



Preserving Our Local School Buildings 2014 Millage Rededication Election

September 2014

The Past

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- New Orleans has never had the appropriate dedicated funding to maintain and preserve its public school facilities.
- Therefore, our children often had to attend school in crumbling and inadequate buildings, as monies were not available to replace aging roofs, boilers, electrical systems and other components as they wore out.
- Worsening conditions jeopardized the health, safety and learning of our children.

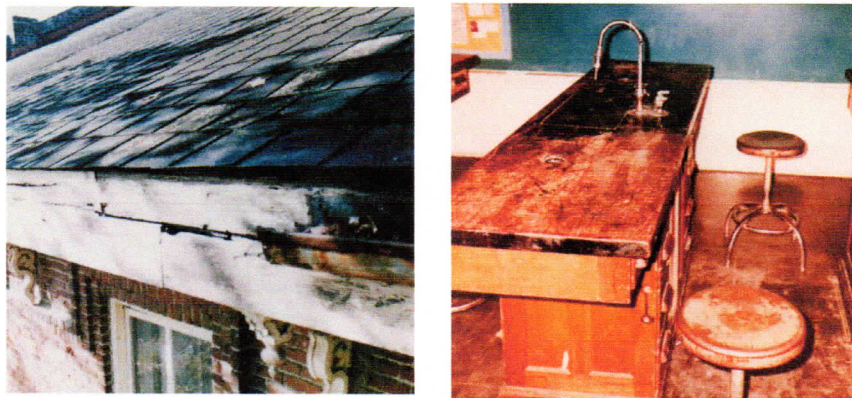
Pre-Hurricane Katrina School Facilities

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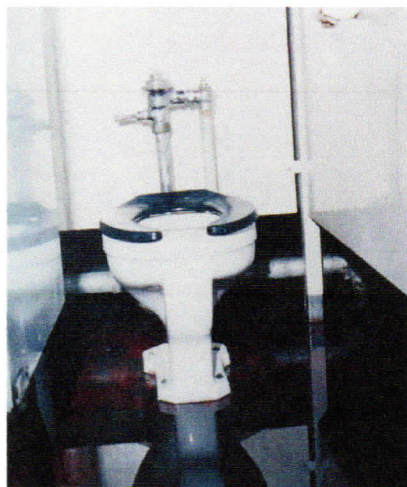
Pre-Hurricane Katrina School Facilities

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Pre-Hurricane Katrina School Facilities

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The Present

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One-time FEMA recovery money gave New Orleans a chance to rebuild and improve our public school facilities.

The 2011 School Facilities Master Plan calls for a total of 35 new schools, 18 renovations, and 27 refurbishments.

Local Public Schools: Then, Now, and Soon

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Condition	May 2002*	Projected 2017
Good	3 %	48 %
Fair	50 %	48 %
Poor / Very Poor	42 %	0 %
Temporary / Swing	5 %	4%

*Report given to the OPSB in May 2002

Current New Orleans School Facilities

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Current New Orleans School Facilities

(photo credit: © 2014 Marc Pagani Photography—marcpagani.com)

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Current New Orleans School Facilities

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Current New Orleans School Facilities

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The Problem

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- The facilities were upgraded using *one time* FEMA funding.
- No funding is currently dedicated for preserving our school buildings.
- Over time, new roofs, cooling and heating systems, fire alarms, etc. will wear out and need to be replaced.
- Experts recommend that an annual allocation of building values for repairs and replacements is set aside (an estimated \$35-50 million annually).
- Without such funding, our schools buildings will once again deteriorate.

Proposed Solution

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- As bond debt is paid off, redirect these funds to facility preservation
- This dedicated funding source will protect and preserve our school buildings for current and future generations.
- Two revenue sources are used to fund the facility debt:
 - ~0.3% of sales tax
 - 4.97 mills of property tax

Extending and Repurposing Dedicated Millage

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- The sales tax will be automatically redirected to facility preservation once the debt is retired, as required by Act 543.
- Voters must approve allowing the current property tax to be used for both bond debt payments and facility preservation.
- If voters do not approve the rededication, the millage rate will decrease over time as the debt is paid off and assessed property values increase and will fully expire in 2021.
- Proposal: Ask the voters in December to extend the current 4.97 mills used to pay bond debt for 10 years (2025) and to allow the proceeds to be used for repayment of bond debt *and* facility preservation.

Advantages

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- This proposal keeps the tax rate the same and allows for the phase in of dedicated facility preservation revenues as the bond debt is retired.
- Dedicating the millage now will provide, beginning in 2016, at least \$6 million annually for emergency repairs and allow schools to plan for future needs.
- When the debt is paid off (2021) the rededicated millage and the sales tax will generate around \$35 million annually for facility preservation.
- Experts suggest between \$35-50 million be put aside for building preservation annually.

Board Action Requested

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At the September 16 meeting, board approval is needed to hold an election on December 6 to rededicate the millage for 10 years and allow the funds to be used for both bond debt and facility preservation.

If the bond debt expires without being rededicated, the local revenue associated with those bonds will disappear.

The sooner the voters approve a rededication of the millage, the sooner there will be funds for emergency repairs.