

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

February 24, 2015

TO: Honorable John Zerwas, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB599 by Clardy (Relating to energy savings performance contracts entered into by public institutions of higher education.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB599, As Introduced: a negative impact of (\$200,000) through the biennium ending August 31, 2017.

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 |
|--------------------|---|
| 2016 | (\$100,000) |
| 2017 | (\$100,000) |
| 2018 | (\$100,000) |
| 2019 | (\$100,000) |
| 2020 | (\$100,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from General Revenue Fund 1 |
|--------------------|--|
| 2016 | (\$100,000) |
| 2017 | (\$100,000) |
| 2018 | (\$100,000) |
| 2019 | (\$100,000) |
| 2020 | (\$100,000) |

Fiscal Analysis

The bill would replace the Higher Education Coordinating Board (THECB) with the State Energy Conservation Office (SECO) with the responsibility of establishing guidelines and approval processes for awarding energy savings performance contracts entered into by public institutions of higher education.

Methodology

Under the provisions of the bill, SECO would be required to review and approve energy savings performance contracts. Subsection (i) of Section 51.927, Education Code, currently requires that contracts be reviewed by a licensed professional engineer with a minimum of three years of experience in energy calculation and review.

The Comptroller of Public Accounts, which administers SECO, indicates annual costs of \$100,000 for the purpose of contracting with a licensed professional engineer to review proposed energy savings performance contracts. The agency anticipates conducting technical and engineering reviews of approximately two to three contracts each year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 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, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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