

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 8, 2017

Agency Submitting: Nevada System of Higher Education

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Total of all NSHE institutions (Expense)	\$5,555,514	\$6,447,420	\$7,824,008	\$10,976,004
Total	\$5,555,514	\$6,447,420	\$7,824,008	\$10,976,004

Explanation

(Use Additional Sheets of Attachments, if required)

If enacted, the proposed legislation would have a fiscal impact on the Nevada System of Higher Education (NSHE) and its institutions by requiring all NSHE institutions to pay prevailing wage rates on all projects over \$25,000.

Currently, NSHE institutions are required to pay on certain projects at 90% of the prevailing wage rates. Section 3 proposed to eliminate this exception. Additionally, Section 3 proposes to revise the methodology used by the Labor Commissioner to calculate prevailing wage rates by trade. Section 4 proposes to decrease the minimum threshold for prevailing wage requirements from \$250,000 to \$25,000. Section 36 repeals sections of NRS, which limit the provisions of NRS 338.013 to 338.018, inclusive, and NRS 338.020 to 338.090, inclusive, to NSHE contracts for construction work greater than \$250,000. Each of the proposed revisions to NRS would result in higher constructions costs for NSHE projects.

Name Heidi Haartz

Title Assistant Budget Director

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Wednesday, March 29, 2017

The agency's response appears reasonable.

Name Susan Brown

Title Executive Budget Officer

NSHE Response to Executive Branch Fiscal Note

BDR: 28-781

Institution: all NSHE institutions

Response prepared by: Heidi Haartz

Category Type (Object Code)	Items of Revenue or Expense, or Both	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Effect on Future Biennia
Expense	College of Southern Nevada		\$523,680.00	\$609,352.00	\$596,692.00
Expense	Desert Research Institute		\$45,459.00		
Expense	Great Basin College	\$274,250.00	\$213,625.00	\$50,000.00	\$50,000.00
Expense	Nevada State College	\$45,000.00	\$45,000.00	\$45,000.00	\$90,000.00
Expense	University of Nevada, Las Vegas	\$1,250,000.00	\$1,500,000.00	\$3,000,000.00	\$2,000,000.00
Expense	University of Nevada, Reno	\$3,986,264.00	\$3,529,656.00	\$3,529,656.00	\$7,059,312.00
Expense	Truckee Meadows Community College	\$0.00	\$590,000.00	\$590,000.00	\$1,180,000.00
Expense	Western Nevada College				
	Total	\$5,555,514.00	\$6,447,420.00	\$7,824,008.00	\$10,976,004.00

Fiscal Note Explanation (Use Additional Attachments, if required)

DRI: fiscal impact limited to currently identified HECC/SHECC projects.

WNC: Unable to project fiscal impact; could result in WNC being unable to take on as many projects due to increased cost per project.

List Attachments Included in Response:
