

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0848-02
Bill No.: HCS for HB 203
Subject: Environmental Protection; Office of Administration; Energy
Type: Original
Date: March 3, 2015

Bill Summary: This proposal establishes the Office of Administration Energy Conservation Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)
Total Estimated Net Effect on General Revenue	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Office of Administration Energy Conservation	\$1,100,000	\$1,100,000	\$1,100,000
Total Estimated Net Effect on Other State Funds	\$1,100,000	\$1,100,000	\$1,100,000

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Treasurer** assume the current proposal would not fiscally impact their agency.

Officials from the **Office of Administration** assume this proposal provides rulemaking authority to their department to create a formula for determining the "total annual cost of saved energy." Utilizing figures from 2013 (the most current year available) the state's electricity usage was approximately 58 million kWh less than in 2008, and its gas usage was approximately 460,000 MMBtu less than in 2008. At an average cost of approximately \$0.079 and \$6.08 respectively, the "total annual cost of saved energy" would be approximately \$7,400,000, 15% of which would be \$1,100,000. The 15% would be appropriated by the General Assembly to Office of Administration Energy Conservation Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Expense</u> - Transfer out to Office of Administration Energy Conservation Fund	<u>(\$1,100,000)</u>	<u>(\$1,100,000)</u>	<u>(\$1,100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$1,100,000)</u>	<u>(\$1,100,000)</u>	<u>(\$1,100,000)</u>
OFFICE OF ADMINISTRATION ENERGY CONSERVATION FUND			
<u>Revenue</u> - Transfer in from General Revenue Fund	<u>\$1,100,000</u>	<u>\$1,100,000</u>	<u>\$1,100,000</u>
ESTIMATED NET EFFECT ON OFFICE OF ADMINISTRATION ENERGY CONSERVATION FUND	<u>\$1,100,000</u>	<u>\$1,100,000</u>	<u>\$1,100,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

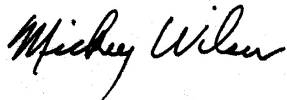
FISCAL DESCRIPTION

This proposal creates the Office of Administration Energy Conservation Fund which consists of 15% of the cost of saved energy based on a baseline year of 2008. The State Treasurer will be the custodian of the fund. A formula for the calculation of saved energy costs is provided in the bill and if there are no cost savings, no deposit to the fund is required. The moneys in the fund must be used solely by the office for energy efficiency, energy conservation, and cost-effective cogeneration purposes.

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
Office of the State Treasurer



Mickey Wilson, CPA
Director
March 3, 2015

Ross Strobe
Assistant Director
March 3, 2015