

House Bill No. 11-A

An act relating to the restoration of educational facilities damaged by hurricanes in 2004; creating the Educational Facilities Hurricane Restoration Cash Flow Loan Program for the purpose of assisting district school boards in making timely payments in restoring educational facilities; providing eligibility requirements for receiving a cash flow loan; requiring the Department of Education to administer the loan program and distribute loan funds; requiring the Department of Community Affairs to notify the Department of Education when certain federal payments have been distributed; providing an appropriation; providing an effective date.

WHEREAS, educational facilities in this state experienced widespread damage as a result of hurricanes during 2004, and

WHEREAS, anticipated funds from insurance settlements and federal disaster assistance payments are expected to cover most of the cost of restoring affected educational facilities, and

WHEREAS, damaged educational facilities must be restored to safe and satisfactory use as soon as possible, and

WHEREAS, due to the widespread nature of the damage, additional time is required to complete damage assessments, settle insurance claims, and determine the amount of federal disaster assistance payments, and

WHEREAS, some school districts have experienced much greater damage than others, and

WHEREAS, the Legislature determines that it is in the best interest of the state to establish a loan program to expedite the reconstruction of public educational facilities while insurance settlements and federal disaster assistance payments are being processed, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida:

Section 1. There is established for the 2004-2005 fiscal year an Educational Facilities Hurricane Restoration Cash Flow Loan Program. District school boards that need assistance with cash flow in order to make timely payments to contractors and suppliers in restoring educational facilities damaged by a hurricane or tropical storm during the 2004 hurricane season may apply to the Department of Education for a cash flow loan. The amount of the loan may not exceed the amount the district needs to meet timely payments to contractors and suppliers for the restoration of damaged facilities. To be eligible for a cash flow loan, a district school board must meet the following requirements:

(1) Have one or more educational facilities damaged or destroyed by a named hurricane or tropical storm during the 2004 hurricane season;

(2) Have an agreement to pay contractors or suppliers for the restoration of the damaged facilities, but have insufficient cash flow to make timely payments;

(3) Agree to repay, from funds received from insurance claims, Federal Emergency Management Agency payments, or other fund sources, the full amount of the funds received from the cash flow loan; and

(4) Agree that if repayment is not made in a timely manner, the Department of Education shall withhold future distribution of public education capital outlay funds, or other fixed capital outlay funds, until repayment is received by the department.

Section 2. The Department of Education shall provide information and instructions for applying for a cash flow loan and administer the loans in accordance with this act. The department shall distribute loan funds based on the district superintendent's certification of the amount needed for payments that are due during the following 30 days. All funds repaid shall be deposited unallocated into the General Revenue Fund within 30 days after receipt by the department.

Section 3. The Department of Community Affairs shall notify the Department of Education when payments from the Federal Emergency Management Agency for the 2004 storms have been distributed to a district school board that has received an educational facilities hurricane restoration cash flow loan.

Section 4. The sum of \$100 million is appropriated from nonrecurring revenues in the General Revenue Fund to the Department of Education for the 2004-2005 fiscal year for the sole purpose of making educational facilities hurricane restoration cash flow loans to eligible district school boards in accordance with the provisions of this act.

Section 5. This act shall take effect upon becoming a law.

Approved by the Governor December 21, 2004.

Filed in Office Secretary of State December 21, 2004.