

LOUISIANA RECOVERY AUTHORITY

School District Funding Allocation Approval

December 11, 2007

OVERVIEW: A resolution to request the preliminary approval of an Action Plan Amendment to allocate an additional \$47.5 million of Community Development Block Grant (CDBG) funds to School Districts impacted by Hurricanes Katrina and Rita, increasing the funding from \$200 million to \$247.5 million to cover the estimated cost of performing FEMA-ineligible repairs and expenses to schools due to storm-related damage.

Whereas, Governor Blanco included infrastructure rehabilitation in the list of priorities for investment of supplemental Community Development Block Grant (CDBG) funds approved by Congress and President Bush to assist Louisiana in its recovery efforts;

Whereas, the state's first action plan set aside funds for the Local Government Emergency Infrastructure activity, for match dollars for the Federal Emergency Management Agency (FEMA) Public Assistance Grants, and for providing the non-federal match for FEMA Hazard Mitigation Grants;

Whereas, Action Plan Number 1 Amendment Number 2 expands the infrastructure program to pay for repairs that are ineligible under the FEMA Public Assistance Program, including but not limited to uninsured and underinsured damages, insurance deductibles and improvements for code compliance, if they are determined to be critical to continued delivery and/or protection of vital public services by state and local government entities in accordance with established criteria;

Whereas, at the board meeting held on July 6, 2006, the LRA Board approved Action Plan Amendment No. 2 allocating \$200 million CDBG funds for the repair of primary and secondary schools to cover FEMA-ineligible costs. The Board also committed an additional \$50 million for that purpose;

Whereas, the Board approved reducing the additional \$50 million it had committed to \$47.5 million as part of our reallocation plan to add funding to the Road Home Program;

Whereas, we need to target resources based on the most critical ongoing K-12 school recovery infrastructure needs, such as the use of a formula that was used in the Federal Restart Program;

Whereas, the LRA recommends that an additional \$47.5 million of Community Development Block Grant funds be allocated to school districts which have the most critical ongoing challenges due to Hurricanes Katrina and Rita to cover FEMA ineligible costs; and

Whereas, at the LRA Board meeting held on June 25, 2007, the board approved funding scenario number 3 of six different funding scenarios, which effectively allocates the funds to the school districts most heavily impacted by Hurricanes Katrina and Rita.

THEREFORE BE IT RESOLVED, that the Louisiana Recovery Authority Board does hereby recommend that an additional \$47.5 million of Community Development Block Grant funds be allocated to school districts which have the most critical ongoing challenges due to Hurricanes Katrina and Rita based on funding scenario number 3 which was approved at the June 25, 2007 board meeting, to cover FEMA ineligible costs, repairs and expenses including but not limited to energy efficiency or LEED-related enhancement funds necessary to seed the creation of a State of Local Facilities Construction Authority, deferred maintenance, insurance deductibles, costs associated with the NFIP, and other facilities rebuilding costs which FEMA will not cover.

BE IT FURTHER RESOLVED, that the LRA Board hereby directs LRA and OCD staff to develop and publish for public comment an Action Plan Amendment for the allocation of an additional \$47.5 million of Community Development Block Grant (CDBG) funds to be allocated to school districts which have the most critical ongoing challenges due to Hurricanes Katrina and Rita based on funding scenario number 3 which was approved at the June 25, 2007 board meeting, to cover FEMA ineligible costs, repairs and expenses including but not limited to energy efficiency or LEED-related enhancement funds necessary to seed the creation of a State of Local Facilities Construction Authority, deferred maintenance, insurance deductibles, costs associated with the NFIP, and other facilities rebuilding costs which FEMA will not cover. After final approval of this Action Plan Amendment by the LRA at a subsequent board meeting, it would be forwarded to the Governor and Louisiana Legislature for their approval, before submission to the federal Department of Housing and Urban Development (HUD).