

Part III - Administrative, Procedural, and Miscellaneous

Qualified School Construction Bond Allocations for 2010

Notice 2010-17

SECTION 1. PURPOSE

This Notice sets forth the maximum face amount of qualified school construction bonds (“QSCBs”) allocated by the Department of the Treasury (Treasury) to each State and large local educational agency for 2010 under § 54F(d) of the Internal Revenue Code (Code). For this purpose, § 54A(e)(3) provides that the term “State” includes the District of Columbia and any possession of the United States. This Notice supplements Notice 2009-35, 2009-17 I.R.B. 876 (April 27, 2009).

SECTION 2. BACKGROUND

.01 INTRODUCTION

Section 1521(a) of Title I of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) (“Act”) added new § 54F to the Code, setting forth program provisions for QSCBs.

Section 54F(a) defines a “qualified school construction bond” to mean any bond issued as part of an issue if –

- (1) 100 percent of the available project proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,
- (2) the bond is issued by a State or local government within the jurisdiction of which such school is located, and
- (3) the issuer designates such bond for purposes of this section.

Section 54F(c) provides a national bond limitation authorization for QSCBs of \$11 billion for 2009 and \$11 billion for 2010 (each, a “calendar year volume cap” and together “volume cap”). Section 54F(c)(3) provides that except for carryforwards provided for in § 54F(e), there is no calendar year volume cap for calendar years after 2010.

Section 54F(b) provides that the maximum aggregate face amount of bonds issued during any calendar year that may be designated under § 54F(a) by any issuer shall not exceed the portion of the calendar year volume cap allocated to such issuer for the calendar year under § 54F(d).

Section 54F(d)(1) provides that, except as provided in § 54F(d)(2)(C), the calendar year volume cap shall be allocated by the Treasury among the States in proportion to the respective amounts each State is eligible to receive under § 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) (the “Education Act”) for the most recent fiscal year ending before the calendar year. Section 54F(d)(1) further provides that the calendar year volume

cap amount allocated to each State is to be further allocated by the State to issuers within the State.

Section 54F(d)(2)(A) provides that 40 percent of the calendar year volume cap for any calendar year is to be allocated under § 54F(d)(2)(B) by the Treasury among local educational agencies that are large local agencies for the calendar year. Section 54F(d)(2)(B) provides that 40 percent of the calendar year volume cap is to be allocated among large local educational agencies in proportion to the respective amounts each such agency received under § 1124 of the Education Act for the most recent fiscal year ending before the calendar year.

Section 54F(d)(2)(C) provides that the allocation of calendar year volume cap to any State under § 54F(d)(1) is reduced by the aggregate amount of allocations under § 54F(d)(2) to large local educational agencies within the State.

Section 54F(d)(2)(E) defines a large local educational agency as any local educational agency if such agency is: (1) among the one hundred local educational agencies with the largest number of children aged 5 through 17 from families living below the poverty level, as determined by the Treasury using the most recent data available from the Department of Commerce that are satisfactory to the Treasury; or (2) one of not more than twenty-five additional local educational agencies that the Secretary of Education determines (based on the most recent data available satisfactory to the Treasury) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Treasury deems appropriate.

Section 54F(d)(3) provides that the amount allocated under § 54F(d)(1) to any United States possession other than Puerto Rico is an amount that would have been allocated to such possession if all allocations under § 54F(d)(1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). Section 54F(d)(3) further provides that in making the other allocations, the amount to be allocated under § 54F(d)(1) to the States is reduced by the aggregate amount allocated under § 54F(d)(3) to the United States possessions.

Section 54F(d)(4) provides for additional calendar year volume cap amounts of \$200 million for calendar year 2009 and \$200 million for calendar year 2010 (each an “Indian tribal government calendar year volume cap” and together the “Indian tribal government volume cap”) to be allocated by the Secretary of Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. This \$200 million Indian tribal government calendar year volume cap allocated to the Indian tribal governments does not reduce the \$11 billion calendar year volume cap allocated to the States and the large local educational agencies. Section 54F(d)(4) further provides that, for amounts of Indian tribal government volume cap allocated, Indian tribal governments (as defined in § 7701(a)(40)) are to be treated as qualified issuers.

SECTION 3. 2010 ALLOCATIONS OF NATIONAL BOND VOLUME CAP FOR QSCBs

The 2010 national bond volume cap for QSCBs is \$11 billion. This amount is allocated among the States and large local educational agencies as

set forth in this Notice. The 2010 allocations to 103 large local educational agencies reflects the determination by the Secretary of Education to select 3 additional large local educational agencies under § 54F(d)(2)(E)(ii) for such year. The first chart below allocates \$6.6 billion of the \$11 billion 2010 calendar year volume cap for QSCBs to States to be issued by such State or further allocated to the issuers within such State. The second chart below allocates \$4.4 billion of the \$11 billion 2010 calendar year volume cap for QSCBs to large local educational agencies.

**2010 Allocations to States of Volume Cap for
Qualified School Construction Bonds
(Net of Allocations to Large Local Educational Agencies)**

| State/Territory | Total Allocation by State/ Territory |
|----------------------|---|
| Alabama | 140,453,000 |
| Alaska | 28,163,000 |
| Arizona | 171,115,000 |
| Arkansas | 124,197,000 |
| California | 720,058,000 |
| Colorado | 95,686,000 |
| Connecticut | 98,431,000 |
| Delaware | 29,797,000 |
| District of Columbia | 0 |
| Florida | 81,038,000 |
| Georgia | 234,431,000 |
| Hawaii | 0 |
| Idaho | 39,379,000 |
| Illinois | 251,167,000 |
| Indiana | 182,583,000 |
| Iowa | 66,422,000 |
| Kansas | 82,984,000 |
| Kentucky | 138,870,000 |
| Louisiana | 140,525,000 |
| Maine | 41,368,000 |
| Maryland | 45,190,000 |
| Massachusetts | 157,361,000 |

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|-------------------|---------------|
| Michigan | 297,611,000 |
| Minnesota | 80,649,000 |
| Mississippi | 134,610,000 |
| Missouri | 146,348,000 |
| Montana | 31,838,000 |
| Nebraska | 35,294,000 |
| Nevada | 5,157,000 |
| New Hampshire | 29,797,000 |
| New Jersey | 215,904,000 |
| New Mexico | 62,037,000 |
| New York | 178,782,000 |
| North Carolina | 188,591,000 |
| North Dakota | 25,974,000 |
| Ohio | 293,763,000 |
| Oklahoma | 91,217,000 |
| Oregon | 109,096,000 |
| Pennsylvania | 286,677,000 |
| Rhode Island | 41,296,000 |
| South Carolina | 129,456,000 |
| South Dakota | 29,797,000 |
| Tennessee | 119,131,000 |
| Texas | 547,674,000 |
| Utah | 55,599,000 |
| Vermont | 24,236,000 |
| Virginia | 172,249,000 |
| Washington | 162,837,000 |
| West Virginia | 72,262,000 |
| Wisconsin | 100,459,000 |
| Wyoming | 24,589,000 |
| | |
| American Samoa | 10,614,000 |
| Guam | 10,838,000 |
| Northern Marianas | 6,824,000 |
| Puerto Rico | 0 |
| Virgin Islands | 9,576,000 |
| | |
| Total | 6,600,000,000 |

**2010 Allocations to Large Local Educational Agencies of Volume Cap for
Qualified School Construction Bonds**

| State | Large Local Educational Agency | Allocation |
|--------------|---------------------------------------|-------------------|
| Alabama | Birmingham City School District | 14,274,000 |

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|----------------------|--------------------------------------|-------------|
| Alabama | Mobile County School District | 25,419,000 |
| Arizona | Mesa Unified District | 19,466,000 |
| Arizona | Phoenix Union High School District | 12,514,000 |
| Arizona | Tucson Unified District | 20,018,000 |
| California | Bakersfield City Elementary | 15,102,000 |
| California | Compton Unified | 16,893,000 |
| California | Fresno Unified | 39,773,000 |
| California | Long Beach Unified | 34,501,000 |
| California | Los Angeles Unified | 290,180,000 |
| California | Oakland Unified | 23,960,000 |
| California | Sacramento City Unified | 19,342,000 |
| California | San Bernardino City Unified | 25,294,000 |
| California | San Diego City Unified | 36,093,000 |
| California | San Francisco Unified | 12,957,000 |
| California | Santa Ana Unified | 17,539,000 |
| California | Stockton City Unified | 14,934,000 |
| Colorado | Denver County 1 | 29,262,000 |
| District of Columbia | District of Columbia Public Schools | 32,947,000 |
| Florida | Brevard County School District | 12,271,000 |
| Florida | Broward County School District | 51,646,000 |
| Florida | Dade County School District | 95,438,000 |
| Florida | Duval County School District | 33,074,000 |
| Florida | Hillsborough County School District | 37,935,000 |
| Florida | Lee County School District | 14,308,000 |
| Florida | Marion County School District | 11,253,000 |
| Florida | Orange County School District | 36,229,000 |
| Florida | Palm Beach County School District | 34,023,000 |
| Florida | Pasco County School District | 13,627,000 |
| Florida | Pinellas County School District | 23,529,000 |
| Florida | Polk County School District | 21,223,000 |
| Florida | Volusia County School District | 17,796,000 |
| Georgia | Atlanta City School District | 34,526,000 |
| Georgia | Clayton County School District | 15,166,000 |
| Georgia | De Kalb County School District | 29,940,000 |
| Georgia | Fulton County School District | 17,917,000 |
| Georgia | Gwinnett County School District | 19,640,000 |
| Georgia | Richmond County School District | 15,979,000 |
| Hawaii | Hawaii Department of Education | 29,797,000 |
| Illinois | City of Chicago School District 299 | 257,127,000 |
| Indiana | Indianapolis Public Schools | 31,534,000 |
| Kentucky | Jefferson County School District | 30,352,000 |
| Louisiana | Caddo Parish School Board | 20,707,000 |
| Louisiana | East Baton Rouge Parish School Board | 21,675,000 |

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|----------------|---|-------------|
| Louisiana | Jefferson Parish School Board | 21,891,000 |
| Louisiana | Orleans Parish School Board | 40,055,000 |
| Maryland | Baltimore City Public School System | 53,530,000 |
| Maryland | Baltimore County Public Schools | 19,952,000 |
| Maryland | Prince George's County Public Schools | 25,803,000 |
| Massachusetts | Boston | 41,474,000 |
| Michigan | Detroit City School District | 127,644,000 |
| Minnesota | Minneapolis | 19,787,000 |
| Minnesota | St. Paul | 18,253,000 |
| Mississippi | Jackson Public School District | 15,429,000 |
| Missouri | Kansas City School District | 16,274,000 |
| Missouri | St. Louis City | 28,481,000 |
| Nebraska | Omaha Public Schools | 18,922,000 |
| Nevada | Clark County School District | 58,833,000 |
| New Jersey | Newark City | 25,753,000 |
| New Mexico | Albuquerque Public Schools | 25,025,000 |
| New York | Buffalo City School District | 33,025,000 |
| New York | New York City | 664,010,000 |
| New York | Rochester City School District | 28,376,000 |
| North Carolina | Charlotte-Mecklenburg Schools | 25,051,000 |
| North Carolina | Cumberland County Schools | 14,805,000 |
| North Carolina | Forsyth County Schools | 14,162,000 |
| North Carolina | Guilford County Schools | 16,843,000 |
| North Carolina | Wake County Schools | 17,606,000 |
| Ohio | Cincinnati City School District | 25,922,000 |
| Ohio | Cleveland Municipal School District | 51,058,000 |
| Ohio | Columbus City School District | 39,266,000 |
| Ohio | Toledo City School District | 20,962,000 |
| Oklahoma | Oklahoma City | 18,167,000 |
| Oklahoma | Tulsa | 15,625,000 |
| Pennsylvania | Philadelphia City School District | 145,352,000 |
| Pennsylvania | Pittsburgh School District | 19,520,000 |
| Puerto Rico | Puerto Rico Department of Education | 380,394,000 |
| South Carolina | Charleston County School District | 15,076,000 |
| South Carolina | Greenville County School District | 14,302,000 |
| Tennessee | Knox County School District | 11,979,000 |
| Tennessee | Memphis City School District | 49,710,000 |
| Tennessee | Nashville-Davidson County School District | 24,016,000 |
| Texas | Aldine Independent School District | 19,022,000 |
| Texas | Alief Independent School District | 16,483,000 |
| Texas | Arlington Independent School District | 13,656,000 |
| Texas | Austin Independent School District | 24,078,000 |
| Texas | Brownsville Independent School District | 25,901,000 |

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| Texas | Dallas Independent School District | 69,599,000 |
| Texas | Edinburg Consolidated Independent School District | 13,967,000 |
| Texas | El Paso Independent School District | 29,140,000 |
| Texas | Fort Worth Independent School District | 28,764,000 |
| Texas | Garland Independent School District | 12,488,000 |
| Texas | Houston Independent School District | 95,370,000 |
| Texas | La Joya Independent School District | 13,544,000 |
| Texas | Laredo Independent School District | 14,165,000 |
| Texas | Northside Independent School District | 14,641,000 |
| Texas | Pasadena Independent School District | 14,609,000 |
| Texas | Pharr-San Juan-Alamo Independent School District | 13,453,000 |
| Texas | San Antonio Independent School District | 30,730,000 |
| Texas | Ysleta Independent School District | 17,869,000 |
| Virginia | Norfolk City Public Schools | 15,092,000 |
| Virginia | Richmond City Public Schools | 14,983,000 |
| Wisconsin | Milwaukee | 72,933,000 |
| | | |
| Total | | 4,400,000,000 |

SECTION 4. EFFECTIVE DATE OF 2010 ALLOCATIONS OF NATIONAL BOND VOLUME CAP

The allocations of the national bond volume cap for QSCBs in Section 3 are effective for QSCBs issued, pursuant to an allocation of 2010 calendar year volume cap, after March 17, 2010.

SECTION 5. ALLOCATION OF THE INDIAN TRIBAL GOVERNMENT VOLUME CAP

The Department of the Interior is exclusively responsible for making the allocations of the Indian tribal government volume cap and published a notice in the Federal Register, 74 F.R. 56211-02 (October 30, 2009), soliciting applications for allocations of such volume cap. Interested parties may also

contact John Rever, Director, Office of Facilities, Environment and Cultural Resources, Bureau of Indian Affairs, at (703) 390-6314 or John.Rever@bia.gov.

SECTION 6. DRAFTING INFORMATION

The principal authors of this Notice are Aviva M. Roth and Johanna Som de Cerff of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this Notice contact Johanna Som de Cerff on (202) 622-3980 (not a toll-free call).