



JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
STATE OF OKLAHOMA

MEMORANDUM

TO: The Honorable Members of the State Board of Education
FROM: Janet Barresi
DATE: January 31, 2013
SUBJECT: Proposed Qualified Zone Academy Bond Allocation as authorized under the American Recovery and Reinvestment Act of 2009 (ARRA)

Funding for the Qualified Zone Academy Bonds (QAZB) were approved through the American Recovery and Reinvestment Act of 2009 (ARRA) and Internal Revenue Code (IRS) §54E(c)(2). The Oklahoma State Board of Education has the authority to approve \$5,143,000 in Qualified Zone Academy Bonds (QZABs) based on funding for Fiscal Year 2011. The State of Oklahoma loses access to any funds not allocated by December of 2013.

Allocations have been made every year beginning in 1998 up until 2010. With the availability of the Qualified School Construction Bond (QSCB) Program, districts did not have any interest in applying for the QZAB funds in 2011 or 2012. The QSCB Program was for new construction and zero interest. The QZAB Program is not for new construction and has minimal interest. Also, a district must have at least thirty-five percent (35%) of the students eligible for free or reduced-priced lunches under the federal school lunch program.

At the beginning of school 2013, the Financial Accounting Section received many inquiries from school districts about the availability of the QZAB funds. The application packet was sent to all school districts on November 13, 2012. The State Department of Education began accepting applications from school districts at 8 a.m., January 11, 2013. Applications, which satisfy all the requirements, are awarded in the order in which they are received in accordance with the rules adopted by the State Board of Education, Oklahoma Administrative Code 201:40-83-3. The school districts have requested a combined total of \$1,275,000.00.

Listed below are the school districts, amounts requested, and the suggested QZAB award for approval by the State Board of Education:

<u>District</u>	<u>Request</u>	<u>Award</u>
Allen Public Schools, Pontotoc County	\$450,000.00	\$450,000.00
Bethany Public Schools, Oklahoma County	\$300,000.00	\$300,000.00
Pocola Public Schools, LeFlore County	\$200,000.00	\$200,000.00
Stonewall Public Schools, Pontotoc County	\$125,000.00	\$125,000.00
Middleberg Public Schools, Grady County	\$200,000.00	\$200,000.00

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Attachments

Qualified Zone Academy Bonds

210:40-83-3. Procedures for solicitation and acceptance of district applications

- (a) A notification letter will be sent by the State Department of Education to each district superintendent or elementary superintendent announcing the availability of the application forms for Qualified Zone Academy status.
 - (b) The notification will clearly state the name and telephone number of the contact person at the Department who administers the program.
 - (c) The signature of the superintendent of the local education agency must appear on the application.
 - (d) The application and three copies must be submitted to the contact person. A specific deadline will be clearly stated in the application solicitation letter. This date may vary from year to year depending upon availability of funds.
 - (e) The applications will be accepted and funds allocated on a first-come, first-served basis.
 - (f) Applications must be fully completed and satisfy all criteria in order to be considered.
 - (g) All applications must include the following:
 - (1) Public school must be located in an empowerment zone or enterprise community OR have 35 percent of the students (or participants in the program) must be eligible for free or reduced-cost lunches under the Federal school lunch program.
 - (2) The school must enter a public-private partnership.
 - (3) The academic program of the school must be designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex work force.
 - (4) The school must have commitments for substantial business support and qualified contributions of at least 10 percent of the capital provided. Qualified contributions include: equipment for use in the school, technical assistance in developing the curriculum or in training the teachers, services of employees as volunteer mentors, internships, field trips, or other educational opportunities outside the academy, or other property or service specified by the local school board.
 - (5) Ninety-five percent or more of the proceeds of the issue must be used for a qualified purpose.
 - (6) The issuer of the bond or loan must certify that it has written assurances that the private business contribution requirement will be met with respect to the school.
 - (7) The issuer of the bond or loan must certify that it has the written approval of the local school board for the issuance.
 - (h) The maximum bonding amount which can be requested under the Qualified Zone Academy Bond program is \$1,000,000.
 - (i) After evaluation, the State Superintendent will recommend to the State Board of Education those applications which have been determined to be eligible for funding.
- [Source: Added at 15 Ok Reg 4273, eff 9-3-98 (emergency); Added at 16 Ok Reg 1755, eff 6-11-99]

210:40-83-5. Return of unused allocation

- (a) Any local education agency which receives an allocation under the Qualified Zone Academy Bond program but does not utilize the full amount of the allocation will notify the contact person at the State Department of Education of the amount not used. Notification will occur at such time as the local education agency is reasonably sure a portion of the allocation will not be used. The purpose of the notification will be to "return" the unused portion of the allocation to the State Department of Education for reallocation to other qualified applicants.
 - (b) Upon notification by a local education agency of an unused portion of an allocation, the administrator of the program at the State Department of Education will determine if qualified applications for the Qualified Zone Academy Bond program remain unfunded. If such applications exist, the procedures for funding cited in section 210:40-83-3 (i) of this subchapter will be followed. If no qualified applications exist, the returned allocation will be held over to the next funding year and allocated at that time.
- [Source: Added at 17 Ok Reg 152, eff 10-12-99 (emergency); Added at 17 Ok Reg 2920, eff 7-13-00]



JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
STATE OF OKLAHOMA

November 13, 2012

Dear Administrators:

It is my pleasure to inform you that Congress continued funding for Qualified Zone Academy Bonds (QZAB) through Fiscal Year 2011. The Oklahoma State Board of Education is able to grant this status to Qualified Zone Academies who may then receive free or reduced interest rates on QZAB obligations. Oklahoma has \$5,143,000 in QZAB remaining from the 2011 allocation and has the capacity to authorize the issuance of this amount in QZABs for 2013.

These allocations will be granted on a first-come, first-served basis with only school districts that fully meet the application requirements being considered. If a bond amount cannot be fully funded, the school district will be given the option of either taking a smaller amount, which can be accommodated, or deferring to the next school district on the list. The attached application and supporting documentation must be completed for each school district wishing to apply.

Applications will be accepted beginning Friday, January 11, 2013, at 8 a.m. Applications may be emailed or hand-delivered to:

Iona Martin, Financial Specialist, or Nancy Hughes, Executive Director
Financial Accounting
Oklahoma State Department of Education, Suite 420
2500 North Lincoln Boulevard
Oklahoma City, Oklahoma 73105-4599
(405) 521-2517 (phone)
Iona.Martin@sde.ok.gov
Nancy.Hughes@sde.ok.gov

Applications received in the Financial Accounting before 8 a.m., Friday, January 11, 2013, will not be considered.

Sincerely,

A handwritten signature in cursive script that reads "Janet Barresi".

Janet Barresi
State Superintendent

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Attachments

JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION
2012-2013 QUALIFIED ZONE ACADEMY APPLICATION

SCHOOL DISTRICT _____ SCHOOL SITE (If Applicable) _____

ADDRESS _____ CITY, STATE, ZIP _____

TELEPHONE NUMBER _____ FAX NUMBER _____

CONTACT PERSON _____ TITLE _____

AMOUNT OF BOND REQUESTED _____ (\$1,000,000 MAXIMUM)

I hereby certify that this application is complete and truthful to the best of my knowledge.

Superintendent

Notary

Date

Commission Expires

NOTICE: All sections of this application must be fully completed in order for this application to be considered for Qualified Zone Academy status: Please submit the original to the State Department of Education.

JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION

Definitions:

“Qualified contribution” means any contribution of a type and quality acceptable to the eligible local educational agency (LEA) of equipment to be used in the qualified zone academy; technical assistance in developing curriculum or in training teachers in order to promote appropriate market-driven technology in the classroom; services of employees as volunteer mentors; internships, field trips, or other education opportunities outside the academy for students; or any other property or service specified by the eligible LEA.

“Qualified Zone Academy” means any public school or academic program within a public school which is established by and operated under the supervision of an eligible LEA to provide education or training below the postsecondary level if such school or program is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex work force; students in such public school or program will be subject to the same academic standards and assessments as other students educated by the LEA; the comprehensive education plan of such school or program is approved by the LEA; and the school is located in an empowerment zone or enterprise community or there is a reasonable expectation that at least 35 percent of the students attending the school or program will be eligible for free or reduced-price lunches under the National School Lunch program.

“Qualified purpose” means rehabilitating or repairing the public school facility in which the academy is established, providing equipment for use at such academy, developing course materials for education to be provided at such academy, and training teachers and other school personnel in such academy.

“Davis-Bacon Act” means all laborers and mechanics employed by contractors or subcontractors on projects funded by Qualified Zone Academy Bond proceeds shall be paid wages and fringe benefits at rates not less than those prevailing on similar projects in the locality.

NOTICE: All sections of this application must be fully completed in order for this application to be considered for Qualified Zone Academy status: **Please submit the original to the State Department of Education.**

JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION

Statement of Assurances by the Superintendent:

- (1) This public school is in an empowerment zone or enterprise community
_____ (initial)

OR

Thirty-five percent (35%) or more of the students (or participants in the program) are eligible for free or reduced-price lunches under the federal school lunch program.

_____ (initial)

- (2) This school has entered into public-private partnership which will result in a qualified contribution to the school of at least ten (10) percent of the capital provided. Qualified contributions include: equipment for use in the school, technical assistance in developing the curriculum or in training the teachers, services of employees as volunteer mentors, internships, field trips, or other educational opportunities outside the academy, or other property or service specified by the local school board.

_____ (initial)

- (3) Please provide a brief description of the partnership, including the private partner, the program or benefit to the school and the dollar equivalent benefit to the school.

_____ (initial)

- (4) The program has been designed to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex work force.

_____ (initial)

- (5) Ninety-five percent (95%) of the proceeds of this bond will be used for a qualified purpose. Please describe the proposed use of the proceeds.

_____ (initial)

- (6) In accordance with the Davis-Bacon Act, all laborers and mechanics employed by contractors or subcontractors on projects funded by QZAB proceeds shall be paid wages and fringe benefits at rates not less than those prevailing rates on similar projects in the locality.

Superintendent's Signature

JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION

Statement of Assurances by the Issuer of the Bond or Loan:

1. I certify that I/we have received written assurances that the private business contribution requirement will be met with respect to the school.
2. I certify that I/we have the written approval of the local school board for the issuance of the bond.
3. I am/we are reasonably certain investors can be found to purchase these bonds.

Authorized Person (Signature)

Authorized Person (Print Name)

Bonding or Loan Company

Address

City, State, Zip

Telephone Number