



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 20-0920
Prime Sponsors: Sen. Hansen

Date: February 18, 2020
Bill Status: Senate Transportation
Fiscal Analyst: Vanessa Reilly | 303-866-4753
Vanessa.Reilly@state.co.us

Bill Topic: GLOBAL WARMING POTENTIAL FOR PUBLIC PROJECT MATERIALS

- Summary of Fiscal Impact:
- State Revenue
- TABOR Refund
- State Expenditure
- Local Government
- State Transfer
- Statutory Public Entity

This bill requires the Department of Personnel and Administration to establish a maximum acceptable global warming potential for certain materials used in public projects. It increases state expenditures beginning in FY 2020-21.

Appropriation Summary: For FY 2020-21, the bill requires a \$62,676 appropriation to the Department of Personnel and Administration.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 20-159

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total, Total FTE), Transfers, and TABOR Refund.

Summary of Legislation

This bill requires the Department of Personnel and Administration (DPA) to adopt rules which establish a maximum acceptable global warming potential for eligible materials used in public projects no later than January 1, 2022. Eligible materials are carbon steel rebar, flat glass, mineral wool board insulation, structural steel, concrete, and cement. The maximum acceptable global warming potential must be set at the industry average, to be determined by consulting nationally or internationally recognized databases of environmental product declarations.

The bill requires DPA to submit a report to the General Assembly by January 1, 2022, describing the method used to develop the maximum global warming potential for eligible materials. Beginning January 1, 2024, and every four years thereafter, DPA must review previous standards and may adjust the maximum acceptable global warming potential downward. DPA must also submit a report to the General Assembly by January 1, 2023, regarding any obstacles to implementation, and the effectiveness of the bill in reducing global warming potential.

The bill also requires an invitation for bids for a public project contract to require contractors to submit an environmental product declaration for each eligible material proposed in the project, and prohibits contractors from installing any eligible materials until such declaration is submitted. The facility-specific global warming potential for any eligible material used in a project must not exceed the maximum acceptable global warming potential, as set by DPA, for that material, though an agency may require a lower global warming potential in an invitation for bids.

Finally, the bill includes the facility-specific global warming potential for eligible materials and the cost of avoided emissions for the project as allowable factors to consider in making public project contract award determinations.

State Expenditures

The bill increases General Fund expenditures by \$69,555 and 0.4 FTE in FY 2020-21, and by \$92,190 and 1.0 FTE in FY 2021-22 for the DPA. Costs are shown in Table 2 and explained below.

Table 2
Expenditures Under SB 20-159

	FY 2020-21	FY 2021-22
Department of Personnel and Administration		
Personal Services	\$30,801	\$73,922
Operating Expenses	\$675	\$1,350
Capital Outlay Costs	\$6,200	
Travel and Training Materials	\$25,000	
Centrally Appropriated Costs*	\$6,879	\$16,918
Total Cost	\$69,555	\$92,190
Total FTE	0.4 FTE	1.0 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Personnel and Administration. The bill requires the DPA to have an engineer to identify and determine eligible material standards, engage in administrative rulemaking, meet reporting requirements, and periodically review and revise maximum acceptable global warming potential standards for eligible materials. The impacts of the bill on public project bidding and procurement will also require the DPA to provide additional training and support for facilities and capital asset management personnel and to monitor implementation within state agencies and state institutions of higher education. As a result, the DPA will require 0.4 FTE in FY 2020-21 and 1.0 FTE in subsequent years. First year costs have been prorated to reflect the General Fund pay date shift and the bill's effective date.

Other state agencies. The bill may increase future costs for public projects, if materials that do not exceed the maximum acceptable global warming potential are more costly to obtain than materials previously available for public projects. The potential cost increase is indeterminate.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$6,879 in FY 2020-21 and \$16,918 in FY 2021-22.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the Department of Personnel and Administration requires a General Fund appropriation of \$62,676 and 0.4 FTE.

State and Local Government Contacts

All State Agencies