Fiscal Estimate - 2011 Session

\boxtimes	Original		Updated		Corrected		Suppler	nental				
LRB	Number	11-0777/1		Introd	duction Numb	oer A	B-0117	7				
Description An addition to the 2009-11 Authorized State Building Program and granting bonding authority.												
Fiscal	Effect											
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	No Local Gov Indeterminate 1. Increase Permiss 2. Decrease	e Costs sive Mandat se Costs	3. Increa	ase Revenu	ndatory Co	nment Ur	nits Affecte Village Others WTCS District	Cities				
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS 20.866												
Agen	cy/Prepared	Ву		Authorized	Signatur e			Date				
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Fiscal Estimate Narratives DOA 5/25/2011

LRB Number	11-0777/1	Introduction Number	AB-0117	Estimate Type	Original					
Description										
An addition to the 2009-11 Authorized State Building Program and granting bonding authority.										

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill (AB)117 creates an addition to the 2009-11 Authorized State Building Program and authorizes new general obligation bonding. Specifically, AB 117 adds \$200,000,000 to all agency general program revenue project funding for energy conservation projects. The Building Commission determines the specific projects.

It is noted that the 2009-11 State Building Program currently contains \$50,000,000 in program revenue supported borrowing for energy conservation projects.

DOA's Capital Finance Office provided an estimate of the debt service based on the following assumptions: That the \$200,000,000 is issued over a period of four years; that 50% of the bonds are amortized over 10 years and 50% of the bonds are amortized over 20 years and the interest rate is 5%. The estimated debt service is \$292,364,749 over 24 years. Debt service and other costs of the energy conservation projects could be offset by potential savings that would be realized as a result of lower energy costs. Until the projects are identified it is difficult to quantify the potential offset.

Long-Range Fiscal Implications

See above.