

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: February 14, 2019

Agency Submitting: Nevada System of Higher Education

Items of Revenue or Expense, or Both	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Effect on Future Biennia
Const Costs (Expense)		\$9,000,000	\$9,500,000	
Total	0	\$9,000,000	\$9,500,000	0

Explanation

(Use Additional Sheets of Attachments, if required)

If enacted, the proposed legislation would increase construction costs for NSHE institutions by:

1. lowering the minimum threshold for prevailing wage requirements for construction projects from \$250,000 to \$100,000 and
2. eliminating the requirement to set prevailing wage for construction projects for NSHE at 90%.

NSHE institutions developed estimated cost projections based on known construction projects for the upcoming biennium. These projections indicate an overall increase in construction costs totaling approximately \$9 million per fiscal year. It is important to note, these costs are merely projections and could change as a result of increased construction (wage) costs, project modifications (impacting threshold), and new (currently unanticipated) projects. Therefore, NSHE is unable to completely determine the fiscal impact of the proposed legislation.

Name Heidi Haartz

Title Interim Budget Director

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Friday, January 18, 2019

Name Tiffany Greenameyer

Title Executive Budget Officer