

Fiscal Estimate Narratives

DPI 1/10/2024

LRB Number	23-5131/2	Introduction Number	SB-0871	Estimate Type	Original
Description an energy efficiency grant program for school districts, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a \$10,000,000 per year grant program under which the Department of Public Instruction must award grants to school districts for energy efficiency projects in school buildings. For the first two school years of the grant program, DPI must give preference in awarding grants to projects that relate to heating, ventilation, and air conditioning systems. DPI may promulgate rules to implement the grant program.

State: Create new appropriations

The bill creates a new, annual appropriation for the Department of Public Instruction to award grants to school districts for energy efficiency projects in school buildings. In awarding grants for the 2023-24 and 2024-24 school years, the department shall give preference to projects that relate to heating, ventilation, and air conditioning systems. The manner in which grants are awarded is contingent on the nature of the projects proposed by school districts under the grant program. To implement this bill, the department might need to promulgate rules, and the associated costs would be absorbed within department resources. However, the bill allocates \$10,000,000 GPR starting in the 2023-24 school year for this purpose. Consequently, the fiscal impact of the bill would result in new state spending.

Local: Increase revenue (permissive)

The bill provides a means for school districts to apply for and receive new revenue through a grant to finance energy efficiency projects in school buildings. This program differs from current law, which permits school districts to exceed their revenue limits for such purposes provided they had passed a resolution to pay debt service on the bonds or notes used to finance energy efficiency projects prior to January 1, 2018. For the 2023-24 and 2024-24 school years, school districts that propose projects related to heating, ventilation, or air conditioning systems may be given preference under the grant program but may be expected to comply with department rules governing the program. School districts may experience an increase in revenue as a result of the bill; however, because the volume of projects applied for under the bill depends largely on school district behavior, it cannot be predicted how much additional revenue school districts would receive under the grant program relative to current law. Therefore, the fiscal impact of the bill may result in a permissive increase in local revenue.

Long-Range Fiscal Implications