LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On:	**HB** **393** HLS 19RS 197
Bill Text Version:	**ORIGINAL**
Opp. Chamb. Action:	
Proposed Amd.:	
Sub. Bill For.:	

Date: April 4, 2019 9:34 AM		**Author:** LEGER
Dept./Agy.: Education		
Subject: School facilities preservation and improvement		**Analyst:** Jodi Mauroner

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Provides relative to the school facilities preservation and systemwide needs programs in certain school districts

Present law establishes a school facilities improvement program in school districts in which failing schools were transferred to the jurisdiction of the Recovery School District (RSD). Further provides for the dedication of certain local tax revenues to fund the program, establishes a facilities office funded with a per pupil amount, establishes a revolving loan fund, provides for the deposit of funds after retirement of bonds, authorizes the facilities office to provide specific services to charter schools, and charge fees for such services. Proposed law removes references to the RSD, requires continued use of a portion of funds to pay facility debt, increases the per pupil amount to fund the facilities office from $15 to $20 and establishes a new priority for the deposit of facility funds following retirement of debt into the existing Revolving Loan Fund and a newly created Capital Improvement Fund. Further, proposed law creates the Systemwide Needs Program funded with an annual amount of $120 per each student in the district, less the district's expenses for legacy costs and provides for the award of funds to schools through a competitive process.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
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	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
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	$0	$0	$0	$0	$0	$0
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

There will be no increase in the expenditures of the Orleans Parish School Board. Instead the bill provides for the redirection of local revenues previously used for debt service on bonds issued for capital improvements to be used for facilities preservation and improvements. In FY 18 the amount of $17.9 M was generated for the program. Furthermore, an annual debt payment of $22.8 M will be retired at the end of FY 21-22 which will increase available funds for the authorized uses enumerated in the bill.

Proposed changes reduce the amount of funds available for school facilities accounts; and re-prioritize funding that will be deposited into the existing revolving loan fund (to finance capital repairs, improvements, and replacement, including debt service) and the newly created capital improvement fund (to finance preservation, improvements, capital repairs, construction, and replacement of facilities constructed prior to September 1, 2005) based on the funded level of each account. The bill further creates a Systemwide Needs Program that will be funded annually at approximately $3.1 M ($120 per student in the district * 44,631 students = $5.35 M less $2.24 M for legacy costs). Funds will be awarded to schools through a competitive process for improvements in particular focus areas that cannot be addressed efficiently or effectively at the school level.

There could be an increase in the expenditures of the OPSB to hire additional staff to implement the provisions of the bill, however, these would be paid from these same sales and property tax revenues.

REVENUE EXPLANATION

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

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

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