

Fiscal Estimate - 2025 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 25-1273/1	Introduction Number AB-0284
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Description
 enumeration of projects in the Authorized State Building Program, modifications to building program project budgets, selection of project architects and engineers, single prime contracting, agency cooperation with energy conservation contractors, timeline for claims before the Claims Board, and making a transfer to the state building trust fund

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DNR 9/5/2025

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Assumptions Used in Arriving at Fiscal Estimate

The bill provides that the construction of any building, structure, or facility may not be enumerated in the authorized state building program unless the building commission determines that at least 50 percent of the project's design phase has already been completed.

Fiscal Effect

If enacted, the department assumes that the bill would delay and reduce the number of capital development projects that may proceed with planning, scheduling, and execution under enumeration. Such delays and reductions will increase the cost of capital development projects by an indeterminate amount.

To illustrate, during the 2023-2025 capital budget process, the department requested 23 projects meeting enumeration thresholds at a cumulative estimated cost of \$182 million. Seven of the 23 projects with an estimated cost of \$37 million were approved. If the bill had been enacted into law for the 2023-25 capital budget process, the department would have unnecessarily expended (not returned to the revolving Building Trust Fund account) over \$8.1 million in design costs for the 15 projects not approved for enumeration.

The department assumes increased designer cost adjustments would be reflective in DOA's inflation index for projects. Currently that index is 8.25% for 24 months. Therefore, we would assume a 4%-8.25% (10-24 months) designer cost adjustment for all projects requiring enumeration after 50% of the project is designed.

Design team re-start or re-mobilization costs are based on private design firm expenses for such projects. DNR assumes design fee costs 5%-10% of the original negotiated contract fees. Project re-design costs would be project specific and completely dependent on the level of re-design required. Therefore, the department would need to add contingency funds to all projects to account for potential re-design costs and ensure the project remains within budget waiting for enumeration.

Long-Range Fiscal Implications