

Regular Session, 2014

SENATE BILL NO. 163

BY SENATOR MURRAY

SCHOOLS. Changes provisions regarding expiration of exclusions as related to Orleans Parish School Board Special Community Disaster Loans. (8/1/14)

1 AN ACT

2 To amend and reenact R.S. 17:1990(C)(2)(a)(iii)(cc), relative to the Recovery School

3 District; to provide for certain monies to be transferred to the district when a school

4 is transferred to the district; to provide for certain exclusions from the amounts to be

5 transferred; to provide for termination of certain exclusions as related to Orleans

6 Parish School Board Special Community Disaster Loans; and to provide for related

7 matters.

8 Notice of intention to introduce this Act has been published.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 17:1990(C)(2)(a)(iii)(cc) is hereby amended and reenacted to read
11 as follows:

12 §1990. Recovery School District; creation; governance; operation

13 * * *

14 C.(1)

15 (2)(a)(i)

16 * * *

17 (iii)(aa)

* * *

(cc) The exclusions provided for in Subitem (aa) of this Item shall expire upon the extinguishment of the costs associated therewith, upon any action of the board to reduce the constitutional millage from the level in effect for Fiscal Year 2009-2010, except as required pursuant to a property reassessment, ~~twelve months following the full settlement of Orleans Parish School Board Special Community Disaster Loans~~, or twenty tax years from the roll forward millage adoption, whichever occurs first.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Thomas L. Tyler.

DIGEST

Murray (SB 163)

Present law requires the state to annually appropriate sufficient monies to fund any school in the Recovery School District (RSD) in an amount equal to but not less than the school's student membership count times 100% of the state share per student as provided in the Minimum Foundation Program formula (MFP). Requires that the appropriation be made to the administering agency for the district and may be expended by the agency for the provision of services to students in the district. Further provides that in addition to this annual appropriation by the state, the school board having jurisdiction over a school prior to its transfer to the RSD shall also allocate and transfer an amount of money equal to the number of students enrolled in the transferred school times the local per pupil amount received by the system from the following sources as provided in the MFP, excluding that portion specifically dedicated by the legislature or by voter approval to capital outlay or debt service or which was actually expended for facilities acquisition and construction:

- (1) Sales and use taxes, less any tax collection fee paid.
- (2) Ad valorem taxes, less any tax collection fee paid.
- (3) Earnings from 16th Section lands owned by the school system.

Proposed law retains these provisions in the present law.

Present law provides that in addition to the exclusions provided above in present law, when calculating the amount to be allocated and transferred to the RDS, the Orleans Parish School Board is to allocate and transfer the share of local revenue due the district by forward funding the monthly pro rata amount of revenue due the district, but shall be allowed to exclude from an amount equal to the actual amount expended by the school board for the following items:

- (1) Costs incurred on workers' compensation claims filed against the board prior to August 29, 2005, including related administrative costs.
- (2) Costs to defend legal claims arising against the board prior to August 29, 2005, and legal claims against the board after August 29, 2005, that are directly attributable to

- Hurricane Katrina or Act 35 of the 2005 First Extraordinary Session of the Legislature of Louisiana.
- (3) Employer's cost of health insurance for retired participants in the board's plan as of July 1, 2009, which shall not exceed 25% of the total premium cost.
 - (4) A supplement of \$200 per month for health insurance premiums for retired participants in the board's plan as of July 1, 2009.
 - (5) Costs of short-term borrowing, including but not limited to attorney fees and interest, to provide stabilized cash flow to the Recovery School District and charter schools.
 - (6) A fee of 0.1% of total ad valorem and sales taxes collected.

Present law provides that the total of these additional exclusions shall not exceed \$6 million but those actual expenditures in excess of \$6 million in any year shall be carried forward for recapture in future years, if available.

Present law provides that these exclusions shall expire upon the extinguishment of the costs associated therewith, upon any action of the board to reduce the constitutional millage from the level in effect for Fiscal Year 2009-2010, except as required pursuant to a property reassessment, 12 months following the full settlement of Orleans Parish School Board Special Community Disaster Loans, or 20 tax years from the roll forward millage adoption, whichever occurs first.

Proposed law retains these provisions in present law but removes the provision that allowed termination of the exclusions 12 months following full settlement of Orleans Parish School Board Special Community Disaster Loans.

Effective August 1, 2014.

(Amends R.S. 17:1990(C)(2)(a)(iii)(cc))