

News Release

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Doyle, Evers announce \$125.5 million in bond authority for Wisconsin schools

MADISON—Governor Jim Doyle and State Superintendent Tony Evers today announced allocations for Wisconsin school districts to finance major new construction, renovation, and rehabilitation projects with bonding authority totaling \$125.5 million. The allocations come in the form of authority to issue two special types of bonds authorized by the American Recovery and Reinvestment Act (ARRA). In contrast to a typical bond, where the issuer pays the buyer interest on their investment, the ARRA bonds provide federal tax credits to buyers, relieving school districts of the need to make interest payments.

“These bonds will help money flow through our economy, supporting jobs, while helping Wisconsin schools repair, improve, and build new facilities where needed,” said Doyle.

“Deferred maintenance has become the norm instead of the exception for Wisconsin schools,” said Evers. “These bonds will help reverse that trend as well as provide for some smart improvements. From weatherizing buildings and repairing roofs to constructing new facilities and installing green energy, schools have plans in place for projects that will pay back our investment well into the future.”

ARRA authorized schools to issue the bonds through two programs, the Qualified School Construction Bond (QSCB) Program and the Qualified Zone Academy Bond (QZAB) Program. The total dollar amount of bonds requested by Wisconsin school districts through both programs was \$526.4 million—far greater than the amount the state was allowed to allocate under rules issued by the United States Department of Education. The complete lists of allocations to Wisconsin districts can be found at <http://dpi.wi.gov/sfs/xls/qscbweballocation2009.xls> (QSCB) and <http://dpi.wi.gov/sfs/xls/qzabweballocation2009.xls> (QZAB).

Created by ARRA, the QSCB program lets public school districts issue bonds to finance new construction, rehabilitation, or repair of public school facilities, as well as acquisition of land and acquisition of equipment to be used in such facilities. Wisconsin was allotted \$170.7 million in Qualified School Construction Bonds. The federal

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law set aside a significant portion of the QSCB bonding authority for the nation's largest school districts, including \$72.1 million for Milwaukee Public Schools. ARRA charged the Department of Public Instruction with distributing the other \$98.6 million among the rest of the state's school districts.

The remaining bonding authority announced today was issued through the Qualified Zone Academy Bond (QZAB) Program, created in 1997 and expanded by ARRA. School districts with populations at least 35 percent low-income (as measured by eligibility for free and reduced-price school meals) applied for QZAB financing to rehabilitate or repair school facilities. In addition to the ARRA-authorized QZAB funding, a small amount of non-ARRA bonding authority remaining from the 2007 QZAB program is included in today's allocations.

School districts are allowed approximately two years to issue the bonds. Wisconsin districts will have another opportunity to apply for both types of bonds in 2010, because ARRA authorized both programs through that year. Historically, QZAB has been reauthorized every biennium.

The ARRA also provides funding for special education, services to economically disadvantaged students, teacher quality enhancement, school lunch equipment purchases, enhancing education through technology grants, and other education purposes.

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NOTES: The list of QSCB allocations for Wisconsin is posted at <http://dpi.wi.gov/sfs/xls/qscbweballocation2009.xls>. The QZAB allocations can be found at <http://dpi.wi.gov/sfs/xls/qzabweballocation2009.xls>. More information about these and other ARRA programs is available at <http://dpi.wi.gov/recovery> and <http://www.recovery.wisconsin.gov>. This news release is available electronically at http://dpi.wi.gov/eis/pdf/dpinr2009_11.pdf.