

MEMORANDUM

Date: February 10, 2010 Staff Summary No. 6

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution 10-03 Approving the Extension of the 2009 Qualified School Construction Bond Borrowing Authority

The American Recovery and Reinvestment Act of 2009 (ARRA) provides funding for the new construction or renovation of school facilities through the use of Qualified School Construction Bonds (QSCBs). In 2009, California received more than \$773 million in “volume cap” allocation (not including direct allocations to large local educational agencies) for the issuance of QSCBs. Of this amount, approximately \$73 million has been reserved for use by charter schools through the issuance of conduit revenue bonds by California School Finance Authority (CSFA) which will be designated as QSCBs.

In August 2009, staff received 28 eligible applications for QSCB borrowing authority. Of the 28 applications, the CSFA Board made preliminary allocations of borrowing authority to six projects at its October 2009 board meeting. Pursuant to Resolution 09-15, adopted on October 23, 2009, an Award Expiration Date of March 31, 2010 was set for Charter School QSCB issuance.

Since that time, it was determined that legislation ratifying the QSCB allocation to the Authority is necessary. As the legislation is still pending, the March 31, 2010 Award Expiration Date must be extended to allow for bill enactment and time for the Charter School QSCB issuance. Staff is recommending that a new Award Expiration Date be set for December 31, 2010.

Staff recommends that the Board adopt Resolution 10-03 approving the extension of the 2009 Qualified School Construction Bond Borrowing Authority.

Attachment