

OFFICE OF FISCAL ANALYSIS

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sSB-356

AN ACT CONCERNING ELECTRONIC FILING OF CERTIFIED PAYROLL AND DAILY LOGS FOR CERTAIN PUBLIC WORKS PROJECTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Labor Dept.	GF - Cost	None	None
Judicial Dept. (Probation); Correction, Dept.	GF - Potential Cost	See Below	See Below
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill changes requirements for employers covered by the state prevailing wage laws regarding certified payroll records. This results in the fiscal impact described below.

Section 1 creates a new misdemeanor, which results in a potential cost to the Department of Correction and the Judicial Department for incarceration or probation and a potential revenue gain to the General Fund from fines¹. On average, the marginal cost to the state for incarcerating an offender for the year is \$3,300² while the average marginal cost for supervision in the community is less than \$600³ each

¹ The maximum penalty is \$5,000 and/or five years in prison.

² Inmate marginal cost is based on increased consumables (e.g., food, clothing, water, sewage, living supplies, etc.). This does not include a change in staffing costs or utility expenses because these expenses would only be realized if a unit or facility opened.

³ Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a

year for adults and \$450 each year for juveniles.

The Out Years

The annualized ongoing fiscal impact identified in **Section 1** would continue into the future subject to the number of offenses.

Section 2 requires the Department of Labor (DOL) to develop and maintain an online system through which an employer must submit certified payroll records and to maintain a searchable online database on the agency's website for such information. This results in a one-time cost to DOL of at least \$2.5 million in FY 29 for related vendor costs⁴.

cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.

⁴ This estimate is based on conversations DOL has had with their counterparts in New York and New Jersey regarding the implementation of similar legislation.