
DIGEST

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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)