



LOUISIANA DEPARTMENT OF EDUCATION

January 16, 2014

The Honorable Jim Fannin
Louisiana House of Representatives
Republican District 13
320 6th Street
Jonesboro, LA 71251

Dear Representative Fannin:

The Recovery School District (RSD) had a BA-7 request that sought additional self-generated budget authority for the RSD Construction Program to enable the use of revenue generated from new market tax credit projects, Lexington Insurance Proceeds, and Harrah's Capital Funding on the November Joint Legislative Committee on the Budget (JLCB) agenda. During the meeting, members of the committee inquired about legal expenses, legal cases in litigation, and an itemization of Harrah's Funding. Below is our response to these inquiries.

Legal Expenses:

Construction contracts require complex legal agreements and specialized legal skills are needed to ensure the construction of the buildings meets all laws and regulations. The RSD currently has a contract with Gordon, Arata, McCollam, Duplantis, and Eagan, LLC law firm that specializes in these matters. In addition to drafting and review of legal documents related to new construction and renovation, the firm also provides services related to claims, disputes, litigation, mediation, owner-designer agreements, legislative auditor inquiries, bid protests, construction disputes not in litigation and other legal services for the entirety of the School Facilities Master Plan. The firm's \$200 per hour rate is within the Attorney General's guidelines for legal fees. The contract maximum is up to \$800,000 to oversee legal matters for \$1.3 billion of projects. This contract is being paid with existing Lexington insurance proceeds and budget authority exists for this in the Instructional Program.

Legal Cases in Litigation:

Attached is a detailed information listing of all cases in litigation including: name of defendant, case number, court in which filed, and dollars spent associated with the litigation.

Itemization of Harrah's Funding:

The RSD has been asked to provide a monthly report on Harrah's projects confirmed for repairs. Council was sought with House Fiscal Division staff on methodology and design of the requested

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monthly report. All parties are in agreement that a monthly report summarizing current expenditures by project for the month with remaining fund balance would suffice. At the December 19, 2013 New Orleans City Council meeting, approval and authorization of disbursement of the Harrah's \$4,000,000 was given to the Orleans Parish School Board (OPSB). The funds will be forthcoming but a specific date has not yet been set. As a result, there are no expenditures to report in January. The next update will be provided February 14, 2014.

Should you need additional information or clarification, please do not hesitate to contact my staff.

Thank you for your assistance in this matter.

Sincerely,



Patrick Dobard
Superintendent
Recovery School District

PD:krq

C: The Honorable Jack Donahue
The Honorable Edwin R. Murray
The Honorable Patrick Connick
Patrick Goldsmith
George Silbernagel
Sherry Phillips-Hymel
David Ray

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