

MEMORANDUM

Staff Summary No. 10

Date: March 23, 2011

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 11-10 Authorizing the Allocation of Qualified School Construction Bond Borrowing Authority to New Jerusalem Elementary School District, in an amount not to exceed \$5,100,000 Under the Charter School QSCB Program Parameters, and Authorizing the Taking of Necessary Actions in Connection Therewith

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).

Since 2009, California received more than \$1.42 billion in “volume cap” allocation (not including direct allocations to large local educational agencies) for the issuance of QSCBs. Of this amount, approximately \$141 million has been reserved for use by charter schools through the issuance of conduit revenue bonds by California School Finance Authority (Authority) which will be designated as QSCBs.

At its July 14, 2010 board meeting, the Authority board adopted an open application process for its QSCB charter school bond allocation. New Jerusalem Elementary School District (District) submitted an application for QSCB allocation, and its February 9, 2011 meeting, the Authority board allocated \$6.12 million to the District. That allocation has been rescinded and the District is seeking an allocation of \$5.1 million in borrowing authority at this time.

Staff recommends that the Board adopt Resolution 11-10 approving the allocation of \$5.1 million of the QSCB borrowing authority to New Jerusalem Elementary School District.