

2019 Regular Session

HOUSE BILL NO. 393

BY REPRESENTATIVES LEGER, BAGNERIS, GARY CARTER, COX, FRANKLIN,
JIMMY HARRIS, JACKSON, MOORE, NORTON, PIERRE, SMITH, AND
WHITE AND SENATOR CARTER

1 AN ACT

2 To amend and reenact R.S. 17:100.11 and to enact R.S. 17:100.12 and 3995(A)(1)(b)(iv),
3 relative to school facilities and needs in certain school districts; to provide relative
4 to funds dedicated to providing, preserving, and improving school facilities; to
5 provide for the systemwide needs program and for the purposes, funding, and
6 operation of such 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 and
9 3995(A)(1)(b)(iv) are 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-~~

1 hundredths percent. However, from these proceeds the school board shall fulfill the
2 obligation required by R.S. 17:3995(A)(1)(c) and shall continue to make payments
3 for school facility debt that existed on July 1, 2014, until the debt is fully paid. Upon
4 payment of such debt, all of the proceeds of the local sales tax dedicated by this
5 Subparagraph, except for the portion used to fulfill the obligation required by R.S.
6 17:3995(A)(1)(c), shall be used for purposes of this Section.

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

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

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

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

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

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

10 (ii) Five hundred dollars per student for a school that does not meet the
11 criteria established in Item (i) of this Subparagraph.

12 (b) If facility funds are not sufficient to deposit the amounts required by
13 Subparagraph (a) of this Paragraph, the school board shall deposit available funds
14 in school facility accounts in accordance with its policy.

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

27 (4) The funds in the school facility account may be used only for the costs
28 of capital repairs, improvements, and replacement, including debt service and other
29 financing costs associated therewith. All expenditures shall be in accordance with
30 law and policies developed by the school board. The school board shall develop

1 policies defining an emergency and the protocol a school must follow in expending
2 funds in the school facility account for emergency repairs. Expenditures for planned
3 capital repairs, improvements, and replacements and finance costs associated with
4 such expenditures shall be approved in advance by the charter school's board if the
5 school is a charter school and the school board. Expenditures for planned capital
6 repairs and replacements shall reflect the appropriate priorities as reflected in the
7 school's long-term capital plan developed pursuant to Paragraph (5) of this
8 Subsection.

9 (5) Prior to the retirement of all bonds referenced in Paragraph (A)(3) of this
10 Section, the school facilities office, as provided for in Paragraph (D)(1) of this
11 Section, shall develop for each campus, in consultation with the operator of the
12 school, a long-term capital plan that meets the minimum requirements established
13 by the school board. After the retirement of such bonds, the operator of the school
14 is responsible for updating such plans, subject to requirements developed by the
15 school board and the approval of the school facilities office. Such plans shall include
16 but need not be limited to identifying key building components and when they will
17 likely need to be repaired or replaced and the estimated cost of doing so.

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

21 (7) A charter operator may make a loan to a school facility account in
22 accordance with school board policy and subject to school board approval. The loan
23 shall be made only from excess fund balances or other funds not designated for
24 instructional purposes from the school holding the school facility account or another
25 school under the same operator. All such loans shall be interest-free. If the school
26 tenant of a campus with an outstanding loan to the school facility account changes,
27 the new school tenant must pay back the loan under the same terms as the prior
28 tenant. If a school is lending money to the school facility account, the loan may be
29 repaid with funds from the school facility account, just as if the school had borrowed
30 money from the revolving loan fund, as provided for in Subsection F of this Section.

1 The school board shall develop policies to address repayment of the loan in the event
 2 the campus is no longer occupied by a school.

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

9 (9) Funds in a school facility account are the property of the school board.
 10 A school facility account is campus-specific and remains with the campus should the
 11 school tenant of the campus change or should the school tenant no longer occupy the
 12 campus. However, if a campus is no longer to be used as a school, funds in the
 13 school facility account for that campus shall be used or redistributed in accordance
 14 with school board policies, which shall ensure that such funds are used for the
 15 benefit of campuses in the school district.

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

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

26 (a) Inspect and monitor facilities to ensure that they are being maintained
 27 and that each campus is in compliance with maintenance and inspection
 28 requirements. If a school is not properly maintaining its campus as required in the
 29 lease agreement, the ~~remedies available to the school board or Recovery School~~
 30 ~~District as applicable are to~~ may suspend or terminate use of the school facility

1 account funds as provided in Paragraph ~~(F)(10)~~ (C)(8) of this Section or to perform
 2 necessary maintenance, repair, or replacement work and charge the school the costs
 3 of such work plus a service fee. Prior to performing any such work, the school board
 4 ~~or Recovery School District~~ shall give formal notice to the school and provide an
 5 opportunity for it to remedy the deficiency, all in accordance with policies governing
 6 such procedures.

7 (b) Manage building leases, handle emergency repairs, ~~and administer the~~
 8 ~~revolving facility loan fund and~~ prior to the retirement of the bonds referenced in
 9 Paragraph (A)(3) of this Section, ensure the management of the revolving loan fund
 10 and capital improvement fund, oversee and ensure the proper management of school
 11 facility repair and replacement accounts, all as provided for by this Section, and
 12 develop or approve long-term capital plans as provided for in Paragraph (C)(5) of
 13 this Section.

14 (3) The facilities office may provide additional facility services to charter
 15 schools, including emergency and capital repairs or replacements; made after the
 16 retirement of the bonds referenced in Paragraph (A)(3) of this Section, procurement
 17 services, and technical assistance, and charge fees for such services pursuant to a
 18 written agreement with the school.

19 ~~D:~~ E.(1) Until all bonds referenced in Paragraph (A)(3) of this Section are
 20 retired, the school board ~~and the Recovery School District~~ shall use facility funds
 21 remaining after the allocation provided for in Subsection ~~E~~ D of this Section for
 22 emergency repairs and replacements in accordance with policies ~~each~~ it adopts for
 23 such purpose and for development of capital plans by the school facilities office as
 24 provided for in Paragraph (C)(5) of this Section. No more than one million five
 25 hundred thousand dollars of these funds shall be used to fund the development of
 26 such capital plans.

27 (2) In the school year following the retirement of such bonds; and each year
 28 thereafter, the school board ~~and the Recovery School District~~ shall transfer ~~unused~~
 29 ~~funds received pursuant to this Subsection~~ remaining facility funds to ~~its respective~~
 30 the revolving loan fund, as is provided for in Subsection E F of this Section, and to

1 the capital improvement fund as is provided for in Subsection G of this Section. In
2 the first year following retirement of the bonds, fifty million dollars or whatever
3 lesser amount of facility funds remains shall be deposited into the revolving loan
4 fund. If funds remain after this deposit of fifty million dollars, the school board shall
5 determine the distribution of any remaining funds to the revolving loan fund and the
6 capital improvement fund. In each subsequent year, the school board shall transfer
7 remaining facility funds according to the following allocation schedule:

8 (a) If less than a total of fifty million dollars has been transferred to the
9 revolving loan fund since its creation, all available funds shall be transferred into the
10 revolving loan fund until the total contributions to the revolving loan fund since its
11 creation equals fifty million dollars.

12 (b) If more than fifty million dollars but less than seventy-five million
13 dollars has been transferred to the revolving loan fund since its creation, then half of
14 all available funds shall be transferred into the revolving loan fund and half of all
15 available funds shall be transferred into the capital improvement fund.

16 (c) If more than seventy-five million dollars has been transferred to the
17 revolving loan fund since its creation, twenty-five percent of all available funds shall
18 be transferred into the revolving loan fund and seventy-five percent of such funds
19 shall be transferred into the capital improvement fund.

20 E.(1) ~~F.(1)~~ The school board ~~and the Recovery School District~~ shall each
21 establish a revolving loan fund and make loans from the fund to schools that are in
22 campuses ~~controlled by each respectively and that are~~ in the school district to finance
23 emergency or planned capital repairs and replacements, all in accordance with this
24 Subsection.

25 (2) ~~Beginning with the year following the retirement of bonds referenced in~~
26 ~~Paragraph (A)(3) of this Section and continuing for twenty years, the school board~~
27 ~~and the Recovery School District shall annually deposit facility funds available, after~~
28 ~~funds are allocated to the facilities office as provided in Subsection C of this Section~~
29 ~~and in the amount established by this Paragraph or whatever lesser amount is~~
30 ~~available, into its respective revolving loan fund. The annual amount to be deposited~~

1 by the school board or the Recovery School District shall be the sum of all per
 2 campus contributions. A per campus contribution shall be one hundred fifty dollars
 3 per student attending school at that campus or seventeen percent of the per-campus
 4 share of facility funds, whichever is greater, if the school 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, or three
 7 hundred dollars per student attending school at that campus or thirty-five percent of
 8 the per-campus share of facility funds, whichever is greater, for all other schools.
 9 The "replacement cost" of a facility that was constructed prior to September 1, 2005,
 10 means the replacement cost of the facility as of July 1, 2014.

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

16 (4) (3) A school shall be eligible for a loan only if the balance in its school
 17 facility account is below seventy-five thousand dollars. However, if a school will
 18 use funds from the school facility account to fund a portion of a repair or
 19 replacement project, it may receive a loan for that project if its budgeted
 20 expenditures for the project will result in a balance in its school facility account
 21 below seventy-five thousand dollars.

22 (5) (4) A loan application from a charter school shall be approved by the
 23 charter school's board prior to submission to the school board or the Recovery
 24 School District, whichever entity controls the campus, for approval.

25 (6) (5) Loans shall be interest-free; however, the school board and the
 26 Recovery School District may charge a loan origination fee not exceeding five
 27 percent of the value of the loan or thirty thousand dollars per loan, whichever is less.

28 (7) (6) Schools shall repay loans in accordance with the terms of the loan
 29 agreement from funds to be deposited to its school facility account, as provided for
 30 in Subsection F C of this Section.

1 ~~(8)~~ (7) No school may use proceeds of a loan for operating expenses,
 2 maintenance, or insurance costs.

3 ~~(9)~~ (8) If a school vacates a campus for which a loan is outstanding and
 4 another school becomes the tenant in that campus, the new school shall assume the
 5 debt. The school board shall develop policies to address repayment of a loan in the
 6 event the campus is no longer occupied by a school.

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

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

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

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

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

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

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

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

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

26 ~~(10) If a school does not follow the legal and policy requirements for the~~
27 ~~school facility account, the remedy available to the school board or Recovery School~~
28 ~~District as applicable is to suspend or terminate a school's authority to use and~~
29 ~~control the funds in the school facility account. Prior to any such action, the school~~
30 ~~board or Recovery School District shall give formal notice to the school and provide~~

1 ~~an opportunity for it to remedy the deficiency, all in accordance with policies~~
 2 ~~governing such procedures.~~

3 ~~(11) Funds in a school facility account are the property of the school board~~
 4 ~~or the Recovery School District, whichever entity controls the campus. A school~~
 5 ~~facility account is campus-specific and remains with the campus should the school~~
 6 ~~tenant of the campus change or should the school tenant no longer occupy the~~
 7 ~~campus.~~

8 G.(1) The school board shall establish a capital improvement fund and make
 9 grants from the fund to schools that are in campuses in the school district to finance
 10 preservation, improvements, capital repairs, construction, and replacement of
 11 facilities that were constructed prior to September 1, 2005, and that have not
 12 received a renovation exceeding half the value of the facility's replacement cost since
 13 that date, all in accordance with this Subsection.

14 (2) The school board shall adopt policies governing the administration of the
 15 fund, including the expenditure of money in the capital improvement fund, criteria
 16 for determining when grants are made from the fund, and regular reports to the
 17 school board on fund activity.

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

20 H.(1) The ~~Neither the school board nor the Recovery School District~~ shall
 21 not charge rent or any other fee to a charter school in the school district for the
 22 occupancy, use, or repair of a campus ~~it controls~~ other than as authorized by this
 23 Section. ~~The Recovery School District or the school board~~ may, however, require
 24 a charter school to pay for maintenance, insurance, utilities, and other costs related
 25 to the operation and upkeep of a campus, as outlined in the lease agreement for
 26 occupancy of the campus. Except as provided in this Paragraph, this Section does
 27 not authorize a school board ~~or the Recovery School District~~ to require a charter
 28 school to expend funds on emergency or planned capital repairs or replacements in
 29 excess of funds available for such purposes pursuant to this Section.

1 (2) The school board ~~and the Recovery School District~~ shall annually prepare
 2 and issue a public report that includes all of the following: the amount of funds in
 3 ~~its respective~~ the revolving facility loan fund and all loans made therefrom, the
 4 amount of funds in the capital improvement fund and all grants made therefrom, the
 5 amount of facility funds distributed to each campus ~~by the Recovery School District~~
 6 ~~or the school board,~~ the amount allocated to fund the ~~respective~~ facility office of
 7 each, and the cost and type of each emergency repair made by the facilities office if
 8 applicable. ~~The Recovery School District shall submit its report to the State Board~~
 9 ~~of Elementary and Secondary Education.~~

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

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

16 (1) "Campus" means a school building owned by the school board ~~and~~
 17 ~~controlled by either the school board or the Recovery School District~~ and all
 18 facilities otherwise part of the school, recognized as part of the facilities, and
 19 typically available to the school, its students, faculty, and staff. A single campus
 20 may include more than one neighboring school building. Generally, a single campus
 21 includes all facilities sharing a single legal address. In some cases, more than one
 22 school may occupy a single campus, and in other cases, a single school may occupy
 23 more than one campus.

24 (2) ~~"Per campus share of facility funds" means an amount calculated~~
 25 ~~annually by dividing the annual amount of facility funds of the school board or~~
 26 ~~Recovery School District, less amounts allocated to the respective facilities office,~~
 27 ~~by the total number of students attending school on campuses controlled by the~~
 28 ~~school board or the Recovery School District as applicable multiplied by the number~~
 29 ~~of students attending school at the particular campus as of the most recent February~~
 30 ~~first total student enrollment counts.~~

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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

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

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

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

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

13 §100.12. Systemwide needs program

14 A.(1) There is hereby established for each school district as defined in R.S.
15 17:100.11(I) a systemwide needs program. The program shall be funded, structured,
16 and operated as provided in this Section and polices adopted by the school board.

17 (2) The purpose of the program is to direct initiatives that will result in
18 districtwide improvements in areas that can be more efficiently and effectively
19 addressed at the system level than at the school level.

20 B. The school district shall create a special fund for the purpose of
21 dedicating money to the program. The district shall annually deposit into the fund
22 one hundred twenty dollars per student in the district less the district's expenditures
23 that year for costs identified in RS 17:1990(C)(2)(a)(iii)(aa)(I) through (IV).

24 C. The superintendent shall:

25 (1) Develop and propose plans for improvement in particular areas of focus.
26 The superintendent shall propose an improvement plan to use the systemwide needs
27 fund to support one or more areas of focus for no less than three years and shall
28 propose new areas of focus and improvement plans for school board approval not
29 more frequently than once every three years. The superintendent shall develop such

1 plans and proposed areas of focus in collaboration with school leaders in the school
 2 district as more specifically provided by school board policy.

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

5 (3) Submit such plans to the school board for approval; such approval
 6 requires a majority vote of the entire membership of the board. The superintendent
 7 shall demonstrate, to the satisfaction of the school board, that an area of focus will
 8 impact at least fifty percent of the public school students or fifty percent of the public
 9 schools over the course of the funding cycle for the area of focus.

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

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

14 D. The school board may approve a plan and proposed areas of focus and
 15 appropriate expenditures from the fund therefor.

16 E.(1) The superintendent shall implement an approved plan by awarding
 17 funds through a competitive process according to policies developed by the school
 18 board. Funds may be expended directly by the district but shall not be used to pay,
 19 directly or indirectly, for school district or school board personnel, staff, or operating
 20 expenditures. Funds awarded to schools may be used only for the following
 21 purposes:

22 (a) Procuring materials, services, or other supports from district-approved
 23 organizations or vendors.

24 (b) Providing services for students systemwide that is aligned with one or
 25 more board-approved areas of focus.

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

