

**FINAL  
FISCAL NOTE**

**Drafting Number:** LLS 13-0447

**Date:** June 25, 2013

**Prime Sponsor(s):** Sen. Kerr

**Bill Status:** Signed into Law

Rep. Gerou

**Fiscal Analyst:** Kori Donaldson (303-866-4976)

**TITLE:** CONCERNING INCREASING ENERGY RESOURCE EFFICIENCY IN PUBLIC SCHOOLS.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was signed into law by the Governor and took effect June 5, 2013.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> See K-12 School Impact section.		

**Summary of Legislation**

Beginning January 1, 2014, this bill requires the new construction or substantial renovation of school facilities that receive operating money from the state, including charter schools, to be designed and constructed to the highest practical energy efficiency standards. School districts may follow guidelines designated by the Public School Capital Construction Assistance Board (assistance board) within the Department of Education regarding the energy efficiency standards it should meet during the design and construction of a new or substantially renovated facility. The design for new construction or substantial renovation must be submitted to a federal agency or receive third-party verification that it meets the highest practical energy efficiency standards, including but not limited to the federal Energy Star label or high performance certification. The Background Section describes these programs in greater detail.

**Background**

Energy Star is a program of the U.S. Environmental Protection Agency and the U.S. Department of Energy intended to reduce the future energy consumption of new or reconstructed facilities through the use of certain design and construction standards and materials.

The Office of the State Architect within the state's Department of Personnel and Administration recognizes the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED™) high performance certification guideline as the standard for state buildings, and the Colorado Collaborative for High Performance Schools (CO-CHPS) guideline as an alternate standard for K-12 schools.

### **State Expenditures**

The bill directs the Governor's Energy Office (GEO) to advise school districts and district charter schools regarding best building practices. This fiscal note assumes this work will be absorbed within existing resources.

### **K-12 School Impact**

**This bill may increase school district and district charter school expenditures for new construction or redesign projects.** A school district or charter school may opt to pay a third party to verify that its plans for a new or substantially renovated building meet national standards for high performance schools. Additionally, to the extent that new and significantly redesigned school facilities would not have otherwise been designed to energy efficient standards, school districts and charter schools may realize initial increased capital costs. The amount of increased design and construction costs will depend on the added features or increased cost of materials selected in order to achieve greater energy efficiency. However, the bill directs that these additional costs be recouped within 15 years of completion from operational cost savings resulting from increased efficiencies in energy consumption. There is no reliable average percent increase of a project's total cost to meet energy-efficient design standards. Existing law requiring that certain state facilities be built to high performance certification standards limits the total cost increase, without additional legislative review, to 5 percent. This fiscal note assumes that facilities built to high performance certification standards will realize future operational cost savings.

### **Departments Contacted**

Education

GEO