



**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 29, 2019

Agency Submitting: Department of Administration

Items of Revenue or Expense, or Both	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Effect on Future Biennia
Capital Improvement Program (Expense)		\$159,562	\$103,603	\$294,744
Total	0	\$159,562	\$103,603	\$294,744

Explanation

(Use Additional Sheets of Attachments, if required)

The State Public Works Division reviewed the bill, as amended, and determined there is a fiscal impact on the Capital Improvement Program. Attached is our spread sheet which shows the fiscal impact to the applicable 2017 and 2019 CIP Maintenance and Construction projects if AB136 became law with the current language. To summarize, the State Public Works Division conservatively expects a 15% increase to all applicable CIP projects for which construction costs fall between \$100,000 to \$250,000. In our estimation, we show a \$263,164 total increase to the applicable 2017 and 2019 CIP Projects. This was established in the following manner:

1. Public Works researched the total amount of construction projects affected in the 2017 and the proposed 2019 CIP.
2. Public Works deliberated with general contractors and/or consultants to determine the 15 percent increase to the applicable 2017 and 2019 CIP projects.
3. Public Works staff provided a list of applicable CIP projects (tab #1) and showed the original project amount, and the estimated impact of the 15 percent increase in construction costs. The result is a \$263,164 increase in construction cost to SPWD if the prevailing wage threshold was reduced to \$100,000 as stipulated in AB 136.

Name Daniel Marlow
Title Administrative Services Officer III

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Friday, March 29, 2019

Name Paul Nicks
Title Deputy Director