

**NOTE: This is an earlier version of the fiscal note for HF2269-1A.**

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**Consolidated Fiscal Note**

**2023-2024 Legislative Session**

**HF2269 - 1A - Energy Benchmarking**

Chief Author: **Larry Kraft**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **4/10/2023 1:10:31 PM**  
 Lead Agency: **Commerce Dept**  
 Other Agencies:  
     Office of Higher Education

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

<b>State Cost (Savings)</b>	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Commerce Dept</b>						
<b>General Fund</b>	-	742	742	742	742	742
<b>Office of Higher Education</b>						
<b>General Fund</b>	-	189	189	189	189	189
<b>State Total</b>						
<b>General Fund</b>	-	931	931	931	931	931
	<b>Total</b>	-	<b>931</b>	<b>931</b>	<b>931</b>	<b>931</b>
			<b>Biennial Total</b>	<b>1,862</b>		<b>1,862</b>

<b>Full Time Equivalent Positions (FTE)</b>	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Commerce Dept</b>					
General Fund	-	5	5	5	5
<b>Office of Higher Education</b>					
General Fund	-	-	-	-	-
	<b>Total</b>	-	<b>5</b>	<b>5</b>	<b>5</b>

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm      **Date:** 4/10/2023 1:10:31 PM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>	<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
<b>Commerce Dept</b>					
General Fund	-	742	742	742	742
<b>Office of Higher Education</b>					
General Fund	-	189	189	189	189
<b>Total</b>	<b>-</b>	<b>931</b>	<b>931</b>	<b>931</b>	<b>931</b>
<b>Biennial Total</b>			<b>1,862</b>		<b>1,862</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
Commerce Dept					
General Fund	-	742	742	742	742
Office of Higher Education					
General Fund	-	189	189	189	189
<b>Total</b>	<b>-</b>	<b>931</b>	<b>931</b>	<b>931</b>	<b>931</b>
<b>Biennial Total</b>			<b>1,862</b>		<b>1,862</b>
<b>2 - Revenues, Transfers In*</b>					
Commerce Dept					
General Fund	-	-	-	-	-
Office of Higher Education					
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>		<b>-</b>

**Fiscal Note**

**2023-2024 Legislative Session**

**HF2269 - 1A - Energy Benchmarking**

Chief Author: **Larry Kraft**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **4/10/2023 1:10:31 PM**  
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>General Fund</b>	-	742	742	742	742
<b>Total</b>	-	<b>742</b>	<b>742</b>	<b>742</b>	<b>742</b>
<b>Biennial Total</b>			<b>1,484</b>		<b>1,484</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	5	5	5	5
<b>Total</b>	-	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm      **Date:** 4/10/2023 1:10:09 PM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	742	742	742	742	742
<b>Total</b>	<b>-</b>	<b>742</b>	<b>742</b>	<b>742</b>	<b>742</b>	<b>742</b>
<b>Biennial Total</b>			<b>1,484</b>			<b>1,484</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	742	742	742	742	742
<b>Total</b>	<b>-</b>	<b>742</b>	<b>742</b>	<b>742</b>	<b>742</b>	<b>742</b>
<b>Biennial Total</b>			<b>1,484</b>			<b>1,484</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>			<b>-</b>

**Bill Description**

HF 2269 proposes to require owners of certain buildings to enter energy use data into a benchmarking tool; requiring public disclosure of energy use data; providing grants; appropriating money. The 1A amendment is a delete everything amendment. Details as follows:

**Subd. 1:** 216C.331 Energy Benchmarking Definitions

Added (b) "Aggregated customer energy use data" means customer energy use data, which is combined into one collective data point per time interval. It is data with any unique identifiers or other personal information removed that a qualifying utility collects and aggregate in at least monthly intervals for an entire covered building.

**Subd. 2:** Requires the commissioner of commerce to establish and maintain a building energy benchmarking program.

- To make owners and tenants aware of energy consumption and patterns in each building.
- To make comparisons to similar buildings.
- To enhance the likelihood of adopting energy conservation measures and reduce energy use.
- Make grants available in FY2023 & 2024 for conducting energy audits for the lowest performing buildings.

**Subd. 3:** Classification of covered properties

- Class 1 Properties (100,000 sq. ft. or more)
- Class 2 Properties (50,000 to 99,999 sq. ft.)

**Subd. 4:** Benchmarking requirement.

- A building owner must annually benchmark all covered property as of December 31 to conform with the schedule in subdivision 7.

**Subd. 5:** Exemptions by individual building: (granted annually)

- Under financial distress
- Less than 50% occupancy

- Less than one full year of occupancy
- Slated for demolition
- Received no energy services for at least 30 days during the previous year.
- Is participating in a city or other political subdivisions equivalent program.

**Subd. 6: Exemption by other government benchmarking program.**

- Owners are exempt if the building is already subject to benchmarking by the state, city, or other political subdivision that the commissioner determines is equivalent or more stringent.

**Subd. 7: Benchmarking schedule:**

- All Class 1 properties by June 1, 2024, and by every June 1 thereafter.
- All Class 2 properties by June 1, 2025, and by every June 1 thereafter.

**Subd. 8: Utility data requirement.**

- Any qualifying utility shall establish an aggregation standard which is not less than four customers, and a single customer of the set is not responsible for more than 50 percent to the total.
- If less than three customers in aggregate the utility must have written consent of the customers.

**Subd. 9: Data collection and management:**

- Commerce will collect all the benchmarking information, provide technical assistance, and will collaborate with the Department of Revenue to collect any necessary data to establish a covered building list.
- Provide technical guidance to the utility on data aggregation and access tools.
- A county assessor shall provide data necessary, floor area, property type and owner information, for the development of the covered property list by January 15<sup>th</sup> on an annual basis.
- Commerce will rank each property, assign one to four stars to each building based on the quartile they score, with one star being the lowest quartile. Each building owner will be notified, in writing, of how many stars were assigned by the department.

**Subd. 10: Data disclosure to public.**

- Commerce must annually update on the Commerce website by December 1<sup>st</sup>. the summary statistics on energy use for all covered properties, along with the energy use aggregated by that class. The percentage of buildings that are in compliance and at a minimum, total energy use, energy use per square foot, annual greenhouse gas emissions, and an energy performance score for each building will also be posted on the department website.
- For those Class 1 properties by November 1,2025 and each November 1 thereafter.
- All Class 2 properties by November 1,2026 and each November 1 thereafter.

**Subd. 11: Coordination with other benchmarking programs.**

- The department will coordinate with any other benchmarking program in the state on reporting requirements.
- Local programs may be more stringent requirements, but they must be at least as comprehensive in scope and application.

- Local programs must notify the commissioner of existing requirements and any changes made or revoked by December 31 for the following year.
- The commissioner must make available upon request by local governments all benchmarking data within their jurisdiction by December 1, annually.

**Subd. 12: Building performance disclosure to occupants.**

- The commissioner will provide display material for public display within covered buildings which include the number of stars earned along with an explanation of the rating.

**Subd. 13: Notifications.**

- By March 1<sup>st</sup> of each year, Commerce must notify the owners of each covered building of the requirement to benchmark. By July 15<sup>th</sup> of each year the department must notify those that have failed to benchmark.

**Subd. 14: Program implementation.**

- The commissioner may contract with an independent party to implement any or all of the commissioner's duties required under this section
- The commissioner will assist building owners to increase energy efficiency and in the reduction of green house gases through outreach, training, and any technical assistance needed to get a building into compliance.

**Subd. 15: Enforcement**

- By June 15<sup>th</sup> of each year the commissioner will notify any building owner who has failed to comply that they have until July 15<sup>th</sup> to comply. The owner may request an extension until August 15<sup>th</sup>. If an owner fails to meet the July 15<sup>th</sup> deadline and does not request an extension, or fails to meet the extension deadline the commission may impose a civil fine of \$1000.

**Assumptions**

Minnesota has approximately 10,000 buildings that might be subject to the bill. The approximate breakdown of buildings by class is shown below:

- Class 1 Properties (100,000 sq. ft. or more): 2826
- Class 2 Properties (50,000 to 99,999 sq. ft.): 7188

10-15% of buildings are estimated to be participating in a similar program.

For the purposes of this analysis, the Commercial Buildings Energy Consumption Survey (CBECS) was used to get an estimate of how many buildings in Minnesota might qualify for this program. This data set includes information about the following types of commercial buildings:

- Offices
- Laboratories
- Refrigerated and Nonrefrigerated Warehouses
- Food Sales
- Public Order and Safety

- Inpatient and Outpatient Health Care
- Religious Worship
- Public Assembly
- Education
- Food Service
- Nursing Facilities
- Lodging
- Retail Centers
- Service

The number calculated has several caveats related to the nature of the dataset itself and a few unknowns about the implementation of this bill:

- CBECS data is available at the U.S. Census division level but not the state level. As a result, the estimate of Minnesota's share of buildings are from the Census division. Minnesota is in the West North Central Census division, along with Iowa, Missouri, Kansas, Nebraska, South Dakota, and North Dakota. According to the 2019 5-year American Community Survey estimates, Minnesota has approximately 26% of the population of the entire division. Therefore, for the purposes of this analysis, the Minnesota estimate was of a similar share of buildings in the CBECS data set.
- These totals do not correct for potential exemptions to the bill for being in a city or jurisdiction where a benchmarking initiative is in place and could, potentially, already satisfy the requirements in this bill. For example, the City of Minneapolis implements a building benchmarking program that could theoretically meet the bill's requirements identifying 667 properties that must comply with Minneapolis's program. Further, there are other jurisdictions with energy benchmarking programs to evaluate for compliance, such as: St. Paul, Edina, St. Louis Park, Rochester, and State of Minnesota Enterprise.
- It is unclear how many if any of the buildings included in the CBECS dataset might also be considered manufacturing facilities under this statute. The list of principal building activities in the CBECS dataset does not list manufacturing as one of them, but some of the activities (laboratories, for example) could conceivably have some overlap with manufacturing.
- The CBECS data set does not allow determination of which buildings may be in financial distress, although it does allow us to estimate how many buildings were vacant in 2018. At the time, the West North Central Census Division had approximately 223 vacant buildings, leading to the estimate that Minnesota had approximately 58 vacant buildings included in the dataset in 2018.
- The CBECS dataset does not include all residential buildings that may ultimately be subject to the provisions in the bill, which would increase the total dataset.

Regarding long term fiscal impacts, each class of building size is to roll out over a two-year period starting with all Class 1 properties in by June 1<sup>st</sup>, 2024 and all Class 2 properties by June 1<sup>st</sup>, 2025. FTEs would be required throughout the program years until all buildings have been reported. The language is unclear how many FTEs would be needed for the ongoing collection and management of this program, which does not have a specified end date.

The volume of buildings that change hands is unknown and the level of technical assistance support the new owners would need is unknown, but the Department assumes it would need to provide ongoing technical assistance to ensure requirements of the proposed program are met.

### **Expenditure and/or Revenue Formula**

5 FTE to be hired for successful administration of this program in the first couple years of operations:

- 1 FTE Program Manager (18L): A Program Manager will be needed to develop and manage the program, collaborate with over 200 utilities statewide, conduct enforcement approval, and oversee policy development and program communications.

- 1.5 FTE Buildings Experts (18L): Building Science subject matter experts are needed to conduct exemption approval, provide technical assistance on benchmarking to building owners, approve energy audits, provide consistency in the ranking of properties, and align program with other statewide energy and climate goals and programs
- 1 FTE Project Manager (10L): A project manager will be needed to develop and manage communications, manage the energy data gathered from the buildings, and to provide project management for individual grants awarded building owners through this program.
- 0.5 FTE Outreach Specialist (10L): 0.5 FTE outreach specialist will be needed to travel statewide to support individual building owners in understanding the program in order to minimize the number of citations, but rather streamline services and increase opportunity for success by all building owners subject to this proposal. This position will also be responsible for developing and maintaining website content for state-wide outreach.
- 1 FTE (7L): A contract staff member is needed to develop and monitor contracts in order to ensure effective use of state resources.

			FY24	FY25	FY26	FY27
Salary			444,025	444,025	444,025	444,025
Fringe			133,207	133,207	133,207	133,207
Other Personnel Related Costs			164,540	164,540	164,540	164,540
			741,771	741,771	741,771	741,771

**Long-Term Fiscal Considerations**

3.5 FTE to be hired for successful administration of this program on an ongoing basis:

- 1 FTE Program Manager (18L): A Program Manager will be needed to develop and manage the program, collaborate with over 200 utilities statewide, conduct enforcement approval, and oversee policy development and program communications.
- 1 FTE Buildings Experts (18L): Building Science subject matter experts are needed to conduct exemption approval, provide technical assistance on benchmarking to building owners, approve energy audits, provide consistency in the ranking of properties, and align program with other statewide energy and climate goals and programs
- 1 FTE Project Manager (10L): A project manager will be needed to develop and manage communications, manage the energy data gathered from the buildings, and to provide project management for individual grants awarded building owners through this program.
- 0.5 FTE Outreach Specialist (10L): 0.5 FTE outreach specialist will be needed to travel statewide to support individual building owners in understanding the program in order to minimize the number of citations, but rather streamline services and increase opportunity for success by all building owners subject to this proposal. This position will also be responsible for developing and maintaining website content for state-wide outreach.

**Local Fiscal Impact**

Per subdivision 8, municipal utilities must comply with a request from the Department to provide energy information for the energy benchmarking program and therefore would be impacted by this bill. Costs to local governments are unknown.

**References/Sources**

U.S. Energy Information Administration Commercial Buildings Energy Consumption Survey:  
<https://www.eia.gov/consumption/commercial/data/2018/index.php?view=microdata>



City of Minneapolis, Energy Benchmarking, <https://www2.minneapolismn.gov/government/programs-initiatives/environmental-programs/energy/>

City of St. Paul, Energize St. Paul, <https://www.stpaul.gov/departments/mayors-office/energize-saint-paul>

B3 Benchmarking, <https://mn.b3benchmarking.com/>

Minnesota Executive Order 19-25, [https://mn.gov/governor/assets/2019\\_04\\_04\\_EO\\_19-25\\_tcm1055-378971.pdf](https://mn.gov/governor/assets/2019_04_04_EO_19-25_tcm1055-378971.pdf)

Minnesota Executive Order 19-27, [https://mn.gov/governor/assets/2019\\_04\\_04\\_EO\\_19-27\\_tcm1055-378973.pdf](https://mn.gov/governor/assets/2019_04_04_EO_19-27_tcm1055-378973.pdf)

Washington State Department of Commerce, Clean Buildings Performance Standard,  
<https://www.commerce.wa.gov/growing-the-economy/energy/buildings/clean-buildings-standards/>

<https://www.hennepin.us/your-government/projects-initiatives/efficient-buildings-collaborative>

These expenditures are based on the City of Minneapolis experience in developing a city-wide benchmarking program (see references below). Notes from a staff conversation with Kim Havey from the City of Minneapolis:

· Minneapolis:

- o Has approximately 1,000 50k SqFt buildings, including residential;
- o Is served by two total utilities (Xcel, Centerpoint)
- o Has 3 FTE ongoing working on benchmarking:
  - § 1 FTE who oversees policy, implementation, cost share, and contracting.
  - § 2 FTE doing regulatory oversight, one of whom is more technology focused, looking for errors, putting the numbers together, some administration and communication support. These two positions also do presentations, outreach, follow-up etc.
- o Utilizes Energy Star Portfolio software.
- o Fines \$300 after two warnings and can go as high as \$3000.
- o Covers the audit costs, up to \$5000, conducted by Center for Energy & Environment
- o Has an annual \$50k budget for energy audits which is inadequate to do all the audits
- o Acknowledges a high level of communication needed on the front end.
- o Developed videos, a fair amount of outreach, and staffed a phone bank in the beginning.
- o Notes that technical assistance is a big lift, there is a fairly high technology component that building owners need help.

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Amy Trumper

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**Fiscal Note**

**2023-2024 Legislative Session**

**HF2269 - 1A - Energy Benchmarking**

Chief Author: **Larry Kraft**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **4/10/2023 1:10:31 PM**  
 Agency: **Office of Higher Education**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	189	189	189	189	189
<b>Total</b>	<b>-</b>	<b>189</b>	<b>189</b>	<b>189</b>	<b>189</b>	<b>189</b>
<b>Biennial Total</b>			<b>378</b>			<b>378</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Xunxuan Weerts    **Date:** 4/6/2023 1:36:00 PM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	
General Fund	-	189	189	189	189	189
<b>Total</b>	<b>-</b>	<b>189</b>	<b>189</b>	<b>189</b>	<b>189</b>	<b>189</b>
			<b>378</b>			<b>378</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	189	189	189	189	189
<b>Total</b>	<b>-</b>	<b>189</b>	<b>189</b>	<b>189</b>	<b>189</b>	<b>189</b>
			<b>378</b>			<b>378</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
			<b>-</b>			<b>-</b>

**Bill Description**

HF2269-1A Establishes an energy benchmarking program.

Section 1 establishes the program, defines terms, sets requirements, exemptions, schedules, and other aspects of the program, and does not impact the Office of Higher Education.

Section 2(b) allocates \$750,000 in fiscal year 2023 from the general fund to the Office of Higher Education for a grant to the Building Owners and Managers Association Greater Minneapolis to establish partnerships with three technical colleges and high school career counselors with a goal of increasing the number of building engineers across Minnesota. Funds are available and do not cancel until June 30, 2028.

**Assumptions**

OHE assumes the work will not begin until fiscal year 2024.

OHE will have to establish and monitor a grant contract with the Building Owners and Managers Association Greater Minneapolis (BOMA Greater Minneapolis). Tasks related to this include:

- Establishing relationships with representatives from BOMA Greater Minneapolis.
- Ensuring that the grant agreement with BOMA Greater Minneapolis includes, defined criteria for the awarding of grants to the tribal colleges and high school counselors.
- Ensuring that the grant agreement with BOMA Greater Minneapolis includes reporting requirements per SF2269-1A Section 2(b).
- Develop internal administrative tools to be used in administration of the program including, collecting, analyzing and dissemination of data/reports, financial reconciliation, grant monitoring and oversight.

OHE assumes 43hours of work in fiscal year 2024 to establish the grant contract and monitor the grant.

OHE assumes 25 hours in fiscal year 2025 and 2026 to monitor the grant.

OHE assumes 43 hours of work in fiscal year 2027 to monitor and close out the grant.

**Expenditure and/or Revenue Formula**

Grant: The Grant contract will be awarded for the full \$750,000 for the period beginning in fiscal 2024 and ending in fiscal year 2027. However, funds will be distributed to BOMA Greater Minneapolis on a reimbursement basis. For the purpose of this fiscal note, the reimbursement is shown consistently across all four fiscal years, but reimbursement may occur at a quicker pace depending on how quickly BOMA Greater Minneapolis can ramp up the program. It is possible that the full \$750,000 is disbursed to BOMA Greater Minneapolis in FY2024. Regardless of the rate of disbursement, OHE anticipates that the full amount of the grant is disbursed by FY2027.

Admin/Staffing: Work will be performed by a Grants Specialist Senior at a rate of \$45.48 per hour which includes fringe benefits. Fiscal year 2024 is (\$45.48 x 43 hours = \$1956). Fiscal year 2025 and 2026 is (\$45.48 x 25 hours = \$1,137). Fiscal year 2027 is (\$45.48 x 43 hours = \$1956)

	FY24	FY25	FY26	FY27	Total
-					
Grant to BOMA Greater Minneapolis	\$187,500	\$187,500	\$187,500	\$187,500	\$750,000
Admin/staffing	\$1,956	\$1,137	\$1,137	\$1,956	\$6,186
<b>Total Costs</b>	<b>\$189,456</b>	<b>\$188,637</b>	<b>\$188,637</b>	<b>\$189,456</b>	<b>\$756,186</b>

It is important to note that OHE does not have ability to absorb the administrative/staffing cost.

**Long-Term Fiscal Considerations**

None

**Local Fiscal Impact**

None

**References/Sources**

Interanal OHE projections/estimates.

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