



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY  
12234

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[www.emsc.nysed.gov/facplan/](http://www.emsc.nysed.gov/facplan/)

April, 2011

TO: Superintendent of Schools

FROM: Carl T. Thurnau, P.E.  
Director of Facilities Planning

SUBJECT: 2010 Qualified School Construction Bonds  
**Application Deadline: May 6, 2011**

As you may be aware, the federal government enacted legislation and regulations in 2009 providing Qualified School Construction Bond (QSCB) tax credits in lieu of interest payments for eligible districts (26 USC Section 54F). At the federal level, the Federal Department of the Treasury and the Internal Revenue Service will jointly administer the QSCB allocation. The NYS Education Department's Office of Facilities Planning will coordinate New York State's allocation

This legislation allows school districts to forego interest payments on capital construction debt that would otherwise be paid by the district and its taxpayers. Under Commissioner's regulation 155.22, recently amended by the Board of Regents to address QSCB's, the State Education Department will generally allocate its QSCB State limitation amount to school districts in the order of rank of their respective applications, from highest to lowest percentage of students in each school district who are eligible to receive free or reduced price lunches under the National School Lunch Program. We will be using the March 2010 School lunch data to rank the applications due to the lack of final March 2011 data.

The 2010 allocation is \$178,782,000 of which \$5,000,000 has been set aside for Charter Schools that apply. The balance remaining of \$173,782,000 will be awarded under the current application deadline of May 6, 2011. Qualified School Construction Bonds must be used within three years after issuance. The tax credits can be used for 100 percent of available project proceeds and must be used for the construction, rehabilitation or repair of the public school facility. In addition, a portion of the proceeds of such a bond may be used for the acquisition of land on which a public school facility is to be constructed. State Building Aid will be available for qualifying capital projects. Please note that applicable projects do not include administrative buildings, bus garages, maintenance and storage facilities, or other ancillary facilities. In accordance with the Regulations, Yonkers and Syracuse will be limited to \$15,000,000 and all other districts will be limited to \$5,000,000. Individual Charter school applications are not limited, but collectively subject to a \$5,000,000 cap.

The Department must make all awards against the QSCB allocation by December 31, 2011 therefore all applicants must demonstrate viable capital projects by September 30, 2011.

Districts that do not have viable projects by this date will have their awards rescinded and reallocated to districts with viable capital projects. Applications are available on the facilities planning website. The application period will begin immediately. Applications must be received by May 6, 2011. Please visit our web site [www.p12.nysed.gov/facplan/QZAB/QZAB.html](http://www.p12.nysed.gov/facplan/QZAB/QZAB.html) to download a copy of Section 155.22 and the Application

Please send applications to:  
Mr. John O'Donnell  
NYS Education Department  
Office of Facilities Planning – Room 1060 EBA  
Albany, NY 12234

If you have any questions or concerns, please contact Mr. O'Donnell at (518) 474-3906.