

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 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-~~
19 hundredths percent. However, from these proceeds the school board shall fulfill the
20 obligation required by R.S. 17:3995(A)(1)(c) and shall continue to make payments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (2) In the school year following the retirement of such bonds; and each year
 29 thereafter, the school board ~~and the Recovery School District~~ shall transfer ~~unused~~

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

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

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

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

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

27 (2) ~~Beginning with the year following the retirement of bonds referenced in~~
 28 ~~Paragraph (A)(3) of this Section and continuing for twenty years, the school board~~
 29 ~~and the Recovery School District shall annually deposit facility funds available, after~~

1 funds are allocated to the facilities office as provided in Subsection C of this Section
2 and in the amount established by this Paragraph or whatever lesser amount is
3 available, into its respective revolving loan fund. The annual amount to be deposited
4 by the school board or the Recovery School District shall be the sum of all per
5 campus contributions. A per campus contribution shall be one hundred fifty dollars
6 per student attending school at that campus or seventeen percent of the per-campus
7 share of facility funds, whichever is greater, if the school 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, or three
10 hundred dollars per student attending school at that campus or thirty-five percent of
11 the per-campus share of facility funds, whichever is greater, for all other schools.
12 The "replacement cost" of a facility that was constructed prior to September 1, 2005,
13 means the replacement cost of the facility as of July 1, 2014.

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

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

25 (5) (4) A loan application from a charter school shall be approved by the
26 charter school's board prior to submission to the school board or the Recovery
27 School District, whichever entity controls the campus, for approval.

1 ~~(6)~~ (5) Loans shall be interest-free; however, the school board ~~and the~~
2 ~~Recovery School District~~ may charge a loan origination fee not exceeding five
3 percent of the value of the loan or thirty thousand dollars per loan, whichever is less.

4 ~~(7)~~ (6) Schools shall repay loans in accordance with the terms of the loan
5 agreement from funds to be deposited to its school facility account, as provided for
6 in Subsection ~~F~~ C of this Section.

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

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

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

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

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

1 ~~school facility account shall be audited annually in accordance with monitoring~~
2 ~~policies developed by the school board and the Recovery School District, which shall~~
3 ~~include verification that the proper amounts were deposited into the school facility~~
4 ~~account and invested and used according to law and policy.~~

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

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

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

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

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

24 ~~(9) A charter operator may make a loan to a school facility account. The~~
25 ~~loan shall be made only from excess fund balances or other funds not designated for~~
26 ~~instructional purposes from the school holding the school facility account or another~~
27 ~~school under the same operator. All such loans shall be interest-free. If the school~~
28 ~~tenant of a campus with an outstanding loan to the school facility account changes,~~
29 ~~the new school tenant must pay back the loan under the same terms as the prior~~

1 ~~tenant. If a school is lending money to the school facility account, the loan can be~~
2 ~~repaid with funds from the school facility account, just as if the school had borrowed~~
3 ~~money from the revolving loan fund, as provided for in Subsection E of this Section.~~

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

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

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

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

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

28 H.(1) The ~~Neither the school board nor the Recovery School District shall~~
29 ~~not charge rent or any other fee to a charter school in the school district for the~~

1 occupancy, use, or repair of a campus ~~it controls~~ other than as authorized by this
 2 Section. The ~~Recovery School District or the~~ school board may, however, require
 3 a charter school to pay for maintenance, insurance, utilities, and other costs related
 4 to the operation and upkeep of a campus, as outlined in the lease agreement for
 5 occupancy of the campus. Except as provided in this Paragraph, this Section does
 6 not authorize a school board ~~or the Recovery School District~~ to require a charter
 7 school to expend funds on emergency or planned capital repairs or replacements in
 8 excess of funds available for such purposes pursuant to this Section.

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

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

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

24 (1) "Campus" means a school building owned by the school board ~~and~~
 25 ~~controlled by either the school board or the Recovery School District~~ and all
 26 facilities otherwise part of the school, recognized as part of the facilities, and
 27 typically available to the school, its students, faculty, and staff. A single campus
 28 may include more than one neighboring school building. Generally, a single campus
 29 includes all facilities sharing a single legal address. In some cases, more than one

1 school may occupy a single campus, and in other cases, a single school may occupy
2 more than one campus.

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

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

12 ~~(4) (3) "School board" means the elected school board that governs schools~~
13 ~~in a school district.~~

14 ~~(5) (4) "School district" means all schools within the geographic jurisdiction~~
15 ~~of a local school board within which schools have been transferred to the Recovery~~
16 ~~School District pursuant to R.S. 17:10.7.~~

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

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

22 §100.12. Systemwide needs program

23 A.(1) There is hereby established for each school district as defined in R.S.
24 17:100.11(I) a systemwide needs program. The program shall be funded, structured,
25 and operated as provided in this Section and polices adopted by the school board.

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

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

5 C. The superintendent shall:

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

7 The superintendent shall propose an improvement plan to use the systemwide needs
8 fund to support one or more areas of focus for no less than three years and shall
9 propose new areas of focus and improvement plans for school board approval not
10 more frequently than once every three years. The superintendent shall develop such
11 plans and proposed areas of focus in collaboration with school leaders in the school
12 district as more specifically provided by school board policy.

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

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

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

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

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

26 E.(1) The superintendent shall implement an approved plan by awarding
27 funds through a competitive process according to policies developed by the school
28 board. Funds may be expended directly by the district but shall not be used to pay,
29 directly or indirectly, for school district or school board personnel, staff, or operating

1 expenditures. Funds awarded to schools may be used only for the following
2 purposes:

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

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

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

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

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

17 * * *

18 §3995. Charter school funding

19 A.(1) For the purpose of funding, a Type 1, Type 3, Type 3B not acting as
20 its own local education agency, and Type 4 charter school shall be considered an
21 approved public school of the local school board entering into the charter agreement.
22 Type 2 charter schools and a Type 3B charter school acting as its own local
23 education agency shall receive a per pupil amount each year authorized by the state
24 board each year as provided in the approved minimum foundation program formula.
25 The per pupil amount provided to a Type 1, 2, 3, 3B, or 4 charter school shall be
26 computed annually and shall be equal to the per pupil amount provided through the
27 minimum foundation program formula, determined by the allocation weights in the
28 formula based upon student characteristics or needs, received by the school district

1 in which the student resides from the following sources based on the district's
2 membership count used in the minimum foundation program formula:

3 * * *

4 (b)

5 * * *

6 (iv) For the purposes of this Subparagraph, local revenues of a school board
7 also shall exclude the amount deposited into the fund created by R.S. 17:100.12(B).

8 * * *

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)]

HB 393 Engrossed

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.

Present law requires the school board to make certain payments to charter schools and to make certain extra payments to charter schools that are not housed in facilities provided by the district. Proposed law provides that facility funds shall be used to make the extra payments to charter schools that are not housed in facilities provided by the district.

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 loan fund and school facility repair and replacement accounts.

Proposed law requires the office to ensure the management of the capital improvement fund and revolving loan fund created by proposed law, to oversee and ensure proper management of school facility repair and replacement accounts, and to develop and approve long-term 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.

Proposed law provides that if funds are not sufficient for these deposits, funds shall be deposited in accordance with school board policy.

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.

Present law requires the school board to develop, for each campus, a long-term capital plan. Proposed law requires the development of such plans by the school facilities office prior to the retirement of bonds of the school board that are outstanding on July 1, 2014, and the

updating of such plans by the operator of the school thereafter. Provides that no more than \$1.5 million may be used for the development of such plans.

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. In the first year following the retirement of bonds of the school board that are outstanding on July 1, 2014, up to \$50 million shall be deposited to the revolving loan fund and remaining funds shall be distributed to the two funds as the school board determines. In subsequent years:

- (1) If less than \$50 million has been deposited to the revolving loan fund, all remaining funds shall be deposited into the revolving loan fund until total deposits reach \$50 million.
- (2) If deposits to the revolving loan fund are \$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 deposits to the revolving loan fund are \$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 for the administration of the fund, including the expenditure of money in the capital improvement fund, criteria for determining when grants are made from the fund, and regular 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 can be addressed more efficiently or effectively at the system level than 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). Provides that systemwide needs program funds shall be excluded from certain required payments to charter schools.

Requires the district superintendent to submit improvement plans to the school board for approval. Requires the superintendent to propose an improvement plan to use the systemwide needs fund to support one or more areas of focus for no less than three years and to propose new areas of focus and improvement plans for school board approval not more frequently than once every three years. Provides that the approval of such plans requires a majority vote of the full membership of the school board.

Provides that the superintendent shall implement an approved plan by awarding funds through a competitive process according to policies developed by the school board. Funds may be expended directly by the district but shall not be used to pay, directly or indirectly, for school district or school board personnel, staff, or operating expenditures. Funds awarded to schools may be used only for the following purposes:

- (1) Procuring materials, services, or other supports from district-approved organizations or vendors.
- (2) Providing services for students systemwide that is aligned with one or more board-approved areas of focus.

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 and 3995(A)(1)(b)(iv))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Education to the original bill:

1. Add requirement that facility funds be used to make payments to charter schools not housed in facilities provided by the school board.
2. Add requirement that the facilities office develop long-term capital plans for each campus prior to the retirement of bonds of the school board that are outstanding on July 1, 2014.
3. Prohibit the facilities office from spending more than \$1.5 million on development of capital plans.
4. Add provision for distribution of funds to school facilities accounts if there is not enough money to deposit the amount required by proposed law.
5. Require that systemwide needs funds be excluded from certain required payments to charter schools.
6. Prohibit use of systemwide needs program funds for payment of personnel and operating expenditures.