



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0232 - Allow DOA to enter into leases for consolidation purposes without LRBP approval (Hopkins, Mike)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: This bill allows the Department of Administration to enter leases for the purpose of consolidation and cost savings without requiring long-range building approval. It is estimated that there will be future long-term cost savings associated with this revision, due to efficiencies in managing leased space for the state, but the current fiscal impact is minimal.

FISCAL ANALYSIS

Assumptions:**Department of Administration**

- The Department of Administration's General Services Division anticipates there will a reduction in expenses based on prior experience with negotiating leased space for the state. The cost per square foot of leased space is typically less for a larger space than several smaller spaces of an equivalent size, and the administrative cost of negotiating and managing multiple small leases is higher than the cost of negotiating and managing a single lease.
- Aggregating leases in a single space places the state in a better negotiating position which may lead to future cost savings and efficiencies in space management.

Sponsor's Initials

Date

Budget Director's Initials

Date