



Office of Facilities Planning, Room 1060 Education Building Annex
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www.emsc.nysed.gov/facplan/

August 2010

TO: Board of Trustee Chairperson

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

SUBJECT: 2010 Qualified Zone Academy Bonds

Application Deadline: September 30, 2010

As you may be aware, the federal government enacted legislation and regulations in 1996 providing Qualified Zone Academy Bond (QZAB) tax credits in lieu of interest payments for eligible districts and Charter Schools (26 USC Section 1397E, 54E and 54F). This legislation allows school districts and Charter Schools to forego interest payments on capital construction debt that would otherwise be paid by the district and its taxpayers. In order to be eligible for the program at least 35% of a district's student enrollment must be eligible to receive free or reduced price lunches under the National School Lunch Program, or the district must be located in a federally designated empowerment or enterprise community.

We have set aside \$ 1,000,000 in QZAB tax credits from the 2010 New York State Allocation for the Qualified Zone Academy Bond program for New York State Charter Schools. This set aside is based on the total enrollment of the Charter Schools statewide versus the total enrollment of Public School students statewide. The \$ 1,000,000 set aside will be awarded under the current application deadline of September 30, 2010. The expiration date of the 2010 allocation is December 31, 2012. The tax credits can be used for rehabilitation or repair of existing facilities to serve the Qualified Zone academy.

At the federal level, the Federal Department of the Treasury and the Internal Revenue Service will jointly administer the QZAB allocation. The NYS Education Department's Office of Facilities Planning will coordinate New York State's allocation.

Section 155.22 of the Regulations of the Commissioner of Education pertain to QZAB, were initially approved by the Regents on October 5, 2000, and became effective November 20, 2000. Section 155.22 was amended on December 19, 2001 to assure current and future allocations are exhausted. Applications are available on the facilities planning website. The application period will begin immediately. Applications must be received by September 30, 2010. Please visit our web site www.emsc.nysed.gov/facplan 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 or <mailto:jodonnell@mail.nysed.gov>.