

2019 Regular Session

HOUSE BILL NO. 393

BY REPRESENTATIVE LEGER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

SCHOOLS/FINANCE: Provides relative to the school facilities preservation and systemwide needs programs in certain school districts

1 AN ACT

2 To amend and reenact R.S. 17:100.11 and to enact R.S. 17:100.12, relative to school  
3 facilities and needs in certain school districts; to provide relative to funds dedicated  
4 to providing, preserving, and improving school facilities; to provide for the  
5 systemwide needs program and for the purposes, funding, and operation of such  
6 program; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 17:100.11 is hereby amended and reenacted and R.S. 17:100.12 is  
9 hereby enacted to read as follows:

10 §100.11. School facilities preservation; certain districts

11 A.(1) There is hereby established for each school district as defined in  
12 Subsection H of this Section a school facilities preservation program. The program  
13 shall be funded, structured, and operated as provided in this Section and policies  
14 adopted by the school board in accordance with this Section.

15 (2) Proceeds of the following taxes, hereafter referred to in this Section as  
16 "facility funds", shall be used to fund the school facilities preservation program:

17 (a) The proceeds of local sales taxes at a rate ~~equivalent to the rate being~~  
18 ~~used as of July 1, 2014, by the school board to pay school facility debt of thirteen-~~  
19 hundredths percent. However, from these proceeds the school board shall continue  
20 to make payments for school facility debt that existed on July 1, 2014, until the debt

1 is fully paid. Upon payment of such debt, all of the proceeds of the local sales tax  
2 dedicated by this Subparagraph shall be used for purposes of this Section.

3 (b) The proceeds from property taxes dedicated to capital outlay and  
4 authorized by voters after July 1, 2014, to support the purposes of this Section.

5 (3) The proceeds of property taxes dedicated by voters for payment of bonds  
6 held by the school board and in existence as of July 1, 2014, shall not be considered  
7 and not otherwise administered as facility funds under the provisions of this Section.  
8 Additionally, the school board shall not refinance bonds that are outstanding on  
9 July 1, 2014, nor shall it take any action that would delay the retirement of such  
10 bonds. It is the intention of this Paragraph that such bonds be paid in full no later  
11 than the dates specified by the payment schedule in existence on July 1, 2014.

12 B. Each year, the ~~school board shall transfer to the Recovery School District~~  
13 ~~a proportion of facility funds equal to the proportion of students attending school on~~  
14 ~~campuses that are in the school district and that are controlled by the Recovery~~  
15 ~~School District to the total number of students attending school on campuses that are~~  
16 ~~in the school district and that are controlled by either the school board or the~~  
17 ~~Recovery School District, based on the February first total student enrollment counts.~~  
18 The amounts, by source, of facility funds, revolving loan fund funds, and capital  
19 improvement fund funds ~~the amount retained by the school board, the amount~~  
20 ~~transferred to the Recovery School District, and the per campus student counts used~~  
21 ~~in calculations pursuant to this Subsection shall be included as a schedule to the~~  
22 ~~annual financial statements of the school board, audited by its certified public~~  
23 ~~accountant, and submitted to the state Department of Education, all in a manner~~  
24 ~~substantially similar to that provided in R.S. 17:1990(C)(2)(a)(iii)(dd).~~

25 C.(1) The operator of each school in the school district shall maintain a  
26 school facility repair and replacement account for each campus; such accounts are  
27 referred to in this Section as "school facility accounts".

1           (2) Beginning with the year following the retirement of all bonds referenced  
2           in Paragraph (A)(3) of this Section, the school board shall annually deposit into each  
3           school facility account amounts as follows:

4           (a) Eight hundred dollars per student for a school that is in a facility that was  
5           constructed prior to September 1, 2005, and that has not received a renovation  
6           exceeding half the value of the facility's replacement cost since that date.

7           (b) Five hundred dollars per student for a school that does not meet the  
8           criteria established in Subparagraph (a) of this Paragraph.

9           (3) Except as provided in Paragraph (7) of this Subsection, the school facility  
10          accounts shall be segregated, and funds therein shall not be commingled with other  
11          school funds. Funds in such an account shall be used only for the benefit of the  
12          campus for which it was established. The school board shall adopt investment  
13          policies governing school facility accounts. The provisions of R.S. 33:2955 and R.S.  
14          49:321 are applicable to such accounts. Investment and interest earnings generated  
15          on funds in a school facility account shall be credited to the account and shall not be  
16          transferred to another account or used for purposes other than those allowable for  
17          funds in the school facility account. A school facility account shall be audited  
18          annually in accordance with monitoring policies developed by the school board,  
19          which shall include verification that the proper amounts were deposited into the  
20          school facility account and invested and used according to law and policy.

21          (4) The funds in the school facility account may be used only for the costs  
22          of capital repairs, improvements, and replacement, including debt service and other  
23          financing costs associated therewith. All expenditures shall be in accordance with  
24          law and policies developed by the school board. The school board shall develop  
25          policies defining an emergency and the protocol a school must follow in expending  
26          funds in the school facility account for emergency repairs. Expenditures for planned  
27          capital repairs, improvements, and replacements and finance costs associated with  
28          such expenditures shall be approved in advance by the charter school's board if the  
29          school is a charter school and the school board. Expenditures for planned capital

1 repairs and replacements shall reflect the appropriate priorities as reflected in the  
2 school's long-term capital plan developed pursuant to Paragraph (5) of this  
3 Subsection.

4 (5) The school board and each school shall develop, for each campus, a long-  
5 term capital plan that meets minimum requirements established by the school board.  
6 Such plans shall include but need not be limited to identifying key building  
7 components and when they will likely need to be repaired or replaced and the  
8 estimated cost of doing so.

9 (6) A school shall comply with all applicable school board policies regarding  
10 projects funded through its school facility account including but not limited to  
11 disadvantaged business enterprises policies.

12 (7) A charter operator may make a loan to a school facility account. The  
13 loan shall be made only from excess fund balances or other funds not designated for  
14 instructional purposes from the school holding the school facility account or another  
15 school under the same operator. All such loans shall be interest-free. If the school  
16 tenant of a campus with an outstanding loan to the school facility account changes,  
17 the new school tenant must pay back the loan under the same terms as the prior  
18 tenant. If a school is lending money to the school facility account, the loan can be  
19 repaid with funds from the school facility account, just as if the school had borrowed  
20 money from the revolving loan fund, as provided for in Subsection F of this Section.

21 (8) If a school does not follow the legal and policy requirements for the  
22 school facility account, the school board may suspend or terminate a school's  
23 authority to use and control the funds in the school facility account. Prior to any  
24 such action, the school board shall give formal notice to the school and provide an  
25 opportunity for it to remedy the deficiency, all in accordance with policies governing  
26 such procedures.

27 (9) Funds in a school facility account are the property of the school board.  
28 A school facility account is campus-specific and remains with the campus should the

1 school tenant of the campus change or should the school tenant no longer occupy the  
2 campus.

3 ~~C.(1)~~ D.(1) The school board ~~and the Recovery School District~~ shall each  
4 create a facilities office. From annual facility funds ~~each receives~~, it shall use ~~fifteen~~  
5 twenty dollars per pupil attending school at a campus it controls in the school district  
6 or whatever lesser amount is available after payments pursuant to Subsection C of  
7 this Section to fund the facilities office. The school board ~~and the Recovery School~~  
8 ~~District~~ may adjust this per pupil amount on an annual basis by the lesser of the most  
9 recent annual increase in the Consumer Price Index published by the United States  
10 Department of Labor or in the minimum foundation program funds.

11 (2) To the extent that facility funds are available pursuant to Paragraph (1)  
12 of this Subsection, the facilities office shall perform the following functions:

13 (a) Inspect and monitor facilities to ensure that they are being maintained  
14 and that each campus is in compliance with maintenance and inspection  
15 requirements. If a school is not properly maintaining its campus as required in the  
16 lease agreement, the ~~remedies available to the school board or Recovery School~~  
17 ~~District as applicable are to~~ may suspend or terminate use of the school facility  
18 account funds as provided in Paragraph ~~(F)(10)~~ (C)(8) of this Section or to perform  
19 necessary maintenance, repair, or replacement work and charge the school the costs  
20 of such work plus a service fee. Prior to performing any such work, the school board  
21 ~~or Recovery School District~~ shall give formal notice to the school and provide an  
22 opportunity for it to remedy the deficiency, all in accordance with policies governing  
23 such procedures.

24 (b) Manage building leases, handle emergency repairs, ~~and~~ administer the  
25 revolving ~~facility~~ loan fund, the capital improvement fund, and school facility repair  
26 and replacement accounts, all as provided for by this Section, and assist schools in  
27 the development of capital improvement plans as provided for in Paragraph (C)(5)  
28 of this Section.

1           (3) The facilities office may provide additional facility services to charter  
2 schools, including emergency and capital repairs or replacements, procurement  
3 services, and technical assistance, and charge fees for such services pursuant to a  
4 written agreement with the school.

5           ~~D.~~ E.(1) Until all bonds referenced in Paragraph (A)(3) of this Section are  
6 retired, the school board ~~and the Recovery School District~~ shall use facility funds  
7 remaining after the allocation provided for in Subsection ~~E~~ D of this Section for  
8 emergency repairs and replacements in accordance with policies ~~each~~ it adopts for  
9 such purpose and for providing assistance to schools in the development of their  
10 capital plans as provided for in Paragraph (C)(5) of this Section.

11           (2) In the school year following the retirement of such bonds, ~~except as~~  
12 ~~provided in Paragraph (3) of this Subsection,~~ the school board ~~and the Recovery~~  
13 ~~School District~~ shall transfer ~~unused funds received pursuant to this Subsection~~  
14 remaining facility funds to its respective the revolving loan fund, as is provided for  
15 in Subsection ~~E~~ F of this Section, and to the capital improvement fund as is provided  
16 for in Subsection G of this Section, according to the following allocation schedule:

17           (a) If the revolving loan fund is funded at less than fifty million dollars, all  
18 such funds shall be deposited into the revolving loan fund.

19           (b) If the revolving loan fund is funded at fifty million dollars or more but  
20 less than seventy-five million dollars, half of such funds shall be deposited to the  
21 revolving loan fund and half to the capital improvement fund.

22           (c) If the revolving loan fund is funded at seventy-five million dollars or  
23 more, twenty-five percent of such funds shall be deposited to the revolving loan fund  
24 and seventy-five percent to the capital improvement fund.

25           ~~(3) If the school board has borrowed money to make emergency repairs, all~~  
26 ~~such funds shall be used to repay any outstanding debt incurred for such purpose.~~

27           ~~E.(1)~~ F.(1) The school board ~~and the Recovery School District~~ shall ~~each~~  
28 establish a revolving loan fund and make loans from the fund to schools that are in  
29 campuses ~~controlled by each respectively~~ it controls and that are in the school district

1 to finance emergency or planned capital repairs and replacements, all in accordance  
2 with this Subsection.

3 ~~(2) Beginning with the year following the retirement of bonds referenced in~~  
4 ~~Paragraph (A)(3) of this Section and continuing for twenty years, the school board~~  
5 ~~and the Recovery School District shall annually deposit facility funds available, after~~  
6 ~~funds are allocated to the facilities office as provided in Subsection C of this Section~~  
7 ~~and in the amount established by this Paragraph or whatever lesser amount is~~  
8 ~~available, into its respective revolving loan fund. The annual amount to be deposited~~  
9 ~~by the school board or the Recovery School District shall be the sum of all per~~  
10 ~~campus contributions. A per campus contribution shall be one hundred fifty dollars~~  
11 ~~per student attending school at that campus or seventeen percent of the per-campus~~  
12 ~~share of facility funds, whichever is greater, if the school is in a facility that was~~  
13 ~~constructed prior to September 1, 2005, and that has not received a renovation~~  
14 ~~exceeding half the value of the facility's replacement cost since that date, or three~~  
15 ~~hundred dollars per student attending school at that campus or thirty-five percent of~~  
16 ~~the per-campus share of facility funds, whichever is greater, for all other schools.~~  
17 ~~The "replacement cost" of a facility that was constructed prior to September 1, 2005,~~  
18 ~~means the replacement cost of the facility as of July 1, 2014.~~

19 ~~(3)~~ The school board and the Recovery School District shall each establish  
20 policies governing the following: eligible repairs and replacements, how schools are  
21 to handle emergency repairs, approval of loan applications, maintenance of a  
22 minimum balance in the loan fund, priorities for granting loans, and any other aspect  
23 of administering the loan fund and loans made from it.

24 ~~(4)~~ (3) A school shall be eligible for a loan only if the balance in its school  
25 facility account is below seventy-five thousand dollars. However, if a school will  
26 use funds from the school facility account to fund a portion of a repair or  
27 replacement project, it may receive a loan for that project if its budgeted  
28 expenditures for the project will result in a balance in its school facility account  
29 below seventy-five thousand dollars.

1           ~~(5)~~ (4) A loan application from a charter school shall be approved by the  
2 charter school's board prior to submission to the school board ~~or the Recovery~~  
3 ~~School District, whichever entity controls the campus,~~ for approval.

4           ~~(6)~~ (5) Loans shall be interest-free; however, the school board ~~and the~~  
5 ~~Recovery School District~~ may charge a loan origination fee not exceeding five  
6 percent of the value of the loan or thirty thousand dollars per loan, whichever is less.

7           ~~(7)~~ (6) Schools shall repay loans in accordance with the terms of the loan  
8 agreement from funds to be deposited to its school facility account, as provided for  
9 in Subsection ~~F~~ C of this Section.

10          ~~(8)~~ (7) No school may use proceeds of a loan for operating expenses,  
11 maintenance, or insurance costs.

12          ~~(9)~~ (8) If a school vacates a campus for which a loan is outstanding and  
13 another school becomes the tenant in that campus, the new school shall assume the  
14 debt.

15          ~~F.(1) The operator of each school in the school district shall establish and~~  
16 ~~maintain a school facility repair and replacement account for each campus; such~~  
17 ~~accounts are referred to in this Section as "school facility accounts".~~

18          ~~(2) Beginning with the year following the retirement of all bonds referenced~~  
19 ~~in Paragraph (A)(3) of this Section, the school board and the Recovery School~~  
20 ~~District shall annually deposit into each school facility account the per-campus share~~  
21 ~~of facility funds less any portion of such funds deposited, in accordance with~~  
22 ~~Subsection E of this Section, into the revolving loan fund.~~

23          ~~(3) Except as provided in Paragraph (9) of this Subsection, the school facility~~  
24 ~~accounts shall be segregated, and funds therein shall not be commingled with other~~  
25 ~~school funds. Funds in such an account shall be used only for the benefit of the~~  
26 ~~campus for which it was established. The school board and Recovery School District~~  
27 ~~shall each adopt investment policies governing school facility accounts. The~~  
28 ~~provisions of R.S. 33:2955 and R.S. 49:321 are applicable to such accounts.~~  
29 ~~Investment and interest earnings generated on funds in a school facility account shall~~

1 be credited to the account and shall not be transferred to another account or used for  
2 purposes other than those allowable for funds in the school facility account. A  
3 school facility account shall be audited annually in accordance with monitoring  
4 policies developed by the school board and the Recovery School District, which shall  
5 include verification that the proper amounts were deposited into the school facility  
6 account and invested and used according to law and policy.

7 (4) The funds in the school facility account may be used only for emergency  
8 or planned capital repairs and replacements as outlined in law and in policies  
9 developed by the school board and the Recovery School District.

10 (5) Each school shall develop, for each campus, a long-term capital plan that  
11 meets minimum requirements established by the school board or Recovery School  
12 District as applicable. Such plans shall include but need not be limited to identifying  
13 key building components and when they will likely need to be repaired or replaced  
14 and the estimated cost of doing so.

15 (6) Nonemergency expenditures from the school facility account shall be  
16 approved in advance by the charter school's board if the school is a charter school,  
17 and the school board or Recovery School District, as applicable, and shall reflect the  
18 appropriate priorities as reflected in the school's long-term capital plan developed  
19 pursuant to Paragraph (5) of this Subsection.

20 (7) The school board and the Recovery School District shall each develop  
21 policies defining an emergency and the protocol a school must follow in expending  
22 funds in the school facility account for emergency repairs.

23 (8) A school shall comply with all applicable school board or Recovery  
24 School District policies regarding projects funded through its school facility account  
25 including but not limited to disadvantaged business enterprises policies.

26 (9) A charter operator may make a loan to a school facility account. The  
27 loan shall be made only from excess fund balances or other funds not designated for  
28 instructional purposes from the school holding the school facility account or another  
29 school under the same operator. All such loans shall be interest-free. If the school

1        ~~tenant of a campus with an outstanding loan to the school facility account changes,~~  
2        ~~the new school tenant must pay back the loan under the same terms as the prior~~  
3        ~~tenant. If a school is lending money to the school facility account, the loan can be~~  
4        ~~repaid with funds from the school facility account, just as if the school had borrowed~~  
5        ~~money from the revolving loan fund, as provided for in Subsection E of this Section.~~

6            ~~(10) If a school does not follow the legal and policy requirements for the~~  
7        ~~school facility account, the remedy available to the school board or Recovery School~~  
8        ~~District as applicable is to suspend or terminate a school's authority to use and~~  
9        ~~control the funds in the school facility account. Prior to any such action, the school~~  
10       ~~board or Recovery School District shall give formal notice to the school and provide~~  
11       ~~an opportunity for it to remedy the deficiency, all in accordance with policies~~  
12       ~~governing such procedures.~~

13           ~~(11) Funds in a school facility account are the property of the school board~~  
14       ~~or the Recovery School District, whichever entity controls the campus. A school~~  
15       ~~facility account is campus-specific and remains with the campus should the school~~  
16       ~~tenant of the campus change or should the school tenant no longer occupy the~~  
17       ~~campus.~~

18           G.(1) The school board shall establish a capital improvement fund and make  
19       grants from the fund to schools that are in campuses that it controls and that are in  
20       the school district to finance preservation, improvements, capital repairs,  
21       construction, and replacement of facilities that were constructed prior to  
22       September 1, 2005, and that have not received a renovation exceeding half the value  
23       of the facility's replacement cost since that date, all in accordance with this  
24       Subsection.

25           (2) The school board shall adopt polices and procedures governing the  
26       expenditure of money in the capital improvement fund, including policies setting  
27       criteria for determining when grants are made from the fund. The superintendent  
28       shall administer the fund in accordance with such policies and make annual reports  
29       to the school board on fund activity.

1           (3) The school board shall establish policies defining the maximum grant for  
2           a single project.

3           H.(1) The Neither the school board nor the Recovery School District shall  
4           not charge rent or any other fee to a charter school in the school district for the  
5           occupancy, use, or repair of a campus it controls other than as authorized by this  
6           Section. The Recovery School District or the school board may, however, require  
7           a charter school to pay for maintenance, insurance, utilities, and other costs related  
8           to the operation and upkeep of a campus, as outlined in the lease agreement for  
9           occupancy of the campus. Except as provided in this Paragraph, this Section does  
10          not authorize a school board or the Recovery School District to require a charter  
11          school to expend funds on emergency or planned capital repairs or replacements in  
12          excess of funds available for such purposes pursuant to this Section.

13          (2) The school board and the Recovery School District shall annually prepare  
14          and issue a public report that includes all of the following: the amount of funds in  
15          its ~~respective~~ the revolving facility loan fund and all loans made therefrom, the  
16          amount of funds in the capital improvement fund and all grants made therefrom, the  
17          amount of facility funds distributed to each campus by the Recovery School District  
18          or the school board, the amount allocated to fund the ~~respective~~ facility office of  
19          each, and the cost and type of each emergency repair made by the facilities office if  
20          applicable. The Recovery School District shall submit its report to the State Board  
21          of Elementary and Secondary Education.

22          (3) This Section shall not be construed as a limitation on any authority or  
23          responsibility of a school board to seek or to expend funds on facility repairs,  
24          replacements, and improvements as otherwise provided by law including but not  
25          limited to the provisions of R.S. 17:59, 17:81, and 17:98.

26          H: I. For purposes of this Section, the following terms shall have the  
27          meaning ascribed:

28          (1) "Campus" means a school building owned by the school board and  
29          controlled by either the school board or the Recovery School District and all

1 facilities otherwise part of the school, recognized as part of the facilities, and  
2 typically available to the school, its students, faculty, and staff. A single campus  
3 may include more than one neighboring school building. Generally, a single campus  
4 includes all facilities sharing a single legal address. In some cases, more than one  
5 school may occupy a single campus, and in other cases, a single school may occupy  
6 more than one campus.

7 ~~(2) "Per campus share of facility funds" means an amount calculated~~  
8 ~~annually by dividing the annual amount of facility funds of the school board or~~  
9 ~~Recovery School District, less amounts allocated to the respective facilities office,~~  
10 ~~by the total number of students attending school on campuses controlled by the~~  
11 ~~school board or the Recovery School District as applicable multiplied by the number~~  
12 ~~of students attending school at the particular campus as of the most recent February~~  
13 ~~first total student enrollment counts.~~

14 ~~(3) "School" means any public school with a unique site code assigned by~~  
15 ~~the department.~~

16 ~~(4) (3) "School board" means the elected school board that governs schools~~  
17 ~~in a school district.~~

18 ~~(5) (4) "School district" means all schools within the geographic jurisdiction~~  
19 ~~of a local school board within which schools have been transferred to the Recovery~~  
20 ~~School District pursuant to R.S. 17:10.7.~~

21 ~~I.(1) Prior to July 1, 2017, the provisions of this Section shall be~~  
22 ~~implemented in accordance with a plan or agreement between the school board and~~  
23 ~~the Recovery School District.~~

24 ~~(2) Beginning on July 1, 2017, the provisions of this Section shall be~~  
25 ~~implemented in accordance with the plan approved pursuant to R.S. 17:10.7.1.~~

26 §100.12. Systemwide needs program

27 A.(1) There is hereby established for each school district as defined in R.S.  
28 17:100.11(I) a systemwide needs program. The program shall be funded, structured,  
29 and operated as provided in this Section and polices adopted by the school board.

1           (2) The purpose of the program is to direct initiatives that will result in  
2           districtwide improvements in areas that cannot be addressed efficiently or effectively  
3           at the school level. Such initiatives may include teacher recruitment, teacher  
4           preparation, professional development shared among schools, and non-recurring  
5           costs related to improving instructional materials and the use of such materials.

6           B. The school district shall create a special fund for the purpose of  
7           dedicating money to the program. The district shall annually deposit into the fund  
8           one hundred twenty dollars per student in the district less the district's expenditures  
9           that year for costs identified in RS 17:1990(C)(2)(a)(iii)(aa)(I) through (IV).  
10          Expenditures may be made from the fund by the district superintendent only to  
11          implement a plan for improvement in one or more particular areas of focus as  
12          provided in this Section.

13           C. The superintendent shall:

14           (1) Develop and propose plans for improvement in particular areas of focus.

15          The superintendent shall develop such plans in collaboration with school leaders in  
16          the school district as more specifically provided by school board policy.

17           (2) Include related performance objectives and a proposed level of funding  
18          in any plan for improvement in an area of focus.

19           (3) Submit such plans to the school board for approval. The superintendent  
20          shall demonstrate, to the satisfaction of the school board, that an area of focus will  
21          impact at least fifty percent of the public school students or fifty percent of the public  
22          schools over the course of the funding cycle for the area of focus.

23           (4) Consider how the expenditures from the fund could be coordinated with  
24          other funds in order to increase the effectiveness of the program.

25           (5) Annually report to the school board on the performance objectives and  
26          the expenditure of funds for the program.

27           D. The school board may approve a plan and appropriate expenditures from  
28          the fund therefor. An approved area of focus shall be funded for a period of not less  
29          than three years based on cost estimates developed by the superintendent.

1           E.(1) The superintendent shall implement an approved plan by awarding  
2           funds through a competitive process. Funds may be awarded to:

3           (a) A school for the purpose of procuring materials or services from district-  
4           approved organizations or vendors.

5           (b) An organization or vendor that either provides services directly to  
6           schools, educators, or students or coordinates support by providing subgrants to  
7           schools or contracting with organizations to provide goods or services to schools,  
8           educators, or students, or any combination thereof.

9           (2) An applicant for funds shall demonstrate how the proposed good or  
10          service will contribute to the achievement of the goals and objectives of the approved  
11          plan.

12          (3) An applicant for funds shall demonstrate that at least twenty-five percent  
13          of the funds it will expend to achieve its proposal are from sources other than this  
14          program.

15          (4) Funding applications shall be approved according to school board policy.  
16          No expenditure shall be made from the fund except as provided in this Subsection.  
17          No expenditure of funds shall be made in excess of the amount approved by the  
18          school board for a particular area of focus.

19          Section 2. Nothing in R.S. 17:100.11 as amended by this Act shall be construed to  
20          mitigate the applicability of R.S. 17:3995(A)(1)(c).

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 393 Original

2019 Regular Session

Leger

**Abstract:** Provides relative to the school facilities preservation and the systemwide needs programs in certain public school districts.

Present law establishes a school facilities preservation program in school districts in which failing schools were transferred to the jurisdiction of the Recovery School District (RSD) in accordance with a specified provision of present law. Proposed law retains present law.

Present law provides that the provisions for the school facilities preservation program apply to both the applicable school board and to the RSD. Proposed law removes references to the RSD from present law.

Present law provides for dedication of certain local tax revenues to the purposes of the program; those tax revenues are referred to in this digest as "facility funds" and are the proceeds of:

- (1) Sales taxes at a rate equivalent to the rate being used as of July 1, 2014, by the school board to pay school facility debt.
- (2) Property taxes dedicated to capital outlay and authorized by voters after July 1, 2014, to support the purposes of present law.

Proposed law changes the amount of sales tax dedicated to the program to .13%. Requires continued use of a portion of such funds to pay school facility debt, in the same amounts being paid on July 1, 2014, until such debt is retired. Otherwise retains present law.

Present law prohibits the school board from refinancing or delaying repayment of bonds that are outstanding on July 1, 2014. Proposed law retains present law.

### **Facilities Office**

Present law requires the school board to create a facilities office. Dedicates \$15 per pupil to funding the office. Proposed law changes the per pupil amount to \$20.

Present law provides that to the extent such funds are available, the facilities office shall:

- (1) Inspect and monitor facilities to ensure that they are being maintained and that each campus is in compliance with maintenance and inspection requirements. Provides remedies available if a school is not properly maintained.
- (2) Manage building leases, handle emergency repairs, and administer the revolving facility loan fund and school facility repair and replacement accounts.

Proposed law further requires the office to manage the capital improvement funds created by proposed law (described below) and to assist schools in the development of capital plans which are required by proposed law.

Present law authorizes a facilities office to provide additional facilities services to charter schools, including emergency and capital repairs or replacements, procurement services, and technical assistance, and to charge fees for such services pursuant to a written agreement with the school. Proposed law retains present law.

Present law and proposed law provide for different priorities in uses of facility funds during the period prior to the retirement of bonds of the school board that are outstanding on July 1, 2014, and the period after retirement of such bonds. Present law provides that funding the facilities office (described immediately above) is the highest priority on the use of facility funds. Proposed law retains this priority until bonds are retired, after which the school facilities accounts (described immediately below) become the highest priority.

### **School Facilities Accounts**

Present law requires the operator of each school to maintain a school facility repair and replacement account (school facilities account) for each campus.

Present law provides that facility funds remaining after all other priorities are funded are used for school facilities accounts. Proposed law provides instead that the following amounts shall be deposited annually into these accounts:

- (1) \$800 per student for a school in a facility that was constructed prior to Sept. 1, 2005, and that has not received a renovation exceeding half the value of the facility's replacement cost since that date.
- (2) \$500 per student for other schools.

Present law provides further with respect to such accounts and the use of the funds in them. Authorizes use of funds in such accounts for capital repairs and replacements. Proposed law authorizes use of funds in such accounts for capital repairs, improvements, and replacement, including debt service and other financing costs associated therewith.

### **Revolving Loan Fund**

Present law requires the school board to establish a revolving loan fund and make loans from the fund to schools to finance capital repairs and replacements. Provides further with respect to the loan fund and loans made from it.

Present law requires annual deposits of facility funds to the revolving loan funds for 20 years following the retirement of the bonds outstanding on July 1, 2014. Provides for a per campus amount or per campus share of facility funds to be deposited. Per campus amounts and shares differ for schools that were constructed prior to Sept. 1, 2005, and that have not received a renovation exceeding half the value of the facility's replacement cost since that date and all other schools. Proposed law removes present law.

Proposed law provides as follows with respect to the funding of the revolving loan fund (described immediately above) and the capital improvements fund (described immediately below) from facility funds remaining after funds are provided for the facilities office and the school facility accounts:

- (1) If the revolving loan fund is funded at less than \$50 million, all remaining funds shall be deposited into the revolving loan fund.
- (2) If the revolving loan fund is funded at \$50 million or more but less than \$75 million, half of such funds shall be deposited to the revolving loan fund and half to the capital improvement fund.
- (3) If the revolving loan fund is funded at \$75 million or more, 25% of remaining funds shall be deposited to the revolving loan fund and 75% to the capital improvement fund.

### **Capital Improvement Fund**

Proposed law requires the school board to establish the capital improvement fund from which it may make grants to schools to finance preservation, improvements, capital repairs, construction, and replacement of facilities that were constructed prior to September 1, 2005, and that have not received a renovation exceeding half the value of the facility's replacement cost since that date. Requires the school board to adopt policies and procedures governing the expenditure of money in the fund. Requires the superintendent to administer the fund in accordance with such policies and make annual reports to the school board on fund activity.

### **Systemwide Needs Program**

Proposed law establishes a systemwide needs program in school districts in which failing schools were transferred to the jurisdiction of the RSD to direct initiatives that will result in

districtwide improvements in areas that cannot be addressed efficiently or effectively at the school level.

Requires the school district to create a special fund to dedicate money to the program. Provides for the annual deposit into the fund of \$120 per student in the district less the district's expenditures that year for costs identified in present law (relative to certain legacy expenses). Limits expenditures from the fund by the district superintendent only to implement a plan for improvement in one or more particular areas of focus. Requires the district superintendent to submit such plans to the school board for approval.

Provides that funds to implement plans approved by the school board shall be awarded, through a competitive process, to schools to procure materials or services from district-approved organizations or vendors and to organizations or vendors that either provide services directly to schools, educators, or students or coordinate support by providing subgrants to schools or contracting with organizations to provide goods or services to schools, educators, or students, or any combination thereof.

Provides that funding applications shall be approved according to school board policy. Prohibits expenditures from the fund except as provided in proposed law. Prohibits expenditures from the fund in excess of the amount approved by the school board for a particular area of focus.

(Amends R.S. 17:100.11; Adds R.S. 17:100.12)