



JOY HOFMEISTER

STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

April 8, 2015

Dear Administrators:

It is my pleasure to inform you that Congress continued funding for Qualified Zone Academy Bonds (QZAB) through Fiscal Year 2014. 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 \$2,372,000 remaining from the 2013 allocation that expires December 31, 2015. The 2014 allocation for Oklahoma is \$4,939,000. Oklahoma has the capacity to authorize the issuance of \$7,617,000 in QZAB Bonds for 2015.

These allocations will be granted on a first-come, first-serve basis with only school districts that fully meet the application requirements being considered. The maximum bonding amount which can be requested under the QZAB program is \$1,000,000. 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 evaluated in accordance with OAC 210:40-83-3 and 210:40-83-4.

Applications will be accepted as long as funds are available. Applications may be mailed, faxed or hand-delivered to:

Oklahoma State Department of Education,
Financial Accounting - Suite 420; Attn: Nancy Hughes
2500 North Lincoln Boulevard
Oklahoma City, Oklahoma 73105-4599
(405) 521-2517 (phone)
(405) 522-3271 (fax)

Sincerely,

A handwritten signature in black ink, appearing to read "Joy Hofmeister".

Joy Hofmeister
State Superintendent

JH:nh
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]