

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0559
Prime Sponsor(s): Rep. Kerr A.
 Sen. Johnston

Date: June 4, 2012
Bill Status: Postponed Indefinitely
Fiscal Analyst: Kori Donaldson (303-866-4976)

TITLE: CONCERNING A REQUIREMENT THAT PUBLIC SCHOOL STRUCTURES SATISFY MINIMUM ENERGY-EFFICIENT DESIGN STANDARDS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures General Fund	Up to \$56,700	Up to \$56,700
FTE Position Change		
Effective Date: This bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on February 29, 2012.		
Appropriation Summary for FY 2012-2013: The Governor's Energy Office would have required a General Fund appropriation of \$56,700.		
Local Government Impact: See Public School Impact section.		

Summary of Legislation

Beginning January 1, 2013, this bill would have required the new construction or significant redesign of public school facilities, including district charter schools, to meet certain energy-efficient design standards. Each new construction or significant redesign project would have been required to satisfy one of the following four conditions:

- acquire the federal Energy Star label;
- achieve the highest attainable performance certification as verified by an independent third party pursuant to the high performance certification program selected by the Office of the State Architect (OSA), within the Department of Personnel and Administration;
- consult with the Governor's Energy Office (GEO) regarding best building practices throughout the design and construction of the new facility; or
- employ a design and construction team that consists of at least one person who possesses a professional accreditation in energy-efficient design practices and who provides professional technical assistance to the project.

Energy Star is a program of the U.S. Environmental Protection Agency and the U.S. Department of Energy intended to reduce the future energy consumption of new or reconstructed facilities through the use of certain design and construction standards and materials. It should be noted that Energy Star ratings cannot be obtained until 11 months of energy data has been collected.

OSA recognizes the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED™) guideline as the standard for state buildings, and the Colorado Collaborative for High Performance Schools (CO-CHPS) guideline as an alternate standard for K-12 schools.

State Expenditures

This bill would have increased state expenditures for GEO from the General Fund by up to \$56,700 in FY 2012-13 and future years. The fiscal impact of the bill would have been determined by the number of new construction or redesign projects undertaken by school districts and district charter schools. The fiscal impact would have varied according to the method school districts and district charter schools selected to meet energy-efficient design standards for new construction or significant redesign.

Governor's Energy Office. Although the stated intent of the bill was for GEO to work within existing resources, this fiscal note assumed that GEO would have required \$56,700 in FY 2012-13 and beyond to support school districts and district charter schools regarding best building practices. GEO estimated it would take about 1,040 hours a year to support these activities, of which half, or about 520 hours, could have been supported within existing appropriations, and half would have been handled by an independent consulting firm. This estimate was based on the calculation that about one-third, or 600, of the schools in the state may have requested assistance at some time in the future. This fiscal note assumed that the option to consult with personnel from GEO about best building practices might have been more cost effective for school districts and district charter schools than seeking high performance certification, which involves an additional certification cost, or employing a design or construction team with a person who possesses a professional accreditation in energy-efficient design practices. If about 20 schools a year requested assistance (or about 3 percent annually of the total number of schools GEO estimated could request future assistance), and each project required 52 hours of consultation, the total hours required annually to support best building practices was 1,040. The total number of consultation hours would have varied according to project scope and size, but may have included such activities as reviewing design documents, site visits, and troubleshooting. The cost per hour for this type of consultation is about \$109. GEO has voluntarily consulted on 114 school construction projects of various sizes to date.

Public School Impact

This bill may have increased school district and district charter school expenditures for new construction or redesign projects. To the extent that new and significantly redesigned school facilities would not have otherwise been designed to energy efficient standards, school districts and district charter schools may have realized initial increased capital costs. The amount of increased construction costs depended on the added features or increased cost of materials selected in order to achieve greater energy efficiency. New facilities would have likely realized long-term operational cost savings resulting from increased efficiencies in energy consumption. Generally, the OSA directs that new facilities constructed to high performance certification standards should recoup the initial increased capital costs for a new or renovated facility within 15 years of completion. There is no reliable average percent increase of a project's total cost to meet energy-efficient design standards, but estimates range between no added cost to as much as 15 percent. Existing law requiring that certain state facilities be built to high performance certification standards, limits the total cost increase, without additional legislative review, to 5 percent.

State Appropriations

For FY 2012-13, the Governor's Energy Office would have required a General Fund appropriation of \$56,700.

Departments Contacted

Education

GEO

Personnel