

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 14, 2019

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
A.B. 136 / BDR 28 - 145

School District: Carson City School District

Approved by: Andrew J Feuling, Director of Fiscal Services

Comment: Our assumption is that this will increase the costs of our projects by 30%. Rural county school districts have fewer means to raise funds for capital projects than Clark and Washoe. With the abatement laws on top of that, what we can raise continues to fall behind the rate of construction inflation with is approximately 12% per year. This would be a detriment to all districts pursuing the goal of adequate and safe school facilities for our children, unless there was an equal or greater additional revenue stream to offset the impact.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$4,200,000	\$3,300,000	\$3,300,000	\$0

School District: Churchill County School District

Approved by: Phyllys Dowd, Director of Business Services

Comment: We had five construction projects (or improvements) during fiscal year 2018 between \$100,000 and \$250,000. If we had to pay the prevailing wage for those project, we estimate it would have increased our costs by a minimum of 20% or approximately \$148,500. Because our projects and improvements change every fiscal year, the amounts reported above are estimates based on what is planned to be completed this biennium.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$148,509	\$285,000	\$323,000	\$608,000

School District: Clark County School District

Approved by: Dillon Kay, Assistant Budget Director

Comment: The labor portion of the construction contracts for public works projects would increase by 10%. The impact is estimated in the range of \$75 million to \$80 million over ten years or \$7.5 million to \$8.0 million per year, depending on the kind of construction work that the full program would address. Due to the program is scheduled to last 10 years, the full scope of project types will change, fluctuation in cost of materials, and other market factors could impact the value significantly.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$7,500,000	\$7,500,000	\$7,500,000	\$15,000,000

School District: **Douglas County School District**

Approved by: Teri White, Superintendent

Comment: The District is unable to determine the impact of this proposed legislation as it would require bidding of actual jobs. Requiring prevailing wage for smaller works will increase the costs of those projects.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Eureka County School District**

Approved by: Dan Wold, Superintendent

Comment: It is hard to estimate the impact of lowering the prevailing wage threshold. We know what our capital projects costs are, but hourly wages are not included in bids. However, we already pay an increased labor cost because of our remote location, so this might have little impact. Also, looking over our last 30 capital projects, the majority are either under \$100,00 or over \$250,00, so the impact would be minimal overall.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Humboldt County School District**

Approved by: David Jensen, Superintendent

Comment: Given the variability of projects occurring on an annual basis, we are unable to determine specific fiscal impact. However, reducing the threshold from \$250,000 to \$100,000 will increase the number of projects (bond supported) that will fall under prevailing wage, which increases the cost of the project. As such, we do anticipate fiscal impact, however, can not specify a figure at this time.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Lander County School District**

Approved by: Nan Ancho, Finance Officer

Comment: Could have an impact. Unable to determine until a project has been identified and a quote has been requested.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Lincoln County School District**

Approved by: Pam Teel, Superintendent

Comment: Unsure but would not allow smaller district to build

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Lyon County School District**

Approved by: Shawn P. Heusser, Director of Finance and Facilities

Comment: Lyon County School District has approximately 3 - 5 projects each year between \$100,000 and \$250,000. We anticipate an increase of about 40% for projects requiring prevailing wages to be charged.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$0	\$200,000	\$220,000	\$0

School District: **Mineral County School District**

Approved by: Karen S. Watson, Superintendent

Comment: This bill will increase the labor costs to Mineral County School District's installation of video cameras throughout all classrooms and the three campuses by \$4380.00

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$183,676	\$0	\$0	\$0

School District: **Nye County School District**

Approved by: Kelly Wood, Executive Secretary

Comment: The impact would be that any capital projects job will now increase by 40%.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$400,000	\$400,000	\$400,000	\$400,000

School District: **Pershing County School District**

Approved by: Russell D. Fecht, Superintendent

Comment: Planned capital projects between \$100,000 and \$250,000 will see approximately a 20% increase due to these proposed changes.

Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$0	\$80,000	\$80,000	\$160,000

School District: Storey County School District Approved by: Kristen Chandler, Business Manager Comment:				
Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Washoe County School District Approved by: Lindsay Anderson, Government Affairs Director Comment: Washoe County School District is currently paying higher than prevailing wage labor costs in many areas due to the tightness of the construction labor market in the area. We do not anticipate an immediate impact to construction costs with the full price of prevailing wage being reinstated. Lowering the threshold on prevailing wage projects will have an additional cost associated with administrative staff time, but we cannot determine the specific cost of this administrative duty.				
Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: White Pine County School District Approved by: Paul Johnson, CFO Comment: BDR 28-145 would reduce wages for mechanics and workers employed on certain public construction projects for projects over \$100,000. This threshold (\$100,000) would be reduced from \$250,000 so projects over \$100,000 would most likely cost more. Due to the limited number of projects that the District can perform in excess of \$250,000, this law may actually increase the cost of public works projects. The District has annual budgeted resources for capital projects of \$250,000 or less. The increase in expenditures in this fiscal note represents an anticipated increase of project costs for those projects from \$100,000 to \$250,000 which will be the range of most of our capital projects. We anticipate a 10% increase in project costs for this range. If the District had more money for capital projects this BDR would provide a financial benefit; however, based on our limited annual revenue this BDR would actually have an adverse affect as it would for other entities with very little capital funding.				
Impact	FY 2018-19	FY 2019-20	FY 2020-21	Future Biennia
Has Impact	\$0	\$0	\$25,000	\$50,000

The following school districts did not provide a response: Elko County School District and Esmeralda County School District.