STATEMENT OF PURPOSE

RS18542

This legislation creates a completely voluntary incentive to encourage school districts to build better, more energy efficient school buildings by using the design and construction practices of integrated design and fundamental commissioning. The incentive forgives the school district requirement to provide annual matching maintenance funds for the qualifying school building. The incentive is provided over a five year period with the school district matching requirement incrementally increasing on the following schedule:

Maintenance Funds	Year 1	Year 2	Year 3	Year 4	Year 5
State Match (%)	100	100	100	100	100
District Match (%)	0	20	40	60	80

This schedule ensures that maintenance funds continue to be set aside for the building and that the school district does not face a sudden requirement to provide the full amount of funds. In addition, state matching funds continue to be placed into the maintenance account for the qualifying building. To maximize ongoing energy efficiency and associated cost savings, an annual optimization of the buildings mechanical systems will be completed to qualify for the incentive after the first year.

FISCAL NOTE

None. The incentive is associated only with funds that are already provided by the state general fund to the school district.

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