



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0049	Title:	Energy efficiency standards for construction of state buildings
Primary Sponsor:	Wanzenried, David E	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$62,306	\$61,609
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

New buildings and major renovations will likely have some higher initial costs; however, these costs should be offset by savings over the first several years of operation. An FTE would be needed in following biennia to complete the development, fully implement, and maintain high performance building standards as well as oversee the integrated design process.

FISCAL ANALYSIS

Assumptions:

Department of Administration – Architecture and Engineering Division (A&E) -

1. In section 1 (1) the term “new state leased buildings” refers to new buildings constructed by a developer in response to a request for proposals and does not include new or renewed leases for existing buildings.
2. The legislation will apply this criteria to projects authorized in HB 5. Renovation of the State Grain Lab and Montana State Prison Low Support Building are funded anticipating an integrated design approach. No additional funds will be requested.
3. The proposed Nob Hill leased building is designed as, or very close to, a high performance building and any adjustments will benefit the building owner and will not affect lease rate.

4. Building projects are not identified for future biennia and no cost impact is quantified. Cost would likely increase slightly for professional services, and there may be some increase in initial construction costs, but they should be offset by savings in operational costs in the first few years of operation.
5. The building program presented in the executive budget is largely deferred maintenance and energy improvements. If the proposed building program does not change significantly, then Architecture and Engineering (A&E) will be able to apply some resources to developing the standards within their current budget. However, if the legislature expands the building program to include significant new buildings and major renovations, then the FTE identified in assumption 6 will also need to be added to HB 2 for the 2011 biennium.
6. The building program for the 62nd legislature will have an average distribution of new construction and renovations. A&E will need 1.00 FTE to continue work on the high performance building standards and oversee the integrated design process. A new employee office package would be required, other operating expenses could be absorbed within the existing budget. A 2.5% inflationary factor was added for FY 2013.
7. A&E may be able to apply for grants or other federal assistance in implementing the high performance building requirements and if they are successful, A&E would be able to expend those funds in their budget to support the program. The amount of that funding is unknown and not included in the fiscal note.

	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>	<u>FY 2012</u> <u>Difference</u>	<u>FY 2013</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$60,106	\$61,609
Operating Expenses	\$0	\$0	\$2,200	\$0
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$62,306</u>	<u>\$61,609</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$62,306	\$61,609
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$62,306</u>	<u>\$61,609</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	(\$62,306)	(\$61,609)

Sponsor's Initials

Date

Budget Director's Initials

Date