

Regular Session, 2007

SENATE BILL NO. 337

BY SENATORS ADLEY, NEVERS, N. GAUTREAUX, AMEDEE, BARHAM, BOASSO, CAIN, CHAISSON, CHEEK, CRAVINS, DUPLESSIS, DUPRE, ELLINGTON, B. GAUTREAUX, HINES, KOSTELKA, MCPHERSON, MICHOT, MOUNT, MURRAY, ROMERO, SCHEDLER AND SMITH AND REPRESENTATIVE DOERGE

FUNDS/FUNDING. Creates the Technical College - Community College Capital Enhancement Fund in the state treasury. (6/30/07)

1 AN ACT

2 To enact R.S. 47:647, relative to dedicating certain state revenues for capital enhancement

3 of technical colleges and community colleges; to create the Technical College -

4 Community College Capital Enhancement Fund in the state treasury; to provide for

5 allocation of certain monies to the fund; to specify purposes for which monies

6 received from the fund shall be used; to provide for an effective date; and to provide

7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:647 is hereby enacted to read as follows:

10 §647. Additional disposition of collections

11 **A.(1) Notwithstanding any other law to the contrary, the avails of the tax**

12 **imposed by R.S. 47:633(7) and R.S. 47:633(9) in each fiscal year shall be**

13 **credited to the Bond Security and Redemption Fund, and after a sufficient**

14 **amount is allocated from that fund to pay all the obligations secured by the full**

15 **faith and credit of the state which become due and payable within the fiscal year**

16 **and to comply with all other statutory dedications in existence on July 1, 2007,**

17 **the treasurer shall prior to the deposit of any such avails into the state general**

1 fund credit from such avails an amount sufficient to pay all obligations which
2 become due and payable within the fiscal year from the issuance of bonds to
3 fund the projects set forth in Subsection D to a special fund which is hereby
4 created in the state treasury and designated as the "Technical College -
5 Community College Capital Enhancement Fund."

6 B. The monies in the Technical College - Community College Capital
7 Enhancement Fund shall be appropriated each fiscal year by the legislature
8 solely for the purposes provided for in this Section. Monies in the fund shall be
9 appropriated to the Board of Supervisors of Community and Technical Colleges
10 to be used for planning, development, or capital improvements for technical
11 colleges and community colleges in consultation with the Board of Regents. All
12 unexpended and unencumbered monies in the fund at the end of each fiscal year
13 shall remain in the fund. The monies in the fund shall be invested by the
14 treasurer in the same manner as the monies in the state general fund, and all
15 interest earned on investment of monies in the fund shall be deposited into the
16 fund.

17 C.(1) The Board of Supervisors of Community and Technical Colleges,
18 with the approval of the State Bond Commission, shall incur debt and issue
19 bonds for capital improvements for all the projects provided for in Subsection
20 (D) of this Section payable from a pledge and dedication of the amounts of
21 proceeds of the tax in the Technical College - Community College Capital
22 Enhancement Fund. The Board of Supervisors of the Louisiana Community and
23 Technical Colleges System shall proceed to fund the projects set forth in
24 Subsection (D) of this Section by use of cooperative endeavor agreements with,
25 and design and construction oversight by, the office of facility planning and
26 control of the division of administration as defined in R.S. 17:3361(A)(1)(b),
27 and, subject to such cooperative endeavor agreements and design and
28 construction oversight, use of the provisions of Subpart A of Part VII of
29 Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, as amended.

1 **(2) Whenever such bonds are issued, the legislature shall annually**
2 **appropriate, to the extent of deposits in the fund, monies sufficient to pay the**
3 **principal, interest, and premiums, if any, due on the bonds each year as well as**
4 **any other amounts contractually required to be paid in connection with the**
5 **financing of such projects. If the legislature, after a diligent and good faith**
6 **effort, fails to appropriate sufficient monies to pay the principal, interest, and**
7 **premium, if any, due on the bonds each year, or if such appropriation cannot**
8 **be effected, the full faith and credit of the state shall not be pledged to repay any**
9 **bonds issued as provided in this Section and the state shall in no way be a party**
10 **to any contractual rights arising from the bonds issued, nor shall the state be in**
11 **any way obligated for any payments due to holders of the bonds issued under**
12 **the provisions of this Subsection.**

13 **(3) The projects set forth in Subsection D shall be funded whether or not**
14 **they are included in the capital outlay bill for a fiscal year.**

15 **(4) Any monies allocated for a project as set forth in Subsection D which**
16 **is not needed for such project may be reallocated for the completion of any**
17 **other project listed in Subsection D.**

18 **D. For the purposes of this Section, "capital improvements" shall mean**
19 **expenditures for developing plans and specifications; acquiring lands, buildings,**
20 **equipment, or other permanent properties; or for their construction,**
21 **preservation, development, or permanent improvement, or for payment of**
22 **principal, interest, or premium, if any, and other obligations incident to the**
23 **issuance, security, and payment of bonds or other evidences of indebtedness**
24 **associated therewith. Further, "capital improvements" shall be solely and**
25 **exclusively the following projects:**

26 **(1) LOUISIANA TECHNICAL COLLEGE**

27 **(a) Evangeline Campus, St. Martin Region 4 \$8,000,000**

28 **Replacement of campus buildings on campus-owned land across the**
29 **street from existing location.**

1	<u>(b) Huey P. Long Campus, Winnfield</u>	<u>Region 6</u>	<u>\$10,000,000</u>
2	<u>Replace and relocate facilities at more accessible location on college-</u>		
3	<u>owned land.</u>		
4	<u>(c) Northwest Louisiana Campus,</u>		
5	<u>Minden</u>	<u>Region 7</u>	<u>\$14,000,000</u>
6	<u>Expand campus in location on college-owned land.</u>		
7	<u>(d) Young Memorial Campus,</u>		
8	<u>Morgan City</u>	<u>Region 3</u>	<u>\$5,200,000</u>
9	<u>Construct buildings needed for non-marine programs.</u>		
10	<u>(e) Florida Parishes Campus,</u>		
11	<u>Greensburg</u>	<u>Region 9</u>	<u>\$8,000,000</u>
12	<u>Acquisition of eight-acre site and construction of facilities.</u>		
13	<u>(f) Westside Campus, Plaquemine</u>	<u>Region 2</u>	<u>\$3,000,000</u>
14	<u>Replacement of buildings and relocation of campus.</u>		
15	<u>(g) Gulf Area Campus, Abbeville</u>	<u>Region 4</u>	<u>\$6,000,000</u>
16	<u>Restoration of current facilities.</u>		
17	<u>(h) Shelby M. Jackson Campus,</u>		
18	<u>Ferriday</u>	<u>Region 6</u>	<u>\$4,500,000</u>
19	<u>Repair and replacement of facilities on college-owned land.</u>		
20	<u>(i) Sidney N. Collier Campus,</u>		
21	<u>New Orleans</u>	<u>Region 1</u>	<u>\$11,900,000</u>
22	<u>Relocation of campus, acquire land and buildings.</u>		
23	<u>(2) COMMUNITY COLLEGES</u>		
24	<u>(a) L.E. Fletcher Technical Community College,</u>		
25	<u>Houma</u>		<u>\$21,300,000</u>
26	<u>Construction of classroom lab and office building; water survival</u>		
27	<u>training facility at LAMPI and construction of marine/welding transportation</u>		
28	<u>building.</u>		
29	<u>(b) Sowela Technical Community College,</u>		

1	<u>Lake Charles</u>	<u>\$13,000,000</u>
2	<u>Acquire adjacent land and construction of classroom and student</u>	
3	<u>facilities.</u>	
4	<u>(c) River Parishes Community College, Sorrento</u>	<u>\$17,000,000</u>
5	<u>Acquire land and facilities and construction of additional facilities.</u>	
6	<u>(d) Delgado Community College, New Orleans</u>	
7	<u>Issac Delgado Hall</u>	<u>\$786,800</u>
8	<u>Restore existing building.</u>	
9	<u>Student Services</u>	<u>\$2,618,350</u>
10	<u>Restore existing building.</u>	
11	<u>Maritime and Industrial Training Center</u>	<u>\$6,425,000</u>
12	<u>Relocate from City Park to New Orleans East.</u>	
13	<u>Learning Resources Center</u>	<u>\$4,114,165</u>
14	<u>Demolition and construction.</u>	
15	<u>(e) Elaine P. Nunez Community College, Chalmette</u>	
16	<u>Arts and Sciences Building</u>	<u>\$97,187</u>
17	<u>Restore existing building.</u>	
18	<u>Allied Health Building</u>	<u>\$707,362</u>
19	<u>Restore existing building.</u>	
20	<u>Physical Activity Center</u>	<u>\$737,225</u>
21	<u>Restore existing building.</u>	
22	<u>Shop Building-B</u>	<u>\$971,757</u>
23	<u>Restore existing building.</u>	
24	<u>Stewart Administration Building</u>	<u>\$1,716,914</u>
25	<u>Add second floor to existing building.</u>	
26	<u>Classroom Building A</u>	<u>\$981,671</u>
27	<u>Restore existing building.</u>	
28	<u>(3) Statewide Student and Financial Information</u>	
29	<u>System</u>	<u>\$10,000,000</u>

1 **(4) The amounts set forth in this Subsection are estimates and the**
 2 **funding for any project may be increased to meet any contingencies by an**
 3 **amount not to exceed fifteen percent of the amounts set forth in the Subsection.**

4 Section 2. This Act shall become effective on June 30, 2007; if vetoed by the
 5 governor and subsequently approved by the legislature, this Act shall become effective on
 6 June 30, 2007, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Jerry J. Guillot. The following digest, which does not constitute a part of the legislative instrument, was prepared by Riley Boudreaux.

DIGEST

Adley (SB 337)

Proposed law requires that after the avails of the severance tax on oil and gas are allocated to the Bond Security and Redemption Fund to pay all the obligations secured by the full faith and credit of the state which become due and payable within the fiscal year and to comply with all other statutory dedications in existence on July 1, 2007, the treasurer shall credit an amount sufficient to pay all obligations which become due and payable within the fiscal year from the issuance of bonds to fund the projects set forth in proposed law from such avails to a special fund which is hereby created in the state treasury and designated as the "Technical College - Community College Capital Enhancement Fund."

Requires that monies in the fund be appropriated each fiscal year solely to the Board of Supervisors of Community and Technical Colleges to be used for planning, development, or capital improvements for technical colleges and community colleges, in consultation with the Board of Regents.

Provides that all unexpended and unencumbered monies in the fund at the end of each fiscal year shall remain in the fund. Requires that the monies in the fund be invested by the treasurer in the same manner as the monies in the state general fund, and all interest earned on investment of monies in the fund be deposited into the fund.

Requires the Board of Supervisors of Community and Technical Colleges, with the approval of the State Bond Commission, to issue bonds for capital improvements for all the projects set forth below payable from a pledge and dedication of the amounts in the Fund. The board must proceed to fund the projects by use of cooperative endeavor agreements with, and design and construction oversight by, the office of facility planning and control, and, subject to such cooperative endeavor agreements and design and construction oversight, use of the provisions of Title 17 authorizing colleges and universities to grant leases of any portion of the grounds or campus or of other immovable property under its supervision and management, for a term not to exceed 99 years for each lease.

Provides that whenever such bonds are issued, the legislature shall annually appropriate, to the extent of deposits in the fund, monies sufficient to pay the principal, interest, and premiums, if any, due on the bonds each year. Provides that if the legislature, after a diligent and good faith effort, fails to appropriate sufficient monies to pay the principal, interest, and premium, if any, due on the bonds each year, or if such appropriation cannot be effected, the full faith and credit of the state shall not be pledged to repay any bonds issued as provided in proposed law and the state shall in no way be a party to any contractual rights arising from the bonds issued, nor shall the state be in any way obligated for any payments due to holders of the bonds issued under proposed law.

Provides that the projects set forth in proposed law shall be funded whether or not they are included in the capital outlay bill for a fiscal year.

Provides that any monies allocated for a project set forth in proposed law which is not needed for such project may be reallocated for the completion of any other project listed in proposed law.

Defines "capital improvements" as expenditures for developing plans and specifications; acquiring lands, buildings, equipment, or other permanent properties; or for their construction, preservation, development, or permanent improvement, or for payment of principal, interest, or premium, if any, and other obligations incident to the issuance, security, and payment of bonds or other evidences of indebtedness associated therewith.

Provides that "capital improvements" shall be solely and exclusively the following projects, but that the amounts below are estimates and the funding for any project may be increased to meet any contingencies by an amount not to exceed 15%:

(1) LOUISIANA TECHNICAL COLLEGE

- | | | | |
|-----|---|----------|--------------|
| (a) | Evangeline Campus, St. Martin
Replacement of campus buildings on campus-owned land across the street from existing location. | Region 4 | \$8,000,000 |
| (b) | Huey P. Long Campus, Winnfield
Replace and relocate facilities at more accessible location on college-owned land. | Region 6 | \$10,000,000 |
| (c) | Northwest Louisiana Campus, Minden
Expand campus in location on college-owned land. | Region 7 | \$14,000,000 |
| (d) | Young Memorial Campus, Morgan City
Construct buildings needed for non-marine programs. | Region 3 | \$5,200,000 |
| (e) | Florida Parishes Campus, Greensburg
Acquisition of eight-acre site and construction of facilities. | Region 9 | \$8,000,000 |
| (f) | Westside Campus, Plaquemine
Replacement of buildings and relocation of campus. | Region 2 | \$3,000,000 |
| (g) | Gulf Area Campus, Abbeville
Restoration of current facilities. | Region 4 | \$6,000,000 |
| (h) | Shelby M. Jackson Campus, Ferriday
Repair and replacement of facilities on college-owned land. | Region 6 | \$4,500,000 |
| (i) | Sidney N. Collier Campus, New Orleans
Relocation of campus, acquire land and buildings. | Region 1 | \$11,900,000 |

(2) COMMUNITY COLLEGES

- | | | |
|-----|---|--------------|
| (a) | L. E. Fletcher Technical Community College, Houma
Construction of classroom lab and office building; water survival training facility at LAMPI and construction of marine/welding transportation building. | \$21,300,000 |
| (b) | Sowela Technical Community College, Lake Charles
Acquire adjacent land and construction of classroom and student facilities. | \$13,000,000 |

(c)	River Parishes Community College, Sorrento Acquire land and facilities and construction of additional facilities.	\$17,000,000
(d)	Delgado Community College, New Orleans Issac Delgado Hall Restore existing building. Student Services Restore existing building. Maritime and Industrial Training Center Relocate from City Park to New Orleans East. Learning Resources Center Demolition and construction.	\$786,800 \$2,618,350 \$6,425,000 \$4,114,165
(e)	Elaine P. Nunez Community College, Chalmette Arts and Sciences Building Restore existing building. Allied Health Building Restore existing building. Physical Activity Center Restore existing building. Shop Building-B Restore existing building. Stewart Administration Building Add second floor to existing building. Classroom Building A Restore existing building.	\$97,187 \$707,362 \$737,225 \$971,757 \$1,716,914 \$981,671
(3)	Statewide Student and Financial Information System	\$10,000,000

Effective June 30, 2007.

(Adds R.S. 47:647)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Requires the funding of the projects by use of cooperative endeavor agreements with and design and construction oversight by the office of facility planning and control, and, subject to such cooperative endeavor agreements and design and construction oversight, use of the provisions of Title 17 authorizing colleges and universities to grant leases of any portion of the grounds or campus or of other immovable property under its supervision and management, for a term not to exceed 99 years for each lease.
2. Requires the Board of Supervisors of Community and Technical Colleges to issue bonds for all the projects provided in the proposed law.
3. Provides that the funding of each project can be increased up to 15% from the amount listed in the proposed law for contingencies.
4. Requires that monies in the fund to be used by the Board of Supervisors of Community and Technical Colleges, in consultation with the Board of Regents.

5. Provides that money in the fund comes from oil and gas severance tax, not sales tax.