

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 67** SLS 13RS 301
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 30, 2013 9:38 AM	Author: PETERSON
Dept./Agy.: Education	Analyst: Mary Kathryn Drago
Subject: Public School Facilities	

EDUCATION DEPARTMENT OR SEE FISC NOTE EX Page 1 of 2
 Creates the Louisiana Statewide Education Facilities Authority. (8/1/13)

The proposed legislation creates the Louisiana Statewide Education Facilities Authority within the Department of Education to provide funding, coordination, assistance, and oversight for the repair, renovation, and construction of public school facilities. The Facilities Authority is granted the authority to control its own budgetary, procurement and general accounting and management functions. The authority will be governed by a board of 7 commissioners. The members will serve without compensation, but may be reimbursed for actual expenses incurred while fulfilling their duties. The authority is charged with collaborating with school boards to determine how best to meet their needs with regard to school facilities, reviewing applications from school boards for funding for school repairs, renovations, and construction; consulting with the Educational Facilities Authority Advisory Council to develop a formula mechanism through which to assess and prioritize applications for funding for local projects; establish design specifications for school facility repair; review and evaluate existing funding mechanisms to support the construction and or rehabilitation of schools in the state of Louisiana; (continued on pg. 2)

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

To the extent that school facilities are repaired or constructed as a result of the implementation of the proposed legislation, there will be an indeterminable but significant increase in expenditures. The participation by local school systems is voluntary, but if systems choose to participate they will be required to contribute local funds to the projects. Funds deposited in the revolving loan fund established in the legislation may be used for projects or the administrative expenses of the authority.

If funds are available, the Authority may employ an executive director and may employ staff such as a financial director, a chief of architectural services, a liaison for local school systems, and any other necessary support staff to carry out the duties of the Authority. The estimated costs related to staffing are dependent upon the level of staffing necessary to administer this entity. It should be noted the Department of Education estimated approximately \$374,000 would be needed to hire a Facility Planning & Control Senior Manager, two Facility Project Planners, and an Administrative Assistant.

The Authority may assess public school facilities statewide, consider applications for funding for repair or construction projects, and ensure that funds are allocated to school systems proportionately throughout the state based upon the BESE regions for the Regional Service Centers. It is anticipated that the scope of projects across the state will vary from district to district and the needs of the systems will be significant. The total funding required to meet the needs of each system cannot be determined. Implementation of the provisions of this legislation that require the expenditure of funds shall be subject to the availability of public or private funds, or both; however, no state general fund dollars shall be used for this purpose.

REVENUE EXPLANATION

There was no funding source or amount provided in the legislation for the establishment of the revolving loan fund. It is assumed that funds appropriated by the legislature, or any grants, donations, federal or local funds may be deposited in the revolving loan fund.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input checked="" type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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
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Staff Director

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CONTINUED EXPLANATION from page one:

Purpose of the bill - explanation continued:

establish a revolving loan fund for school construction projects, which the loan fund shall be administered by the authority or any governmental agency, public corporation, public trust, or any other entity having authority to issue debt for or on behalf of the state; and issue a report of its findings to the Legislature by December 31, 2014. Monies from a revolving loan fund may be used for the following: to provide financial assistance for construction and acquisition of property, to provide loans at or below market interest rates not to exceed 30 years from the completion date of a project, to guarantee or purchase insurance for debt obligations of school boards, to provide a source of revenue for the payment on revenue or general obligation bonds, and to fund the administrative expenses of the authority.

If the appropriate funds are available, the Authority may: 1) employ an executive director to manage and administer the daily functions of the authority; 2) employ necessary staff which may include a financial director, a chief of architectural services, a liaison for local school systems, and any other support staff to carry out the duties and functions of the authority; 3) conduct a statewide assessment of public school facilities; 4) review applications from school boards for funding for school repairs, renovations, and construction; 5) submit to the Joint Legislative Committee on the Budget the formula mechanism through which to assess and prioritize applications for funding for local projects; and 6) issue an annual report to the Legislature of the authority's activity in the previous budget year.

The Authority may not fund any project at 100% of the cost, except on an emergency basis to repair school facilities damaged by natural occurrences.

The legislation also creates the Education Facilities Advisory Council comprised of 13 members. The council is required to provide advice and input to the Louisiana Statewide Education Facilities Authority.

Participation in any program implemented by the Authority by school boards is voluntary. Each school board will retain ownership of and control over any school facility where funding was obtained through the Authority for repairs or construction.

The Authority may seek and accept gifts, grants, donations, including federal funds, from any available source. Implementation of the provisions of this legislation that require the expenditure of funds shall be subject to the availability of public or private funds, or both; however, no state general fund dollars shall be used for this purpose.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input checked="" type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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}

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