

## **\$866,405,658 Available for the Qualified School Construction Bonds Program: CDE accepting applications on November 5, 2010**

Signed by the Governor on September 24, 2010, Assembly Bill 2650 (Brownley) is the legislation that authorizes the California Department of Education (CDE) to assign and distribute the 2010 QCSB's statewide, and for charter schools, the Treasurer's California School Finance Authority. QCSB's are tax credit bonds that were authorized under the American Recovery and Reinvestment Act of 2009 (ARRA). QCSB's may be utilized by school districts in which 100 percent of the issuance proceeds will be used for construction of public school facilities, rehabilitation, or repair of school facilities, acquisition of land on which public school facilities will be constructed with proceeds of issuance, or for equipment related to the project constructed or rehabilitated with proceeds of issuance. 100 percent of the bond proceeds must be spent for qualified purposes within three years of the date of bond issuance.

Who's eligible? All districts and County Office's of Education with the exception of districts who received a 2009 allocation and didn't issue will have to wait until June 24, 2011 to apply. Districts who received direct allocations from the U. S. Department of the Treasury may not apply. Applications can be found on the California Department of Education (CDE) [website](#). Applications must be submitted via Certified Mail no sooner than November 5, 2010. Any applications postmarked prior to November 5, 2010 will be returned. No other forms other than Certified Mail will be accepted.

The maximum QCSB authorization that can be requested is \$25,000,000 per school district or county office of education. There is no minimum authorization that can be requested. First priority for distribution in the case of oversubscription will be by earliest postmark date. Second priority will be for projects that received DSA approval prior to submission of QCSB application. Third priority will be based on enrolled qualified students eligible for Federal free and reduced priced meals program. The CDE will establish a waiting list for all districts and County Office's of Education in accordance with the established priority system.

All Projects utilizing QCSB's must be funded by voter-approved bonds or bond anticipation notes as authorized by *Education Code* Section 15150. Districts with enrollment of 2,500 or less and county offices of education may use other forms of financing but must submit a resolution adopted by the governing board authorizing the issuance. Follow on requirements after receiving bonds:

1. No later than Fifteen days after any bond issuance, a copy of the appropriate federal Internal Revenue Service Form, Information Return for Tax-Exempt Bonds will be submitted to CDE as confirmation of issuance.
2. Districts and COE must be under contract for use of no less than 10% of project proceeds within six months of issuance. Proceeds must be exhausted within three years of issuance.
3. Districts and COE will submit a completion [report](#) to the CDE no later than thirty days after completion of the expenditure.

To access the complete QCSB Program Overview and Frequently Asked Questions click [here](#). For more information about how your district may take advantage of this funding opportunity, please contact Susan Ryan at [susan@erichallassociates.com](mailto:susan@erichallassociates.com).