



153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	SENATE BILL NO. 272
AS AMENDED BY:	SA 1
SPONSOR:	Senator Walsh
DESCRIPTION:	AN ACT TO AMEND TITLE 14 AND TITLE 29 OF THE DELAWARE CODE RELATING TO PROJECT LABOR AGREEMENTS FOR SCHOOL DISTRICT PUBLIC WORKS CONTRACTS.

Assumptions:

1. This Act becomes effective upon signature of the Governor for public works projects advertised after December 31, 2026.
2. This Act establishes the definition of "Project labor agreement" (PLA) in Delaware Code as "...a form of pre-hire collective bargaining agreement covering terms and conditions of a specific project."
3. This Act requires public works projects for school districts to include a PLA if the aggregate cost is \$5 million or greater and if two more more bids for the craft under the contract are from a business legally bound to a collective bargain agreement with the Delaware Building and Construction Trades Council.
4. Upon implementation, Local Education Agencies (LEAs) anticipate the need for additional resources to assist with the legal, procurement, and project management requirements, as well as ongoing compliance and reporting. This may require additional FTEs for project managers and attorneys, or additional contractual expenses for outside counsel.
5. The number of FTEs required will depend on the number of projects and the number of LEAs planning to advertise projects. The number of FTEs will also vary by LEA depending on available staff, expertise, and how legal support is delivered within the LEA. While LEAs with active projects anticipated additional staffing needs, they were not able to provide a specific estimate.
6. The Department of Education annually receives requests for Certificates of Necessity (CNs) and associated state funding from LEAs for major capital projects above \$1 million. The progression of each CN application is contingent upon prioritization levels and available funding, which can vary significantly each year. Accordingly, the associated administrative workload and any corresponding staffing needs associated with implementation of this Act cannot be reliably estimated.

Cost:

Fiscal Year 2027: Indeterminable
Fiscal Year 2028: Indeterminable
Fiscal Year 2029: Indeterminable

Prepared by Russell Ames
Office of the Controller General