

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose
SPONSOR: Associated Builders and Contractors of California

BILL NUMBER: SB 1370
AUTHOR: Berryhill, Tom

BILL SUMMARY: Prevailing wages: public works: director: code list.

This bill would require the Department of Industrial Relations (DIR) to post a list of every California code section, and the language of each section, that relates to prevailing wage rate requirements for workers employed on public works projects on their website. This bill would require the information to be posted to the DIR website by June 1, 2013.

FISCAL SUMMARY

This bill would result in initial additional costs of \$8,000 to \$12,000, Labor Enforcement Compliance Fund (LECF), in 2012-13 to fund two partial positions to identify relevant California code sections, compile a list of these sections, post the list to the DIR website, and make annual updates to maintain the list. According to the DIR, costs for maintenance of the list beyond 2012-13 would be minor and absorbable.

Finance notes that the LECF is an unstable funding source because the provisions establishing the LECF, and the employer assessment that provides revenue to the LECF, sunset on July 1, 2013.

COMMENTS

The Department of Finance opposes this bill for the following reasons:

- This bill is unnecessary because a list of code sections, as well as a wealth of other information related to prevailing wage requirements and labor law, is currently available on the DIR website.
This bill would create initial implementation costs to the LECF which is an unstable fund source with a sunset date of July 1, 2013.

This bill seeks to provide a single online location of code sections that identify the criteria subjecting projects to state mandated prevailing wage requirements.

Existing law requires the general prevailing wage rate to be paid to all workers employed on a public works project, as defined, costing over \$1,000 and imposes misdemeanor penalties for violations. Existing law also tasks the Director of DIR with determining the prevailing wage rate by considering the basic hourly rate being paid to a majority of workers engaged in a particular craft, classification, or type of work within the nearest labor market area.

This bill would require the DIR to post to their website, by June 1, 2013, a list of every California code section, and the language of those sections, that relate to the prevailing rate of per diem wage requirements for workers employed on a public works project.

Analyst/Principal (0241) J.Morozumi Date Program Budget Manager Lisa Ann Mangat Date
Department Deputy Director Date
Governor's Office: By: Date: Position Approved Position Disapproved
BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

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Original

SB 1370

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)						Fund Code
	LA	(Dollars in Thousands)						
	CO	PROP						
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014
7350/DIR	SO	No	C	--	C	8-12	C	-- 3152
<u>Fund Code</u>	<u>Title</u>							
3152	Labor Enforcement and Compliance Fund							