



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 78** HLS 23RS 424
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 9, 2023	6:55 AM	Author: HUGHES
Dept./Agy.: Education		
Subject: School facilities preservation office		Analyst: Julie Silva

SCHOOLS RE SEE FISC NOTE See Note Page 1 of 1
 Provides relative to school facilities preservation and systemwide needs programs in certain school districts

Proposed legislation requires school districts in which failing schools were transferred to the jurisdiction of the Recovery School District (RSD) to create an office to manage and oversee the existing systemwide needs program which uses an established capital improvement fund from which the school board makes grants to schools to finance preservation, improvements, capital repairs, construction, and replacement of certain facilities.

EXPENDITURES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no increase in expenditures anticipated due to the proposed legislation. Proposed law redirects a portion of funds already statutorily required to be deposited into the Systemwide Needs Program (SWNP) special fund.

Present law requires \$120 per student in districts participating in systemwide needs programs be deposited into a capital improvement fund. Proposed legislation removes language prohibiting these funds from being used to pay for personnel or operating expenses, requires the school boards of covered school districts to create an office to manage and oversee the program, and redirects \$10 per student from the fund to be dedicated to the newly created office. Proposed legislation also authorizes school boards to adjust this per-student amount annually based on either the most recent annual percentage increase in the Consumer Price Index published by the U.S. Department of Labor or the percentage increase in the Minimum Foundation Program formula funds from the prior to the current year, whichever is less.

LDE reports that as of 02/01/2023, 42,541 students are enrolled in Orleans Parish schools. Based on this, the deposit into the capital improvement fund for the year would equal \$5.1 M (42,451 x \$120). Proposed legislation would redirect \$10 of that per student allocation to fund the newly created office, totaling \$424,510 (42,451 x 10). The Orleans Parish school system reports that staff currently working on the SWNP are funded through other revenue sources. Proposed legislation would create a sustainable funding source for SNWP oversight and management.

Present law requires school districts from which failing schools were transferred to the Recovery School District establish a systemwide needs program. Present law refers to the R.S. 17:100.11(I) which defines a school district as "all schools within the geographic jurisdiction of a local school board within which schools have been transferred to the Recovery School District pursuant to R.S. 17:10.7". R.S. 17:10.7 defines schools classified as "failing schools" and requires their transfer to the jurisdiction of the Recovery School District. R.S. 17:10.7 further states that "on and after November 15, 2009, no additional schools shall be transferred to the jurisdiction of the recovery district pursuant to this section". The effect of this is that the only school board required to comply with proposed law is the Orleans Parish School Board.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer