



JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
STATE OF OKLAHOMA

MEMORANDUM

TO: The Honorable Members of the State Board of Education
FROM: Janet C. Barresi
DATE: July 23, 2014
SUBJECT: Proposed Qualified Zone Academy Bond (QZAB) Allocation

The Oklahoma State Board of Education has the authority to approve \$4,982,000 left from the 2013 allocation and has the capacity to authorize the issuance of this amount in QZABs.

The QZAB Program is not for new construction and has minimal or no interest. Also, a district must have at least thirty-five percent (35%) of the students eligible for free or reduced-priced lunches under the federal school lunch program.

The State Department of Education began accepting applications from school districts at 8 a.m., October 7, 2013. Applications, which satisfy all the requirements, are awarded in the order in which they are received in accordance with the rules adopted by the State Board of Education, Oklahoma Administrative Code 210:40-83-3. Eufaula Public Schools is requesting \$350,000 for roof and HVAC equipment renovations at Eufaula High School. Approval is recommended.

jb/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]

JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION
2013-2014 QUALIFIED ZONE ACADEMY APPLICATION

SCHOOL DISTRICT Eufaula Public Schools SCHOOL SITE (If Applicable) High School

ADDRESS 215 North Sixth Street CITY, STATE, ZIP Eufaula, Oklahoma 74432

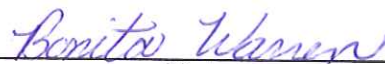
TELEPHONE NUMBER (918) 689-2152 FAX NUMBER (918) 689-1080

CONTACT PERSON Jeanette Smith TITLE Superintendent

AMOUNT OF BOND REQUESTED \$350,000 (\$1,000,000 MAXIMUM)

I hereby certify that this application is complete and truthful to the best of my knowledge.


Superintendent


Notary

6-17-2014 2-16-16
Date Commission Expires

NOTICE: All sections of this application must be fully completed in order for this application to be considered for Qualified Zone Academy status: Please submit the original to the State Department of Education.

RECEIVED
FINANCIAL ACCOUNTING
JUN 19 2014
STATE DEPARTMENT OF EDUCATION

**JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION**

Definitions:

“Qualified contribution” means any contribution of a type and quality acceptable to the eligible local educational agency (LEA) of equipment to be used in the qualified zone academy; technical assistance in developing curriculum or in training teachers in order to promote appropriate market-driven technology in the classroom; services of employees as volunteer mentors; internships, field trips, or other education opportunities outside the academy for students; or any other property or service specified by the eligible LEA.

“Qualified Zone Academy” means any public school or academic program within a public school which is established by and operated under the supervision of an eligible LEA to provide education or training below the postsecondary level if such school or program is 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; students in such public school or program will be subject to the same academic standards and assessments as other students educated by the LEA; the comprehensive education plan of such school or program is approved by the LEA; and the school is located in an empowerment zone or enterprise community or there is a reasonable expectation that at least 35 percent of the students attending the school or program will be eligible for free or reduced-price lunches under the National School Lunch program.

“Qualified purpose” means rehabilitating or repairing the public school facility in which the academy is established, providing equipment for use at such academy, developing course materials for education to be provided at such academy, and training teachers and other school personnel in such academy.

“Davis-Bacon Act” means all laborers and mechanics employed by contractors or subcontractors on projects funded by Qualified Zone Academy Bond proceeds shall be paid wages and fringe benefits at rates not less than those prevailing on similar projects in the locality.

NOTICE: All sections of this application must be fully completed in order for this application to be considered for Qualified Zone Academy status: **Please submit the original to the State Department of Education.**

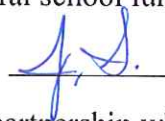
**JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION**

Statement of Assurances by the Superintendent:


(1) This public school is in an empowerment zone or enterprise community
_____ (initial)

OR

Thirty-five percent (35%) or more of the students (or participants in the program) are eligible for free or reduced-price lunches under the federal school lunch program.

 (initial)

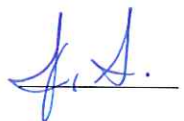
(2) This school has entered into public-private partnership which will result in a qualified contribution to the school of at least ten (10) percent of the capital provided. Qualified contributions include: equipment for use in the school, technical assistance in developing the curriculum or in training 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.

 (initial)


(3) Please provide a brief description of the partnership, including the private partner, the program or benefit to the school and the dollar equivalent benefit to the school.

The district has also entered into a public-private relationship with businesses and non-profit groups in the Eufaula community, including the Bank of Eufaula. The value of the contribution is currently estimated to be \$4,000 each year, an amount significantly above the 10% requested allocation.

The academic program has been developed by the District in conjunction with the Eufaula business community and is designed to reduce student dropout rates, enrich the District's academic program, improve standardized test results and prepare the students for the complex challenges of higher education and the technology-based workforce.


 (initial)

(4) The program has been designed 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.

 (initial)

(5) Ninety-five percent (95%) of the proceeds of this bond will be used for a qualified purpose. Please describe the proposed use of the proceeds.

The total costs of improvements to be made at the District's school sites are estimated to be \$350,000. The improvements include expenses associated with the renovation at the Eufaula High School. Among the improvements anticipated to be undertaken at the school are, HVAC equipment and metal roofing. QZAB obligations will be issued to pay the cost of those projects.

 (initial)

- (6) In accordance with the Davis-Bacon Act, all laborers and mechanics employed by contractors or subcontractors on projects funded by QZAB proceeds shall be paid wages and fringe benefits at rates not less than those prevailing rates on similar projects in the locality.

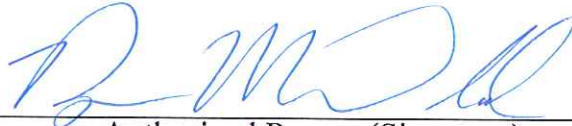


Superintendent's Signature

**JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION**

Statement of Assurances by the Issuer of the Bond or Loan:

1. I certify that I/we have received written assurances that the private business contribution requirement will be met with respect to the school.
2. I certify that I/we have the written approval of the local school board for the issuance of the bond.
3. I am/we are reasonably certain investors can be found to purchase these bonds.



Authorized Person (Signature)

Ryan McDonald

Authorized Person (Print Name)

Stephen H. McDonald and Associates, Inc.
Bonding or Loan Company

2200 McKown Drive
Address

Norman, Oklahoma 73072
City, State, Zip

(405) 329-0123
Telephone Number

06/10/2014 12:42 19186891080

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Eufaula Public Schools
215 North Sixth Street
Eufaula, Oklahoma
74432

PH: 918 689-2152

Fax 918 689-1080

Eufaula Board of Education
Independent School District No. 1001
Of McIntosh County, OK
Eufaula, Oklahoma

Dear Members of the Board:

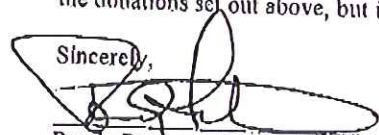
Please accept this letter as a commitment by Bank of Eufaula to make contributions to Eufaula Public Schools. The total value of the contributions provided for in this letter is \$40,000. The contributions shall take the form of cash or cash equivalents.

No consideration is being received in exchange for the contributions set out in this letter. We understand that the contributions will be used to enrich the district's academic programs and that none of the contributions will be expended on athletic or other non-academic extracurricular activities. It is expected that property will be contributed valued at the amounts shown below for the school district fiscal years indicated;

2014-15 \$ <u>4,000.00</u>	2015-16 \$ <u>4,000.00</u>	2016-17 \$ <u>4,000.00</u>
2017-18 \$ <u>4,000.00</u>	2018-19 \$ <u>4,000.00</u>	2019-20 \$ <u>4,000.00</u>
2020-21 \$ <u>4,000.00</u>	2021-22 \$ <u>4,000.00</u>	2022-23 \$ <u>4,000.00</u>
2023-24 \$ <u>4,000.00</u>		

As the party providing the donation to the school district, we understand that this commitment does not in any manner constitute a charitable contribution until the tax year in which the contribution is actually made. We further understand that this letter of commitment does not constitute a contractual agreement to furnish the donations set out above, but it does represent the good-faith intentions of the party set out below.

Sincerely,



Randy Peterson, Bank of Eufaula
PO Box 607
Eufaula OK 74432
(918) 689-7732

_____ Date

By: 

Title: President Eufaula Board of Education



Clerk Eufaula Board of Education

The written commitment attached hereto is hereby acknowledged and accepted by Independent School District No. 1001 of McIntosh County, Oklahoma as a private entity contribution under the terms of provisions in the Internal Revenue Code relating to Qualified Zone Academy Bonds. By signature hereon by the President and Clerk of the Board of Education of this school district and affixing of the Seal of said school district, the property set out on such written commitment is hereby declared to be property approved by said Board for private entity contribution with respect to Qualified Zone Academy Bonds.

QZAB PROJECT BUDGET

Physical Education Facility Reroof \$ 90,000

Replacement of HVAC units at Eufaula Hig \$ 260,000