

July 2, 2008

The Honorable Alfred W. Speer
Clerk of the House of Representatives
State Capitol
Baton Rouge, Louisiana 70804

Re: House Bill No. 962 by Representative Peterson
Creates the Educational Facilities Fund

Dear Mr. Speer:

House Bill No. 962 creates an Educational Facilities Fund in the State Treasury, opening the door for state funding of local school buildings. The funding of public school facilities has traditionally been a local responsibility driven by the needs and wishes of citizens in each school district. Funding is provided through the approval of local efforts and limited discretionary monies received by the school systems from the state's Minimum Foundation Program (MFP). In addition to funding from the enrollment-based MFP formula, increased revenues raised through local efforts are eligible for reward funding in which the state contributes a match, thereby providing school systems with even more discretionary money.

The state currently has existing documented needs and obligations that are not being met, such as the unfunded accrued liability of statewide retirement systems, the deferred maintenance of roads, and outstanding deferred maintenance of state buildings. While I support giving local school systems greater flexibility in securing financing for educational facilities, including the ability to partner with businesses and community organizations that seek to invest in local public schools, this bill would represent a fundamental shift and would open the door to a very costly state-funded school facilities program.

Because of the outstanding needs of this state and the constitutional limit on net state tax supported debt, I have vetoed House Bill No. 962 and hereby return it to the House of Representatives.

Very truly yours,

Bobby Jindal

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