

May 8, 2015

The Honorable Mark Hutton, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hutton:

SUBJECT: Fiscal Note for HB 2418 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2418 is respectfully submitted to your committee.

HB 2418 would prohibit school district boards from entering into any contract or lease-purchase agreement for energy conservation measures, as defined in statute, until the contract or agreement is submitted to and approved and validated by the Kansas Corporation Commission (KCC). Upon request by any person, the Attorney General would be required to review and determine whether a contract or lease-purchase agreement for energy conservation made by a political subdivision or state agency is in proper form and compatible with law.

HB 2418 would also require that any expenditure involving energy conservation measures in excess of \$20,000 be bid and awarded to the lowest responsible bidder.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	\$45,000
Expenditure	--	--	\$25,000	\$70,000
FTE Pos.	--	--	--	0.50

HB 2418 would give the Attorney General the authority to collect fees for the review and examination of contract and lease-purchase agreements submitted by political subdivisions. The bill does not include authority to charge fees for reviewing state agency contracts. The agency estimates additional costs of \$70,000 and the need for an additional 0.50 FTE position to review these contracts and leases in FY 2016 and subsequent fiscal years. The agency further estimates

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that \$45,000 of the additional costs could be recovered through fees assessed to political subdivisions; however, and additional \$25,000 from the State General Fund would be required to cover reviews of state agency contracts.

The State Department of Education indicates that HB 2418 would not require any additional state appropriation and the KCC states that the requirements of the bill would be accomplished within existing resources. Any fiscal effect associated with HB 2418 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Amy Gilbert, KCC
Willie Prescott, Attorney General's Office
Dale Dennis, Education