

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 29, 2015

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	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
S.B. 371 / BDR 53 - 671

City/County: Carson City Approved by: Nickolas A. Providenti, Finance Director Comment: This would have a fiscal impact to Carson City. We anticipate it would take 1/2 of an FTE to enforce - or \$50,000 per year.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$50,000	\$50,000	\$100,000

City/County: Churchill County Approved by: Eleanor Lockwood, County Manager Comment: BDR 53-671 is estimated to have minimal fiscal impact on Churchill County.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: Clark County Approved by: David Dobrzynski, Assistant Director of Finance Comment: Fiscal impact cannot be determined. The burden of overseeing the total number of hours worked by an apprentice would be placed on the public body, which would result in the need for additional staff to review project pay applications. Usually only union contractors use apprentices. Very few non-union contractors use them. The outcome could then be a decrease in bidders. With less competition the bids price could increase, causing the County to more.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Douglas County**

Approved by: Carl Ruschmeyer, Public Works Director

Comment: It is anticipated that the proposed legislation will have a fiscal impact on the County in order to meet the requirement under Section 4 (1), requiring the public body to ensure that an apprentice performs not less than 15 percent of the total labor hours on the public work.

However, the fiscal impact is undetermined. Any cost impact would be dependent upon the labor requirements and contract time for the public work. Implementation would require additional staffing resources to track and verify compliance.

More importantly, the public body does not control the means and methods of construction for a public work. Ultimately, the contractor is solely responsible for the workforce that is needed for the project.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Humboldt County**

Approved by: Sondra Schmidt, Comptroller

Comment: No Impact

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Washoe County**

Approved by: Liane Lee, Government Affairs Manager

Comment: Difficult to determine the impact of this bill. There is potential that the requirement for 15% of the labor provided on a public work will not be attained by all contractors that bid Washoe County's work; therefore, limiting the pool of contractors , limiting the competition, and increasing the cost of work.

To quantify that for each public work it will require additional review and oversight to track the apprenticeship hours which is included in the impact table.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **White Pine County**

Approved by: Elizabeth Frances, Finance Director

Comment: Although apprentices cost less per hour than journeymen, they are also less efficient and require more supervision. The County already incurs higher costs for capital projects because of the requirement to pay prevailing wage. This cost will now be increased by the fact that the County must ensure that a minimum of 15% of those prevailing wage hours are paid to apprentices. This will slow the rate of completion of projects and increase the costs. The end result will be adverse financial impact to the County in an amount that cannot be realistically estimated at this time.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **City of Henderson**

Approved by: Mike Cathcart, Business Operations Manager

Comment: The fiscal impact of this legislation cannot be determined. However, it may reduce the number of contractors competing for a project, which could perhaps raise the cost of a project if a true low bid is not received.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Las Vegas**

Approved by: Michelle Thackston, Administrative Secretary

Comment: The participation in an apprenticeship program for public works projects might result in slightly lower labor costs with a project but would increase costs for oversight and administration. Assuming a combined resource of 1 person per year to analyze, monitor, enforce, and report, as needed the cost to the city would be about \$100,000 annually.

This bill will require additional resources during the solicitation process and the Public Works oversight process. The challenge will be requiring the bidder's to evaluate the project to determine if the required 15% apprentice participation can be accomplished. This will be project-specific and dependent on the various scopes of work and percent of the scopes on each project. In addition, should a contractor fail to meet the required goal, then we will need to investigate to determine if there was an appropriate reason why the goal was not met or if actions should be taken against the contractor.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$100,000	\$100,000	\$100,000

City/County: **City of Reno**

Approved by: Ryan High, Budget/Strat. Initiatives Mgr.

Comment: After initial review, there is a potential for a fiscal impact for projects for the City of Reno in the event that there are increased contractor costs for the contractor's management of apprentices. These costs cannot be determined due to not knowing what future projects will meet the dollar threshold required in the legislation and not knowing if/how use of apprentices will affect project costs.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Sparks**

Approved by: Jeff Cronk, Financial Services Director

Comment: This bill is expected to have a negative fiscal impact by resulting in increased expenditures. However, it's not practical to estimate those increased expenditures at this time due to the difficulty in estimating the number of staff hours necessary to implement the provisions of this bill. Section #4 is of particular concern that is expected to result in significantly increased staff time, likely leading to the hiring of additional personnel to ensure compliance.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Carson City School District**

Approved by: Andrew J Feuling, Director of Fiscal Services

Comment: No Impact

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Clark County School District**

Approved by: Nikki Thorn, Deputy CFO

Comment: Assuming this will apply to CCSD, even after passage of the permissive language allowing the ability to waive prevailing wage requirements for projects, there could be major delay impacts to project and program schedules awaiting waiver approvals, hearings, etc. There could also be staffing impact associated with required "tracking/reporting" of apprentices. The contractor pre-qualification criteria in 338 which CCSD has already adopted do not include requirements for confirmation that a contractor is signed on to apprenticeship council to meet the 15% requirement. The need to develop a process to determine when to seek a waiver would require added staffing, and would extend the project procurement time lines even further. The removal of prevailing wage has been received poorly with those contractors who are signatory to union agreements. Historically, these organizations are the ones active in apprenticeship programs, not many non-union contractors participate in apprenticeship programs. This BDR language seems not to have been coordinated with legislation recently signed into law. CCSD cannot accurately put a cost on the delays that this proposed bill could possibly cause, however, this will not help resolve much needed school projects due to known overcrowding that continues to be made worse each year since 2012 by the growth of CCSD student population.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Douglas County School District**

Approved by: HOLLY LUNA, CFO, BUSINESS SERVICES

Comment: No Impact

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Esmeralda County School District**

Approved by: Monie L. Byers, Superintendent

Comment: Cannot determine fiscal impact.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Humboldt County School District**

Approved by: David Jensen, Superintendent

Comment: No fiscal impact.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Lincoln County School District Approved by: Steve Hansen, Superintendent Comment: An apprentice if not paid more or less than other employees, does not cost more or less, therefore, no fiscal impact.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Lyon County School District Approved by: Philip Cowee, Director of Finance Comment: The fiscal impacts cannot be determined.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Nye County School District Approved by: Kerry Paniagua, Executive Secretary Comment: It would be impossible for the school district to determine.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Pershing County School District Approved by: Dan Fox, Superintendent Comment: The district does not have the appropriate data to determine if this would have a fiscal impact or not.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Storey County School District Approved by: Robert Slaby, Superintendent Comment: Will effect funds for DSA.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: Washoe County School District Approved by: Lindsay E. Anderson, Director of Government Affairs Comment: Washoe County School District cannot determine the impact this may have on our school construction process.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: White Pine County School District Approved by: Paul Johnson, CFO Comment: No Impact				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

The following cities, counties and school districts did not provide a response: Elko County, Esmeralda County, Eureka County, Lander County, Lincoln County, Lyon County, Mineral County, Nye County, Pershing County, Storey County, Boulder City, City of Elko, City of North Las Vegas, City of Mesquite, Churchill County School District, Elko County School District, Eureka County School District, Lander County School District, and Mineral County School District.