

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 12, 2007

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

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

IN RE: SB445 by Hinojosa (Relating to design and construction standards for newly constructed state buildings.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB445, As Introduced: a negative impact of (\$532,274) 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	(\$173,725)
2009	(\$358,549)
2010	(\$502,860)
2011	(\$658,308)
2012	(\$641,401)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable (Cost) from INSTITUTIONAL FUNDS 997	Probable (Cost) from BOND PROCEEDS-REV BONDS 781
2008	(\$173,725)	(\$1,504,110)	(\$33,465,000)
2009	(\$358,549)	(\$2,931,164)	(\$31,812,000)
2010	(\$502,860)	(\$2,856,164)	(\$36,900,000)
2011	(\$658,308)	(\$2,781,164)	(\$32,700,000)
2012	(\$641,401)	(\$2,709,452)	(\$36,900,000)

Fiscal Analysis

The bill would require all new construction of state owned buildings to be designed and constructed to comply with the Silver Standard certification established by the United State Building Council.

The bill would require that all higher education new construction projects funded by revenue bonds be designed and constructed to comply with the Silver Standard certification established by the United State Building Council.

Methodology

It is assumed that the average cost increase to construct a new building to comply with the Silver Standard certification established by the United State Building Council is three percent. It is also assumed that new construction costs for state agencies will be approximately \$175,900,000 in the 2008-09 biennium. Three percent of \$175,900,000 is \$5,277,000 and would reflect the estimated cost increase to build a new building to comply with the Silver Standard certification. It is assumed that new construction costs in future biennia will be \$160,000,000 a biennia. Future costs increase for building new buildings to comply with the Silver Standard certification is estimated at \$4.8 million in future biennia. It is also assumed that Bonds will be issued for the construction of new buildings.

It is assumed that new construction costs for institutions of higher education will be \$2 billion in the 2008-09 biennium. Three percent of \$2 billion is \$60 million and would reflect the estimated cost increase to build a new building to comply with the Silver Standard certification. Assuming new construction costs for future biennia is \$2 billion. The cost increase related to building new buildings to comply with the Silver Standard certification is estimated to be \$60 million a biennia. It is assumed that Bonds will be issued for the construction new buildings.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Building and Procurement Commission, 405 Department of Public Safety, 529 Health and Human Services Commission, 551 Department of Agriculture, 582 Commission on Environmental Quality, 601 Department of Transportation, 696 Department of Criminal Justice, 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, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 802 Parks and Wildlife Department

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