



MEMORANDUM

TO: Indiana School Superintendents

FROM: Melissa K. Ambre, Director
Office of School Finance

DATE: July 1, 2009

SUBJECT: Frequently Asked Questions (FAQ)
Supplemental Project Information
Certification of the Issuance of Bonds

This memorandum serves as a follow up to the June 11, 2009 memorandum on Qualified School Construction Bonds (QSCB). Since the original memorandum was issued, several questions have been raised concerning QSCB. This memorandum addresses some of the frequently asked questions, requests supplemental information regarding each project, and includes a form for certification after bonds have been issued.

FAQ

- 1) If a school corporation has pursued a project, but has not issued bonds for the project, can the school corporation apply for an allocation of funds?
 - a. Yes, if the project is not already completed or under construction, officials may apply for an allocation of QSCB funds.
- 2) Should a school corporation wait until the August 3 or November 13 date to submit an allocation request?
 - a. No. Allocation requests will be reviewed on a first come first serve basis and, when applicable, award letters issued within two to four weeks of receipt of the application. **However, School officials cannot issue bonds until after August 18.**
- 3) Will the Department set a cap on the amount of funds that will be allocated to charter schools versus public school corporations?
 - a. No. The only caps in place are that \$100,000,000 of the funds will be designated for bonds over \$2,000,000 but no larger than \$10,000,000 and that \$77,861,000 will be designated for bonds up to \$2,000,000.
- 4) How will projects be evaluated?
 - a. When evaluating a request, the Department will review the enrollment growth, percentage of free/reduced lunch students, project description, local processes

followed, estimated impact on debt service, and whether the project meets federal and other state criteria.

Supplemental Project Information

Please attach the Supplemental Project Information worksheet to any application for consideration of a project under QSCB. The additional information provides us with a better understanding of the hard and soft costs associated with a project under consideration.

Certification of the Issuance of Bonds

Any school receiving approval for QSCB must submit this form to the Department after bonds are issued. The form is for information purposes only and provides assurance that bonds were sold within 120 days of approval.

Supplemental Project Information

(Please complete this worksheet and submit with the Allocation Request.)

School _____ County _____
Corp # _____

Project Cost

- 1) Cost of construction _____
- 2) Professional fees _____
- 3) Land, Building, and Equipment Cost _____
- 4) Other project cost (please specify) _____
- 5) Cost of financing _____
- 6) Total project cost (sum lines 1 through 5) _____

Sources of funds used to finance the project

- 7) Qualified School Construction Bond _____
- 8) _____
- 9) _____
- 10) _____
- 11) Total sources of funds (sum lines 7 through 10) _____

Estimated tax rate impact of this project: _____

If the tax rate impact is zero, please provide a brief explanation:

Outstanding principle amount of obligations for the school: _____

Current debt service tax rate (without project): _____

Other:

Please remember, the State of Indiana is not responsible for issuing, purchasing, or guaranteeing the bonds in any way.

Questions regarding this worksheet should be directed to Peggy Smith, Office of School Finance, at 1-866-234-1414 or by email to pesmith@doe.in.gov.

Certification of the Issuance of Bonds

(To be completed after issuance of bonds)

This is to certify that _____, _____ County, Indiana,
(School name)
has issued Qualified School Construction Bonds, as allowed by the American Recovery and Reinvestment Act of 2009, within 120 days of the Indiana Department of Education Order granting such approval.

Title of Bonds: _____

Amount of bonds: \$ _____

Award allocation order date: _____

Bond issuance date: _____

Dated this _____ day of _____, 20__.

(Signature)

(Title)

Upon issuance of bonds, please forward this completed page to Peggy Smith, Office of School Finance, by mail to: Department of Education, 150 W. Ohio Street, Indianapolis, IN 46204, or by email to: pesmith@doe.in.gov.