

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 28, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB3633 by Geren (Relating to the purchase by state agencies of certain lamps.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3633, Committee Report 1st House, Substituted: a negative impact of (\$4,419,364) through the biennium ending August 31, 2011.

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
2010	(\$2,209,682)
2011	(\$2,209,682)
2012	(\$2,209,682)
2013	(\$2,209,682)
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>State Parks Acct</i> 64
2010	(\$2,209,682)	(\$263,330)
2011	(\$2,209,682)	(\$263,330)
2012	(\$2,209,682)	(\$263,330)
2013	(\$2,209,682)	(\$263,330)
2014	\$0	(\$263,330)

Fiscal Analysis

The bill would amend Subchapter D, Chapter 2158 of the Government Code, relating to the purchase of electrical items, by adding Section 2158.182. The bill would require that state agencies consider installing and/or replacing outdoor lighting with lamps that meet certain specifications. These specifications are: a minimum of 60 lumens per watt and a minimum life expectancy of 50,000 hours. The provisions of the bill would apply only to the installation of the new lamps or to the repair, renovation, or retrofit of lamps no longer functioning. The bill would also require the Energy Systems Laboratory at the Texas Engineering Experiment Station to conduct a study of outdoor lighting fixtures used by state agencies.

The bill would take effect September 1, 2009.

Methodology

This analysis assumes that state agencies would install and replace outdoor lighting with lamps that meet the specifications in the bill.

The Texas Facilities Commission (TFC) reports that, annually, it replaces 33 percent of its garage lighting and 25 percent of its pole and miscellaneous site lighting in its existing inventory. This equates to approximately 1,081 garage lights and 382 pole and miscellaneous lights replaced by the agency every year with this replacement schedule. It is assumed that this replacement schedule would remain in effect, and that the replacement lamps would be Light Emitting Diodes (LEDs), which would meet the required specifications. With the new specifications, TFC reports that the average cost of replacing a garage light would be approximately \$350, and the average cost of replacing pole and miscellaneous lights would be approximately \$650. The agency cites the reason for the relatively high per unit cost as that it would have to replace not only the lamp, but also the fixture and ballast due to the new technology not being compatible with the current units. By 2014, the retrofitting of all lights in the agency's inventory is projected to be complete.

The estimated cost to the Texas Parks and Wildlife Department (TPWD) is \$263,330 each fiscal year from the General Revenue-Dedicated State Parks Account No. 64. The bill would also have a fiscal implication to wildlife, fishery, and law enforcement facilities, but the Legislative Budget Board's (LBB's) analysis of annual costs of \$54,000 for light replacement for those facilities from the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9 estimates such costs could be reasonably absorbed within TPWD's existing resources. TPWD estimates that there are approximately 4,473 outdoor lights in state park facilities, including lights for park buildings (1,800 stand-alone structures), parking lots, and trails organized into the following categories: general building lights (3,023), general building security lights (972), and general parking lot lights (478). TPWD has estimated that based on fiscal year 2008 data the annual replacement rate for each category is as follows: general building lights (11.2 percent), general building security lights (13.1 percent), and general parking lot lights (11.7 percent). Other factors would necessitate the replacement of a light including: general failure, weather related damage, accidental damage, vandalism et. al. Multiplying the estimated annual failure rate by the number of total lights determines how many lights are projected to be replaced each fiscal year in the future. These estimates are as follows: general building lights (339), general building security lights (127), and, general parking lot lights (56). Multiplying the estimated cost per unit by the number of units projected to be replaced determines the projected estimated cost per lighting category: general building lights (\$350 X 339), general building security lights (\$760 X 127), and general parking lot lights (\$860 X 56). The total estimated cost per fiscal year is \$263,330 consisting of: general building lights (\$118,650), general building security lights (\$96,520), and general parking lot lights (\$48,160).

The State Preservation Board (SPB), which maintains outdoor lighting for the State Capitol, Capitol Grounds, and the Capitol Visitors' Parking Garage, reports that the provisions of the bill would result in costs of \$3,166,064 for the 2010-11 biennium. At a replacement rate of approximately 30 percent annually, the SPB estimates the incremental cost of replacing its current 509 fixtures with LED replacement fixtures as \$1,583,032 per year. The agency reports 4 distinct types of fixtures that are currently used: 1000-watt fixtures (104 total) at an incremental cost of \$32,533 each, 175-watt metal halides (110 total) at an incremental cost of \$5,268 each, 27-watt compact fluorescent (85 total) at an incremental cost of \$996 each, and tree light fixtures (210 total) at an incremental cost of \$5,268 each. The agency cites the fact that the new lighting technology would also require replacing the unique fixtures in addition to the lamps, as reasons for the relatively high per unit cost of each replacement. It is assumed that all of the fixtures will be replaced by fiscal year 2014.

The Texas Department of Transportation (TxDOT) indicates the provisions of the bill would result in increased costs for the regular replacement of light fixtures on existing roadways and the installation of new light fixtures for new construction projects. Based on the analysis of TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill would be accommodated through the reallocation of existing funding for highway construction and maintenance.

Both the Texas Department of Criminal Justice and the Texas Historical Commission reported that the bill's provisions would not have significant fiscal implications to the agencies.

It is assumed that the Texas Engineering Experiment Station could implement the provisions of the bill and conduct a study of outdoor lighting fixtures used by state agencies within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Facilities Commission, 712 Texas Engineering Experiment Station, 802 Parks and Wildlife Department, 809 Preservation Board, 601 Department of Transportation, 696 Department of Criminal Justice, 808 Historical Commission

LBB Staff: JOB, KJG, RT, SK, MS, DEH