



Qualified Zone Academy Bond (QZAB) Qualified School Construction Bond (QSCB) Tax Credit Programs

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Qualified Zone Academy Bond

- QZABs are tax credits for school modernization, renovation, and repair of school facilities
- Any public school that is an Education Zone Academy qualifies under the program
- The Qualified Zone Academy Bond has been re-authorized for:
 - \$44,364,000 in 2008
 - \$155,275,000 for 2009
 - Total authorization for 2010 is \$1.4 billion California will be notified of the authorization for 2010 at a later date
- Federal guidance can be found at <http://www.irs.gov/newsroom/article/0,,id=206044,00.html>



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Qualified Zone Academy Bond

- The application are available as of June 1, 2009. <http://www.cde.ca.gov/ls/fa/qz/>
- Stakeholder Meeting May 7, 2009
- Maximum bond authorization for each academy is \$5 million
- District cap for authorization is \$30 million
- Davis Bacon Act prevailing wage rules apply to all projects



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Qualified Zone Academy Bond

- The bond proceeds must be spent within three years
- 15 days after issuance, IRS form 8038 submitted to CDE
- At conclusion of project, completion report submitted to CDE (Completion report will be developed by CDE)



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Qualified School Construction Bond (QCSB) Overview

- A new form of tax-credit bonds created by ARRA
- QSCB defined as:
 - 100 percent of proceeds used for
 - Construction, renovation or repair of public school facility
 - Acquisition of land and purchase of equipment for facility to be constructed by QCSB
 - Issued by state or local government
 - States may directly issue bonds on behalf of local eligible schools
- US Department of Treasury issued initial guidance and allocations on April 3, 2009
- US Department of Education issued letter on May 29, 2009



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Qualified School Construction Bond Tax-Credit Authorization

- Total national authorization for 2009 and 2010 is \$22 billion
- 2009 authorization for California is \$1,355,491,000
- 40% or \$581,966,000 has been allocated to eleven large California school districts

Bakersfield City Elem.	
Compton Unified	
Fresno Unified	\$15,720,000
Long Beach Unified	\$18,559,000
Los Angeles Unified	\$41,398,000
Oakland Unified	\$37,905,000
Sacramento City Unified	\$318,816,000
San Bernardino City Unified	\$21,251,000
San Diego City Unified	\$26,326,000
Santa Ana Unified	\$38,877,000
Stockton City Unified	\$27,790,000
TOTAL	\$19,269,000
	\$581,966,000

- The remaining 60% or \$773,525,000 will be authorized through the State of California, Department of Education



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Stakeholder Meeting Parameters Discussed Include:

- Set aside for State Treasurer's Office
- Proposed State Allocation Method
- Caps Per LEA
- Application Period
- Top 11 District Status for Program
- Timeline for Applying
- Returned / Lapsed Credits
- Accountability
 - IRS 8038
 - Completion Report



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Next Steps

- Governmental agencies to meet week of June 22, 2009
- Program parameters to be posted
- Accept Applications beginning July 15, 2009



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