

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

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

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

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

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).