

– ARRA Bond Programs –

- This PowerPoint presentation is available on PDE's website at www.education.state.pa.us.
- Select “American Recovery & Reinvestment Act” under “Hot Topics.”
- Select “Qualified School Construction and Qualified Zone Academy Bond Programs” under “Resources.”
- Select “QSCB and QZAB Webinar PowerPoint Presentation 1/19/2010.”

– ARRA Bond Programs –
Administered by the
Pennsylvania Department of
Education
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Qualified School Construction Bonds

- Interest free financing for school districts by giving a tax credit to buyers of these taxable bonds.
- 100% of the available project proceeds must be used for the construction, rehabilitation, or repair of public school facilities, equipment for these facilities, or related site acquisition.
- For 2009, \$315,737,000 of QSCB authority has been allocated to Pennsylvania.

Qualified School Construction Bonds

Which school districts can apply?

- High tax effort/high poverty: 2007-2008 equalized millage must be greater than or equal to 19.0 **or** must be in a county designated distressed for 2010 by the Appalachian Regional Commission, **and** (2) October 2008 Free and Reduced Lunch percentage must be greater than or equal to 45%.
- Growing school districts: Average daily membership increased between 2002-2003 and 2007-2008 by more than 500 **or** by more than 10%.
- Application deadline for qualifying school districts is April 1, 2010.

Qualified School Construction Bonds

- School building projects must address one or more of the following:
 - Creating sustainable schools. (Increasing energy efficiency, improving energy and water conservation, reducing greenhouse gas emissions, improving indoor environmental quality, and reducing waste); or
 - Creating or renovating space for high-quality pre-school, full-day kindergarten, and/or reducing class size in the early grades; or
 - Creating or renovating space for Science, Technology, Engineering, and Mathematics (STEM) programs; or
 - Correcting health and safety deficiencies, including school building security upgrades and building code violations.

Qualified School Construction Bonds

Questions?

Qualified Zone Academy Bonds

- Federal program allows for the financing of school renovation and equipment purchases on an interest-free basis through the allocation of tax credits.
- 100% of the available project proceeds must be used for renovation, repair or rehabilitation of facilities or for equipment to be used at the academy.
- The renovation, repair and rehabilitation work must support the academic program (academy) being proposed.
- The school district must enter into a partnership with a private entity or entities. The partner must make qualified contributions having a present value (as of the date of issuance of the bond issue) of not less than 10% of the proceeds of the bond issue.
- For 2008 and 2009, a total of \$62,734,000 (\$13,941,000 for 2008, and \$48,793,000 for 2009) of QZAB authority has been allocated to Pennsylvania.

Qualified Zone Academy Bonds

- In Pennsylvania, the QZAB Program will initially be offered to school districts that meet the following qualifying criterion:
 - High tax effort/high poverty: To qualify, (1) the school district's 2007-2008 equalized millage must be greater than or equal to 19.0 or the school district must be in a county designated distressed for 2010 by the Appalachian Regional Commission, and (2) its October 2008 Free and Reduced Lunch percentage must be greater than or equal to 45%.
- School districts submitting an application must also meet the following criteria:
 - Private business contribution (10% match)
 - Board-approved education plan which will enhance the academic curriculum, increase graduation and employment rates, and prepare students for college and the workforce.
- Application deadline for qualifying school districts is April 1, 2010.

Qualified Zone Academy Bonds

- School building projects must address one or more of the following:
 - Creating sustainable schools (increasing energy efficiency, improving energy and water conservation, reducing greenhouse gas emissions, improving indoor environmental quality, and reducing waste); or
 - Creating space within an existing building's footprint for high-quality pre-school, full-day kindergarten, and/or reducing class size in the early grades; or
 - Creating space within an existing building's footprint for Science, Technology, Engineering, and Mathematics (STEM) programs; or
 - Correcting health and safety deficiencies, including school building security upgrades and building code violations.

Qualified Zone Academy Bonds

Private Match Providers for Qualified Zone Academy Bonds

Local Universities and Colleges

Foundations

Wachovia Wells Fargo Foundation –

www.wachovia.com/wachoviafoundation

Web-based application process; awards made quarterly;
next award – March 2010

National Education Foundation Cyber Learning –

<http://www.cyberlearning.org/>

Utility Companies

Economic Development Councils/Partnerships

Businesses, Banks and Corporations

Qualified Zone Academy Bonds

Questions?

QSCB and QZAB

- **How will bonds be issued?**
 - 2009 QSCBs must be issued by December 31, 2010.
 - 2008 QZABs must be issued by December 31, 2010.
 - 2009 QZABs must be issued by December 31, 2011.
 - A state authority will issue the QSCBs and QZABs to finance eligible projects on behalf of local school districts, and will then lend the proceeds of the QSCBs and QZABs to the participating school districts.

PA Green and Sustainable Schools

- PDE strongly urges school districts to consider projects that will help make schools green and sustainable by improving energy performance or seeking to obtain LEED or Green Globes certification.
- Consulting services may be available at no charge to school districts for projects being considered in existing or proposed Title I schools identified for School Improvement or Corrective Action.

QSCB and QZAB

Webinar on financing through the state authority –
to be scheduled for late February or early March 2010



QSCB and QZAB

Questions?

Contact Information

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