program, the Agency will need one additional prevailing wage analyst every year until 2030, totaling 14 employees by 2030. The department's authorized position level is 179 full time equivalent positions (FTEs), and the department currently has 147 FTEs filled. At this time, it is anticipated that the additional staff can be absorbed within the existing authorized position level without a MEL increase.

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 and an annual cost of \$45,600 for language translation services for documents and inquiries.

The bill provides that any employer who violates the prevailing wage requirements will be subject to a fine of \$5,000 per affected employee, or a fine of \$10,000 per affected employee if the violation was due to intentional disregard. Employers who violate the apprenticeship requirements will be subject to a fine of \$50 per labor hour, or a fine of \$500 per labor hour if the violation was due to intentional disregard. Fines are deposited to the Literary Fund and the amount of revenue can not be determined at this time.

HB 1600, as passed the House and Senate, includes \$2 million and three positions in FY 2026 to support the combined implementation of this bill and four others.

Other: This bill is the companion to SB 853.