

By Senator Alexander

41-482C-05

1 A bill to be entitled
2 An act relating to the restoration of
3 educational facilities damaged by hurricanes in
4 2004; creating the Educational Facilities
5 Hurricane Restoration Cash Flow Loan Program
6 for the purpose of assisting district school
7 boards in making timely payments in restoring
8 educational facilities; providing eligibility
9 requirements for receiving a cash flow loan;
10 requiring the Department of Education to
11 administer the loan program and distribute loan
12 funds; requiring the Department of Community
13 Affairs to notify the Department of Education
14 when certain federal payments have been
15 distributed; providing an appropriation;
16 providing an effective date.

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18 WHEREAS, educational facilities in this state
19 experienced widespread damage as a result of hurricanes during
20 2004, and

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

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

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

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

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

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

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

23 (1) Have one or more educational facilities damaged or
24 destroyed by a named hurricane or tropical storm during the
25 2004 hurricane season;

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

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

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

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

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

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

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

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SENATE SUMMARY

Creates the Educational Facilities Hurricane Restoration Cash Flow Loan Program within the Department of Education for the purpose of assisting district school boards in making timely payments in restoring educational facilities damaged by the hurricanes in 2004. Requires the Department of Community Affairs to notify the Department of Education when FEMA payments have been distributed. (See bill for details.)