

Fiscal Estimate - 2025 Session

 Original  Updated  Corrected  Supplemental

LRB Number 25-1273/1		Introduction Number AB-0284	
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: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div> Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div> 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 </div> <div> 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 </div> <div> 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 </div> </div>			
Fund Sources Affected <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		Affected Ch. 20 Appropriations	
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		Date 6/13/2025	

Fiscal Estimate Narratives

UWS 6/13/2025

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Assumptions Used in Arriving at Fiscal Estimate

This bill proposes several changes to the State Building Program. The bill includes a one-time \$32 million transfer from the General Fund to the State Building Trust Fund, increases the threshold for requiring a qualifications-based selection process for architects and engineers from \$7.4 million to \$15 million, and requires the UW Board of Regents to collaborate with energy service companies (ESCOs) on pilot projects. The bill also establishes a six-month deadline for resolving construction-related claims before the Claims Board. In addition, The bill introduces a requirement that at least 50 percent of a project's design must be completed and reviewed by the Department of Administration prior to enumeration. These provisions affect how state agencies, including the Universities of Wisconsin, plan, fund, and execute capital projects.

Long-Range Fiscal Implications

Section 1

The bill adds a requirement to submit an existing report to the joint committee on finance. We do not expect any additional costs related to this section.

Section 2

The bill gives additional flexibility in constructing large scale projects over \$200,000,000. There are no direct cost savings, however, the increased flexibility should result in a more efficient construction process, lowering the cost of specific buildings that meet this threshold.

Section 3

No direct impact from the claims language inserted into the bill.

Section 4

The bill requires the creation and submission of a report to the joint committee on finance. While we believe this will increase costs associated with creating and updating this report, the increased transparency is well worth those costs, and we believe these costs can be absorbed within our existing budget.

Section 5

No direct impact on the Universities of Wisconsin.

Section 6

The bill mandates that the UW Board of Regents collaborate with energy service companies (ESCOs) on pilot projects focused on sustainability, energy conservation, and reducing deferred maintenance. The UW System already engages in ESCO-led projects and has at least one campus prepared to move forward with a new initiative under this framework. While there may be some additional staff time required to manage contracting and oversight responsibilities, these needs are expected to be accommodated within existing budgets. If the bill is enacted, UW intends to begin with a small pilot project. As a result, the fiscal effect is expected to be modest and manageable within current operational resources.

Section 7

The bill raises the financial threshold for requiring a qualifications-based request-for-proposal (RFP) process in selecting architects and engineers—from \$7.4 million to \$15 million. This change is expected to streamline the process for many mid-sized UW projects, potentially reducing administrative workload and accelerating project initiation. On balance, this section is expected to result in greater administrative efficiency, but with limited direct fiscal savings.

Section 8

No direct fiscal impact on the Universities of Wisconsin.

Section 9

The bill establishes a new requirement that at least 50 percent of a project's design must be completed and reviewed by the Department of Administration before the project can be enumerated. This represents a significant shift in how the Universities of Wisconsin plan and sequence capital projects. While the UW System

is supportive of advancing projects further in the design process—up to 50 or even 75 percent completion—this level of progress would require dedicated legislative funding, as the System does not currently have the resources to support such design development independently.

Without corresponding appropriations, this requirement would delay project readiness and potentially stall the advancement of critical academic infrastructure. While the policy goal is sound and aligned with efforts to improve cost certainty, successful implementation must be matched with the necessary state investment to avoid substantial disruption to UW's capital planning process.

In addition, while this approach may be reasonable for large, individual building projects, it would significantly impair UW's ability to execute statewide programmatic initiatives such as Instructional Space and Minor Facilities Development. These programs rely on flexible, bundled project delivery and do not follow a traditional building-by-building enumeration structure. Requiring 50 percent design before enumeration would make it extremely difficult to include programmatic improvements that address emerging needs or deferred maintenance systemwide.

Section 10

No direct fiscal impact to the Universities of Wisconsin.

Section 11

No direct fiscal impact to the Universities of Wisconsin.

Section 12

The bill provides for a one-time transfer of \$32 million from the General Fund to the State Building Trust Fund (BTF) in fiscal year 2024–25. This funding is intended to support project development across all state agencies, including the Universities of Wisconsin. If a portion of these funds is allocated to UW projects, the System would benefit from faster access to architectural and engineering design services. While the final distribution will depend on internal Department of Administration (DOA) decisions, the Universities of Wisconsin note that the BTF is rarely funded at a level sufficient to cover the design needs of the projects enumerated through the legislative process.