

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2966-04  
Bill No.: Perfected SCS for SB 821  
Subject: Energy; Public Buildings; Construction and Building Codes  
Type: Original  
Date: March 14, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

Officials from **Lincoln University, Harris–Stowe State College, St. Louis Public School District, and Springfield Public School District** did not respond to our fiscal impact request.

Officials from the **Blue Springs R-IV School District (BSSD)** did not respond to our fiscal impact request. However, in response to a previous version of this proposal, BSSD assumed: 1) the proposal would produce revenue if a project was approved; 2) savings would be derived from successful award of grant funds to complete energy saving projects; 3) costs would not increase because participation is voluntary; and 4) costs could increase because of capability to accept best bid rather than lowest bid.

Officials from the **Office of Administration – Division of Design and Construction, Department of Higher Education, Department of Elementary and Secondary Education, Department of Health and Senior Services, University of Missouri, Truman State University, Central Missouri State University, Southwest Missouri State University, and the School District of Kansas City, Missouri** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Natural Resources** assume the proposed legislation would have no direct fiscal impact on their agency.

**Oversight** notes the potential for long-term savings provided the contractor delivers a finished product that results in an energy cost savings.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Small Business</u>			

Small businesses that specialize in the area of energy cost savings could be positively impacted.

#### DESCRIPTION

This proposal would allow the Division of Design and Construction to contract for guaranteed energy cost savings. Contractors must be selected based on experience, capability, past performance and proximity of the firm. This proposal expands the definition of schools to include state colleges and universities which makes them eligible to borrow money for energy conservation projects. This proposal also expands the length of loans made by the Department of Natural Resources for energy conservation projects to ten years if the useful life of the life of the conservation measure exceeds ten years. Currently, loans may be made for a maximum of eight years.

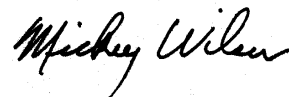
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Office of Administration – Division of Design and Construction  
Department of Natural Resources  
Department of Higher Education  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
University of Missouri  
Central Missouri State University  
Southwest Missouri State University  
School District of Kansas City  
Truman State University

#### NOT RESPONDING

Lincoln University  
Harris–Stowe State College  
St. Louis Public School District  
Springfield Public School District  
Blue Springs R-IV School District



Mickey Wilson, CPA  
Acting Director

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