

QUALIFIED ZONE ACADEMY BONDS

U.S. DEPARTMENT OF
EDUCATION

www.ed.gov/programs/qualifiedzone

North Dakota Department of Public Instruction

www.dpi.state.nd.us/finance

PURPOSE OF QZAB'S

- Renovate and Repair Buildings
- Invest in Equipment and Up to Date Technology
- Develop Challenging Curricula
- Train Quality Teachers

**CAN NOT BE USED FOR NEW
CONSTRUCTION**

PUBLIC SCHOOL ELIGIBILITY

Must meet all 3 criteria

- Located in an Empowerment Zone or Enterprise Community **or** 35% of school's students are eligible for free/reduced lunch
- Education program designed in cooperation with business and receive private business contribution not less than 10% of net bond value
- Education plan approved by districts where students are subject to same standards as students in other districts

LEGISLATION, REGULATIONS, AND GUIDELINES

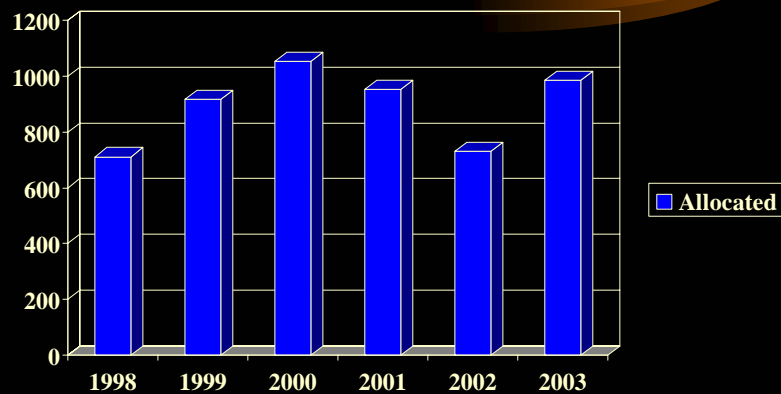
- Section 1397E of the Internal Revenue Code of 1986 (Title 26)
- Section 226(a) of the Taxpayer Relief Act of 1997
- Possible amendments currently being discussed in Senate Finance Committee

RESOURCES

- QZAB's: A Simple Tool that Works for Schools
- Fixing Our Schools Now! Qualified Zone Academy Bonds: A New Approach to Financing Renovation and Repair
- National Clearinghouse for Educational Facilities

Listed articles available at: www.ed.gov./programs/qualifiedzone

FUNDS ALLOCATED TO ND (in thousands of dollars)



*Maximum of \$500,000.00 per request

The Future of QZAB's in ND



- 2004 Allocation Decision in early 2004
- Possible Revision of Usage Guidelines
- Possible Revision to Tax Credit Rules