

SENATE BILL NO. 215

BY SENATOR CARTER

SCHOOLS. Provides relative to public elementary and secondary school fund accounts of certain schools. (gov sig)

1 AN ACT

2 To enact R.S. 17:414.3(G) and 3996(B)(59), relative to school funds; to provide for the  
3 management and use of the school fund of certain schools; and to provide for related  
4 matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 17:414.3(G) and 3996(B)(59) are hereby enacted to read as follows:

7 §414.3. School fund; management, expenditure, and accounting; duties of school  
8 principal; accounts for certain ~~closed~~ schools; committees; creation  
9 and authority; policies

10 \* \* \*

11 **G.(1) Notwithstanding any provision of law to the contrary, any monies**  
12 **deposited in a school fund account pursuant to Subsections A through E of this**  
13 **Section that cannot be accessed and expended in accordance with the**  
14 **procedures and for the specified purposes due to the school's closure or revision**  
15 **of the school's charter to provide for a new operator shall be placed under the**  
16 **control of the governing authority having jurisdiction over the school prior to**  
17 **its closure or charter revision. The funds shall be accessible for investment,**  
18 **withdrawal, and expenditure in accordance with the provisions of this**  
19 **Subsection.**

1           **(2) Each school governing authority shall adopt policies necessary to**  
2           **implement the provisions of this Subsection. Such policies shall:**

3           **(a) Include procedures consistent with the provisions of this Section for**  
4           **the investment, withdrawal, expenditure, and proper accounting of the monies**  
5           **in the school fund account, and the minimum evidence necessary to establish an**  
6           **obligation.**

7           **(b) Provide that meeting the financial obligations incurred in connection**  
8           **with the fund prior to the school's closure or charter revision shall be given first**  
9           **priority.**

10          **(c) Require that all existing financial obligations of a school fund be met**  
11          **as soon as possible after a school's closing or charter revision.**

12          **(d) Provide that if multiple schools under the jurisdiction of the**  
13          **governing authority have closed or have revised charters, the monies remaining**  
14          **in school fund accounts after existing financial obligations of each school fund**  
15          **have been met shall be managed as a single account.**

16          **(e) Require that any expenditure of funds from a school fund account in**  
17          **excess of the fund's outstanding obligations shall be used for purposes which**  
18          **directly benefit students, but shall not be used for any recurring purposes.**

19          **(f) Provide that if a new operator is selected for a charter school, the**  
20          **governing authority with jurisdiction over the school shall transfer funds from**  
21          **the school fund account maintained by the previous school operator to the**  
22          **school fund account established by the new school operator. After transfer of**  
23          **the funds, the new school operator shall have the authority to invest, withdraw,**  
24          **and expend the monies as provided in this Section.**

25          **(g) Notwithstanding any provision of law to the contrary, actions for the**  
26          **recovery of obligations payable from the school fund account pursuant to this**  
27          **Subsection are subject to a liberative prescription of two years commencing on**  
28          **the date the payment is exigible. The continuity of services by the obligee shall**  
29          **not prevent prescription of any obligation due to that portion of such services**

1 already rendered on the date the school closed. The provisions of this  
2 Subparagraph shall apply to all obligations and accounts receivable in existence  
3 at the time of the school closing or charter revision.

4 (3) The provisions of this Subsection are subject to the provisions of R.S.  
5 6:317 and shall not conflict with or alter the contractual provisions of any  
6 agreement entered into with any federally insured financial institution holding  
7 school funds pursuant to a deposit agreement, time certificate of deposit,  
8 investment contract, or any similar agreement.

9 \* \* \*

10 §3996. Charter schools; exemptions; requirements

11 \* \* \*

12 B. Notwithstanding any state law, rule, or regulation to the contrary and  
13 except as may be otherwise specifically provided for in an approved charter, a  
14 charter school established and operated in accordance with the provisions of this  
15 Chapter and its approved charter and the school's officers and employees shall be  
16 exempt from all statutory mandates or other statutory requirements that are  
17 applicable to public schools and to public school officers and employees except for  
18 the following laws otherwise applicable to public schools with the same grades:

19 \* \* \*

20 (59) School fund management, expenditures, and accounting, R.S.  
21 17:414.3.

22 \* \* \*

23 Section 2. This Act shall become effective upon signature by the governor or, if not  
24 signed by the governor, upon expiration of the time for bills to become law without signature  
25 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
26 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
27 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Serrett.

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DIGEST

SB 215 Original 2020 Regular Session Carter

Present law requires the principal of every public elementary and secondary school to maintain a school fund for the management of any money which accrues to benefit his school. Requires that the monies in the fund shall be deposited in a single bank account and requires the principal to maintain separate records for each source of deposit into the account as specified (includes certain clubs, organizations, athletic teams, donations, and fund-raisers).

Present law specifies the purposes for which monies deposited in the school fund accounts are to be used and provides conditions relative thereto. Provides procedures for the withdrawal of monies and for recordkeeping for the fund.

Present law authorizes the principal to invest certain school fund account monies and provides certain conditions relative thereto.

Present law provides that any school fund that cannot be accessed and expended in accordance with the procedures and for the purposes as specified due to the school's closure for reasons of natural catastrophe or disaster shall be placed under the control of the city, parish, or other local public school board having jurisdiction over the school prior to its closure and shall be accessible for investment, withdrawal, and expenditure in accordance with certain procedures.

Proposed law retains present law and further provides that any school fund that cannot be accessed and expended in accordance with the procedures and purposes of present law due to the school's closure or the revision of the school's charter to provide for a new operator shall be placed under the control of the governing authority having jurisdiction over the school prior to the closure or charter revision shall be accessible for investment, withdrawal, and expenditure in accordance with the provisions of present law and certain procedures.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 17:414.3(G) and 3996(B)(59))