

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate the House principles.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

Educational Facilities

Current law requires the SBE to adopt rules authorizing state and local officials to cooperate in establishing and maintaining educational facilities.¹ Florida law encourages school districts, community colleges, and state universities to implement energy conservation measures for reducing energy consumption and costs. These entities are also encouraged to improve facilities' indoor air quality and improve energy efficiency.² Such entities may contract with energy performance contractors to assist it in meeting these goals.³ When feasible, Florida law provides that educational facilities must be constructed using low energy use designs, solar energy, or waste heat recovery systems.⁴

U.S. Green Building Council

The USGBC is a national building industry organization that promotes environmentally friendly building practices. The USGBC is a nonprofit organization consisting of 7,500 member organizations and 75 regional chapters. According to the USGBC, its core purpose is "to transform the way buildings and communities are designed, built and operated, enabling an environmentally and socially responsible, healthy, and prosperous environment that improves the quality of life."⁵ The USGBC provides resources and conducts workshops to educate and assist members of the building industry, state and local governments, and the general public in implementing green building practices.⁶ There are four USGBC chapters in Florida.⁷

Leadership in Energy and Environmental Design

Developed by the USGBC, the LEED building rating system "is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings."⁸ LEED is a rating system that measures a building's environmental performance in five categories:

- Sustainable site development;
- Water savings;
- Energy efficiency;
- Materials selection, and
- Indoor environmental quality.

¹ Section 1013.37, F.S. Development and publication of the state uniform building code for public educational facilities construction is provided for in Rule 6A-2.0010, F.A.C. and *available at* <http://www.firm.edu/doe/edfacil/sref.htm>.

² Section 1013.23, F.S.

³ Id.

⁴ Section 1013.44, F.S.

⁵ U.S. Green Building Council, About USGBC *available at* <http://www.usgbc.org/DisplayPage.aspx?CategoryID=1>.

⁶ Id.

⁷ U.S. Green Building Council, Chapters *available at* <http://www.usgbc.org/Chapters/ChapterList.aspx?CMSPageID=&190&CategoryID=24&>.

⁸ U.S. Green Building Council, Leadership in Energy and Environmental Design *available at* <http://www.usgbc.org/DisplayPage.aspx?CategoryID=19>.

Each category consists of various subtopics. Each subtopic is assigned a point value. A building is rated based on its total number of points and assigned one of four certification levels: "certified," "silver," "gold," and "platinum."⁹

Effect of Proposed Changes

House Bill 1257 establishes the Green Schools Pilot Project to enable selected school districts to utilize LEED silver or higher building certification standards in new building projects and in the renovation of existing schools. The bill requires the DOE, in consultation with the Florida Energy Office, to establish an application process for the pilot project by August 1, 2007. The bill requires the SBE to select three school districts for participation in the pilot project by August 1, 2008. One school district each must be selected from each of the following:

- A county with a population of one million or more residents;
- A county with a population 250,000 to 999,999 residents; and
- A county with a population of less than 250,000 residents.

To the extent feasible, selected school districts must represent geographically different regions of the state.

The bill requires each of the three participating school district to build a minimum of one school that meets the LEED silver or higher certification standards. The bill provides for such schools to be designated as "green schools." Each participating district must submit a report on the effects that green schools have on student health and performance, operational costs, energy consumption, and the environment. This report must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by July 1 of the third full year that a green school has been in operation.

The bill establishes the Green Schools Grant Program within the DOE to fund selected school districts' participation in the pilot project. The bill appropriates \$3.5 million in general revenues to the DOE. The funds are to be used by selected school districts to cover the additional costs associated with building one elementary, one middle, and one high school to LEED silver or higher building certification standards. Notwithstanding ss. 216.301 and pursuant to 216.351, F.S., the bill provides that unused Green Schools Grant Program funds shall be retained by the DOE for uses associated with the pilot project.

C. SECTION DIRECTORY:

Section 1.: Creating s. 1013.441, F.S.; establishing the Green Schools Pilot Project; requiring the DOE to establish an application process; requiring the SBE to select three school districts and providing specifications for school district selection; establishing the Green Schools Grant Program; providing an appropriation; and requiring participating school districts to submit a report to the Governor, President of the Senate, and the Speaker of the House of Representatives.

Section 2.: Providing an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

⁹ LEED for Schools for New Construction and Renovation *available at* <http://www.usgbc.org/ShowFile.aspx?DocumentID=1753>.

This bill does not appear to have a fiscal impact on state revenues.

2. Expenditures:

This bill appropriates \$3.5 million from general revenues to fund the pilot project.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill does not appear to have a fiscal impact on local revenues.

2. Expenditures:

This bill does not appear to have a fiscal impact on local expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill does not appear to have a fiscal impact on the private sector.

D. FISCAL COMMENTS:

The bill establishes the Green Schools Grant Program within the DOE to fund selected school districts' participation in the pilot project. The bill appropriates \$3.5 million in general revenues to the DOE. Such funds must be used to offset higher construction costs incurred by participating districts when building green schools. Notwithstanding ss. 216.301 and pursuant to 216.351, F.S., the bill provides that unused Green Schools Grant Program funds shall be retained by the DOE for uses associated with the pilot project.

Research indicates that the initial cost of building green schools is more expensive than conventional building methods. Increased construction costs are attributed to use of more expensive building materials, more efficient mechanical systems, better design, modeling, and integration.¹⁰ "Green schools" employ environmentally friendly design features that exploit "daylighting" and natural ventilation patterns as well as more efficient heating and cooling systems. Research indicates that, once constructed, "green schools" experience significant operational cost savings resulting from reduced energy consumption and improved energy efficiency.¹¹ Thus, initial construction costs for green schools may be higher than the cost to build schools using traditional methods. However, green school's increased energy efficiency and reduced energy consumption may result in long term operational cost savings to school districts.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

The bill does not reduce the percentage of state tax shared with counties or municipalities.

¹⁰ Gregory Kats, Capital-E, Greening America's Schools: Costs and Benefits (October 2006) *available at* <http://www.cap-e.com/publications/default.cfm>; See also Gregory Kats, Capital-E, The Costs and Financial Benefits of Green Buildings, A Report to California's Sustainable Building Task Force (October 2003) *available at* <http://www.cap-e.com/ewebeditpro/items/O59F3259.pdf>.

¹¹ *Id.*

2. Other:

None.

B. RULE-MAKING AUTHORITY:

This bill does not appear to create, modify, or eliminate rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Subsection (4) of the bill requires each of the three participating school district to build *a minimum of one school* that meets the LEED silver or higher certification standards. Subsection (6), which provides an appropriation for the pilot program, states that appropriated funds are to be used by selected school districts to cover the additional costs associated with building one elementary, one middle, and one high school to LEED silver or higher building certification standards. Consideration might be given to clarifying the number and type of schools that a participating school district must build.

D. STATEMENT OF THE SPONSOR

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 27, 2007, the Committee on Education Innovation and Career Preparation adopted one amendment and reported the bill favorably as amended. The amendment:

- Requires three school districts to be selected for the pilot program; whereas, the bill provided that “a maximum” of three school districts could be selected.
- Permits participating school districts to build any type of school; whereas, the bill required the construction of one elementary, one middle, and one high school.
- Authorizes the SBE when evaluating applicants for participation in the program to target districts that have a high percentage of environmentally inefficient schools or districts that suggest innovative methods to improve environmental efficiency.
- Requires districts selected for the program to demonstrate sound financial practices and to engage design teams with experience in green building construction.
- Requires participating districts to annually report expenditures to the DOE for review. Districts must return funds improperly expended, as well as funds received for buildings that are not certified to silver-level or better standards within one year of completion.