LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 5, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB826** by Anchia (Relating to the use of motion sensor technology in certain state buildings, public school facilities, and higher education facilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB826, As Introduced: a negative impact of ($414,629,814) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	($331,703,851)
2009	($82,925,963)
2010	$0
2011	$0
2012	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from *GENERAL REVENUE FUND* 1	Probable (Cost) from *STATE HIGHWAY FUND* 6	Probable (Cost) from *GAME,FISH,WATER SAFETY AC* 9	Probable (Cost) from *School Districts*
2008	($331,703,851)	($11,029,398)	($357,726)	($79,560,000)
2009	($82,925,963)	($2,757,350)	($89,431)	($19,890,000)
2010	$0	$0	$0	$0
2011	$0	$0	$0	$0
2012	$0	$0	$0	$0

Fiscal Analysis

The bill would require the use of motion sensor technology in all state owned buildings, including buildings owned and managed by institutions of higher education and independent school districts.

Motion sensor technology is defined in the proposed bill as technology that uses motion sensor devices to automatically control a building's lighting, heating, ventilation, and air conditioning systems based on the presence or absence of people.

The bill would require a state agency, institution of higher education, and independent school district in charge and control of all state buildings and all instructional facilities to retrofit those buildings and facilities with motion sensor technology no later than January 31, 2009.

The bill would require the use of motion sensor technology on new construction state buildings and instructional facilities.

The bill would require state agencies, institutions of higher education, and independent school districts that acquired state buildings and instructional facilities that do not use motion sensor technology to retrofit the acquired buildings with motion sensor technology no later than one year after the acquisition.

Methodology

The state has approximately 57,858,359 square feet available in state owned buildings. The estimated cost to install motion sensor technology for lighting in state owned buildings is $8,678,754 (57,858,359 x $0.15 per sensor for lighting) in the 2008-09 biennium. The estimated cost to install motion sensors for HVAC systems is $101,252,129 (57,858,359 x $1.75 per sensor for HVAC) in the 2008-09 biennium.

Institutions of higher education have approximately 167,859,388 square feet available in buildings in their purview. The estimated cost to install motion sensor technology for lighting is $25,178,908 (167,859,388 x $0.15 per sensor for lighting) in the 2008-09. The estimated cost to install motion sensor technology for HVAC systems is $293,753,929 (167,859,388 x $1.75 per sensor for HVAC) in the 2008-09 biennium.

It is assumed that 80 percent of all costs will be incurred in fiscal year 2008 and 20 percent of all costs incurred in fiscal 2009 because the bill requires all retrofitting of motion sensor technology to be completed by January 31, 2009. It is also assumed that related costs will be estimated as part of total construction expenses for newly constructed buildings after existing buildings have been retrofitted.

HVAC motion sensor technology is still in the early stages of development and the implications of this technology to HVAC systems could lead to additional costs not stated. Some areas of buildings may need to be given additional consideration to ensure that the HVAC system is properly balanced and critical areas are maintained at a constant temperature, such as labs and computer server rooms.

Costs may be less to the extent that some buildings already have this equipment installed. Some of these costs could also be reduced through the use of Energy Performance Contracts resulting in utility bill savings. However, each project would have to be evaluated to determine eligibility for the Energy Performance Contract program.

Local Government Impact

There are 7,956 campuses throughout the state. It is estimated that the cost to install a motion sensor device for lighting and HVAC control is $250 per area or room. The average campus has approximately 50 areas or rooms. Therefore the average cost to retrofit an average campus with motion sensor technology would be $12,500.

There is no data currently available on which campuses are currently equipped with motion sensor technology. However, assuming none of the approximately 7,956 campuses are equipped with motion sensor technology, the cost to local independent school districts to implement this bill, if passed, is approximately $99,450,000.

Source Agencies: 303 Building and Procurement Commission, 405 Department of Public Safety, 529 Health and Human Services Commission, 601 Department of Transportation, 694 Youth Commission, 696 Department of Criminal Justice, 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 783 University of Houston System Administration, 802 Parks and Wildlife Department

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