

Regular Session, 2008

HOUSE BILL NO. 962

BY REPRESENTATIVE PETERSON AND SENATOR GRAY AND REPRESENTATIVE
LEGER

VETOED
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Veto Message

1 AN ACT

2 To enact Subpart P of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.62, relative to state funds;
4 to create the Louisiana Statewide Educational Facilities Fund as a special fund in the
5 state treasury; to provide for the deposit, use, and investment of monies in the fund;
6 to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart P of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
9 Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.62, is hereby enacted to read
10 as follows:

11 SUBPART P. STATEWIDE EDUCATIONAL FACILITIES FUND

12 §100.62. Statewide Educational Facilities Fund

13 A. There is hereby created in the state treasury, as a special fund, the
14 Statewide Educational Facilities Fund, hereinafter referred to as the "fund". Monies
15 in the fund shall be invested in the same manner as monies in the state general fund.
16 Interest earned on investment of monies in the fund shall be deposited in and credited
17 to the fund. Unexpended and unencumbered monies in the fund at the end of the
18 fiscal year shall remain in the fund.

19 B. The source of monies deposited into the fund shall be any monies
20 appropriated or transferred to the fund by the legislature, including federal monies,
21 donations, gifts, grants, or any other monies which may be provided by law.

22 C. Monies in the fund shall be used solely for the purposes of the Louisiana
23 Statewide Educational Facilities Authority.

1 Section 2. This Act shall become effective on July 1, 2008; if vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on July 1,
3 2008, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

VETO MESSAGE

House Bill No. 962 creates an Educational Facilities Fund in the State Treasury, opening the door for state funding of local school buildings. The funding of public school facilities has traditionally been a local responsibility driven by the needs and wishes of citizens in each school district. Funding is provided through the approval of local efforts and limited discretionary monies received by the school systems from the state's Minimum Foundation Program (MFP). In addition to funding from the enrollment-based MFP formula, increased revenues raised through local efforts are eligible for reward funding in which the state contributes a match, thereby providing school systems with even more discretionary money.

The state currently has existing documented needs and obligations that are not being met, such as the unfunded accrued liability of statewide retirement systems, the deferred maintenance of roads, and outstanding deferred maintenance of state buildings. While I support giving local school systems greater flexibility in securing financing for educational facilities, including the ability to partner with businesses and community organizations that seek to invest in local public schools, this bill would represent a fundamental shift and would open the door to a very costly state-funded school facilities program.

Because of the outstanding needs of this state and the constitutional limit on net state tax supported debt, I have vetoed House Bill No. 962 and hereby return it to the House of Representatives.