

SENATE BILL NO. 584

BY SENATOR PETERSON AND REPRESENTATIVES BILLIOT, BROSSETT,
GISCLAIR, HINES, JOHNSON, ROSALIND JONES, LEBAS, LEGER
AND MORENO

1 AN ACT

2 To enact Part XII of Chapter 1 of Title 17 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 17:409.1 through 409.7, and R.S. 36:651(CC), relative to school
4 facilities; to create and provide for the Louisiana Statewide Education Facilities
5 Authority in the Department of Education; to provide for a board of commissioners
6 and an advisory council and for their membership, powers, duties, and functions; to
7 provide for program participation; to provide relative to ownership and control of
8 public school facilities funded through the authority; to provide relative to
9 implementation and funding; to provide limitations; and to provide for related
10 matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Part XII of Chapter 1 of Title 17 of the Louisiana Revised Statutes of
13 1950, to be comprised of R.S. 17:409.1 through 409.7, is hereby enacted to read as follows:

14 **PART XII. LOUISIANA STATEWIDE**

15 **EDUCATION FACILITIES AUTHORITY**

16 **§409.1. Louisiana Statewide Education Facilities Authority**

17 **This Part may be referred to as the "Louisiana Statewide Education**
18 **Facilities Authority Act".**

19 **§409.2. Legislative findings**

20 **The legislature hereby finds and declares the following:**

21 **(1) To provide an education for the children of Louisiana, the facilities**
22 **in which those children learn should meet a standard of excellence.**

1 **(2) The physical facilities in which students learn have a major impact**
 2 **on student achievement and success.**

3 **(3) School building quality affects the quality of teaching.**

4 **(4) Louisiana is ranked as one of the four lowest states in terms of per**
 5 **pupil spending on school facilities.**

6 **(5) School building quality impacts the perception of a school's academic**
 7 **quality.**

8 **(6) Improving school building quality in Louisiana should be a top**
 9 **priority.**

10 **(7) By understanding the current situation regarding school facilities,**
 11 **the legislature and education officials are better equipped to determine the next**
 12 **steps.**

13 **§409.3. Louisiana Statewide Education Facilities Authority; creation; board of**
 14 **commissioners; meetings; quorum; compensation; employees**

15 **A. There is hereby created the Louisiana Statewide Education Facilities**
 16 **Authority within the Department of Education. The purpose of the authority**
 17 **is to provide funding, coordination, assistance, and oversight for the repair,**
 18 **renovation, and construction of public school facilities.**

19 **B. The domicile of the authority shall be East Baton Rouge Parish.**

20 **C.(1) The authority shall be governed by a board of commissioners**
 21 **comprised of seven members as follows:**

22 **(a) Three members shall be appointed by the governor, subject to**
 23 **confirmation by the Senate, who shall have a background in construction,**
 24 **architecture, or finance.**

25 **(b) Two members shall be appointed by the State Board of Elementary**
 26 **and Secondary Education, subject to confirmation by the Senate, who shall have**
 27 **a background in construction, architecture, or finance.**

28 **(c) The state superintendent of education or his designee.**

29 **(d) One member shall be appointed by the Louisiana School Boards**
 30 **Association, subject to confirmation by the Senate.**

1 (2) Members shall be appointed to the board no later than October 1,
2 2010.

3 (3) Appointing authorities shall ensure that the membership of the
4 board is balanced geographically and that the membership is diverse.

5 D. A vacancy occurring on the board for any reason shall be filled in the
6 same manner as the original appointment.

7 E. Four members of the board shall constitute a quorum necessary for
8 the transaction of official business. All official actions of the board shall require
9 an affirmative vote of a majority of the commissioners present and voting at any
10 meeting.

11 F. Members of the board shall serve without compensation, but may be
12 reimbursed for necessary and actual expenses incurred while fulfilling their
13 official duties as a member of the board.

14 G. The board shall meet and organize no later than October 16, 2010.

15 §409.4. Powers; duties; functions

16 A. The authority shall:

17 (1) Collaborate with city, parish, and other local public school boards
18 to determine how best to meet their specific needs with regard to school
19 facilities.

20 (2) Consult with the Education Facilities Authority Advisory Council to
21 develop a formula mechanism through which to assess and prioritize
22 applications for funding for local projects submitted by city, parish, and other
23 local public school boards based on best practices. Such formula shall, at a
24 minimum, include the following:

25 (a) Consideration for student health and safety, projected demographic
26 changes, adequate space needed to accommodate projected student enrollment,
27 and the ability of the local school system to finance school repairs, renovations,
28 and construction projects.

29 (b) Provision to ensure that funds are allocated to city, parish, and other
30 local public school systems throughout the state based upon the regions

1 established by the State Board of Elementary and Secondary Education for the
2 Regional Education Services Centers proportional to public school populations
3 within each region.

4 (c) Development of a means for determining the amount of local funds
5 that shall be contributed by a city, parish, or other local public school system
6 for each project funded by the authority. The authority may not fund any
7 project at one hundred percent of the cost of the project, except on an
8 emergency basis to repair school facilities damaged by fire, flood, wind, storm,
9 earthquake, hurricane, or any other natural occurrence.

10 (3) Establish design specifications for school facility repair, renovation,
11 and construction projects approved for funding by the board including but not
12 limited to energy efficiency and construction materials.

13 (4) Review and evaluate existing funding mechanisms to support the
14 construction and rehabilitation of schools in the state of Louisiana.

15 (5)(a) Establish a revolving loan fund for the planning, design,
16 construction, expansion, improvement or rehabilitation of publicly-owned
17 facilities authorized under the provisions of this Part, which revolving loan fund
18 shall be administered by the authority or any governmental agency, public
19 corporation, public trust, or any other entity having authority to issue debt for
20 or on behalf of the state.

21 (b) Monies from a revolving loan fund may be used for the
22 following purposes:

23 (i) To provide financial assistance, to the extent authorized under
24 state law, for the planning, design, construction, expansion,
25 improvement and rehabilitation of publicly-owned educational facilities.

26 (ii) To provide financial assistance for the acquisition of
27 immovable property or interests therein, only when such acquisition is
28 integral to a project otherwise authorized by this Part.

29 (iii) To provide loans at or below market interest rates, including
30 interest-free loans, for a period not to exceed thirty years from the

1 completion date of the construction of a project so financed including
2 additional subsidization consisting of bond interest subsidies, forgiveness
3 of principal, negative interest loans or grants, or any combination
4 thereof.

5 (iv) To guarantee or purchase insurance for debt obligations of
6 city, parish, and other local public school boards or school districts, if
7 the total proceeds of such debt obligation support a project eligible for
8 assistance under this Part, and if such guarantee or purchase of
9 insurance would improve credit market access or reduce the interest
10 rate applicable for the obligation.

11 (v) To provide a source of revenue or security for the payment of
12 principal, interest, or premium on revenue or general obligation bonds
13 or other evidences of indebtedness issued by the authority, or any
14 governmental agency, public corporation, public trust, or any other
15 entity having the authority to issue debt for or on behalf of the state, if
16 the net proceeds of such debt instruments are deposited in the revolving
17 loan fund, or are used to finance a project approved by the authority or
18 are used to refund any obligation which finances a facility approved
19 under this Part.

20 (vi) To fund the administrative expenses of the authority as
21 deemed necessary.

22 (vii) Money not currently needed for the operation of the
23 revolving loan fund or otherwise dedicated may be invested in an
24 interest bearing account. All such interest earned on investments shall
25 be credited to the revolving loan fund.

26 (viii) The revolving loan fund shall be administered by the
27 authority, which is authorized to enter into contracts and other
28 agreements in connection with the operation of the revolving loan fund,
29 including but not limited to credit enhancement devices, guarantees,
30 pledges, interest rate swap agreements, contracts and agreements with

1 federal agencies, political subdivisions, public trusts, agencies or
2 commissions of the state, and other parties to the extent necessary or
3 convenient for the implementation of the revolving loan fund. The
4 authority shall maintain full authority for the operation of the revolving
5 loan fund.

6 (ix) In connection with any bonds or other evidences indebtedness
7 purchased or owned by the authority under this Part, the authority may
8 by suit, action, mandamus, or other proceedings, protect and enforce
9 any covenant relating to and the security provided in connection with
10 such bonds or indebtedness, and may by suit, action, mandamus, or
11 other proceedings enforce and compel performance of all of the duties
12 required to be performed by the governing body and officials of any
13 borrower hereunder and in any proceedings authorizing the issuance of
14 such bonds or other evidences of indebtedness.

15 (6) Issue a report of its findings to the legislature by December 31, 2011.

16 B. If the appropriate funds are available, the Louisiana Statewide
17 Education Facilities Authority may:

18 (1) Conduct a statewide assessment of public school facilities to assess
19 and evaluate the quality and condition of existing public school facilities and
20 compile a school-by-school inventory of facility deficiencies and needs.

21 (2) Review applications from city, parish, and other local public school
22 boards for funding for school facility repairs, renovations, and construction.

23 (3) Employ a qualified executive director who shall have a background
24 in construction, architecture, or finance to administer the functions,
25 responsibilities, and policies of the authority and whose duties shall include, but
26 not be limited to the following:

27 (a) To manage and administer the daily functions of the authority and
28 to perform all other functions necessary to the effective operation of the
29 authority.

30 (b) To employ necessary staff to carry out the duties and functions of the

1 authority. Such staff may include a financial director, a chief of architectural
 2 services, a liaison for local school systems, and any other necessary support
 3 staff.

4 (4) Submit to the Joint Legislative Committee on the Budget the formula
 5 mechanism through which to assess and prioritize applications for funding for
 6 local projects submitted by city, parish, and other local public school boards
 7 based on best practices.

8 (5) Issue an annual report to the legislature of the authority's activity in
 9 the previous budget year.

10 §409.5. Education Facilities Advisory Council; creation; membership; duties;
 11 functions

12 A. There is hereby created the Education Facilities Advisory Council
 13 comprised of thirteen members as follows:

14 (1) The governor or his designee.

15 (2) The chairman of the Senate Committee on Education or his designee.

16 (3) The chairman of the House Committee on Education or his designee.

17 (4) The chairman of the Senate Committee on Finance or his designee.

18 (5) The chairman of the House Committee on Appropriations or his
 19 designee.

20 (6) The executive director of the State Bond Commission or his designee.

21 (7) The legislative auditor or his designee.

22 (8) A representative from the Louisiana School Facility Manager's
 23 Association appointed by the association.

24 (9) A representative from the Louisiana Association of School Business
 25 Officials appointed by the association.

26 (10) A representative of the Louisiana Association of School
 27 Superintendents appointed by the association.

28 (11) A representative of the Louisiana Federation of Teachers appointed
 29 by the federation.

30 (12) A representative of the Louisiana Association of Educators

1 appointed by the association.

2 (13) A representative of the Associated Professional Educators of
3 Louisiana appointed by the association.

4 B. The council shall provide advice and input to the Louisiana Statewide
5 Education Facilities Authority board of commissioners to inform policy and
6 funding decisions made by the board.

7 §409.6. Program participation; ownership and control of facilities

8 A. Participation by any city, parish, or other local public school board
9 in any program implemented by the Louisiana Statewide Education Facilities
10 Authority is voluntary.

11 B. Each city, parish, and other local public school board shall retain
12 ownership of and control over any school facility for which funding for repairs,
13 renovation, or construction was obtained through the authority.

14 C. The Louisiana Statewide Education Facilities Authority may serve
15 in an oversight capacity over a project undertaken by a city, parish, or other
16 local public school board to repair, renovate, or construct a school facility only
17 to the extent that the project is funded through the authority.

18 §409.7. Funding

19 The authority may seek and accept gifts, grants, and donations, including
20 federal funds, from any available source. Implementation of the provisions of
21 this Part that require the expenditure of funds shall be subject to the
22 availability of public or private funds, or both, for such purpose; however, no
23 state general fund monies shall be used for this purpose.

24 Section 2. R.S. 36:651(CC) is hereby enacted to read as follows:

25 §651. Transfer of boards, commissions, departments, and agencies to Department of
26 Education; boards, commissions, and agencies within Department of
27 Education

28 * * *

29 CC. The Louisiana Statewide Education Facilities Authority (R.S.
30 17:409.1-409.7) is placed within the Department of Education and shall exercise

1 and perform its powers, duties, functions, and responsibilities in the manner
2 provided in R.S. 36:801.1.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____