

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: July 11, 2006

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **QUALIFIED ZONE ACADEMY BONDS PROGRAM**

ORIGINATOR: J. Robert Haines, Deputy Superintendent, Business Services

RESOURCE PERSON(S): Barbara Burnopp, Chief Financial Officer
Kevin Grabill, Budget Analyst, Office of Budget and Reporting

INFORMATION

The Qualified Zone Academy Bond Program (QZAB) authorized by the federal government will enable the state of Maryland to sell bonds, and the proceeds will be allocated to public school systems for capital improvements at eligible school buildings. To qualify for QZAB funds, a school must be at least 15 years old and have a minimum of 35% of the students eligible for free and reduced lunches. Attachment A is a PowerPoint presentation summarizing the program.

Beginning in FY 2001, BCPS has spent \$4,532,711 of QZAB funds for projects at 33 different schools. Details by year and school are included in attachment B. Some of the projects included were various ADA modifications, interior and exterior door replacements, chalkboard replacements, stage renovations, new exterior lighting, gymnasium improvements, and installation of new chillers and towers. One of the unique aspects of the QZAB program is that it requires the schools to provide an in-kind matching of 10% of the total funding of the project. This is accomplished by tracking and putting a monetary value on the volunteer hours that take place at the school. To date, 32 of the 33 schools have completed their volunteer hours requirement by contributing approximately 59,000 hours toward the QZAB program. Schools received letters of congratulations from the Superintendent with a certificate for the Parent/Teacher Association. A sample is included in Attachment C.

Attachment A – QZAB PowerPoint presentation
Attachment B – QZAB Status Report
Attachment C – Sample Congratulatory Letter and Certificate

Qualified Zone Academy Bond Program

A Brief History and Overview
July 11, 2006

QZAB Program

- The Qualified Zone Academy Bond Program (QZAB) was created by Congress in the Taxpayer Relief Act of 1997.
- Authorizations are made to each state which allow the state to sell bonds with no interest charges. The bondholder receives a federal tax credit in lieu of interest payments.
- Congress determines the amount of QZAB funding available in any particular year.

QZAB Program

- The State of Maryland Public School Construction Program (PSCP) administers the QZAB program for Maryland.
- The PSCP determines how much funding is available for each school system based on two factors:
 - The number of square feet in the school system that was constructed prior to 1960 and have not been renovated.
 - The number of students eligible for free and reduced lunches.

QZAB Program

- The PSCP has determined that schools eligible for QZAB funding must be at least 15 years old and have a minimum of 35% of the student population eligible for free and reduced lunches.
- QZAB funds may only be used for capital improvements, repairs, and deferred maintenance work on existing school buildings. Funds may not be used to build additions or construct new facilities.

QZAB Program

- BCPS submits an extensive application to the PSCP to receive approval for individual projects.
- QZAB funds cannot pay for architectural or engineering expenses.
- Projects must have a minimum cost of \$30,000.
- All projects must be completed within 18 months of PSCP approval.

QZAB Program

- QZAB funding requires a 10% match using private sector contributions.
- The contribution requirement may be satisfied by valuing “volunteer hours” donated at the school for \$10.00 per hour.
- These hours begin accumulating upon approval of the project. A school has 10 years to complete the matching requirement.
- The school’s PTA president must sign a commitment letter guaranteeing the completion of the hours.

QZAB Program

Funding History

■ FY 2001	\$1,598,000
■ FY 2002	\$1,693,000
■ FY 2003	No Funding
■ FY 2004	\$1,580,000
■ FY 2005	No Funding
■ FY 2006	\$1,573,000

QZAB Program

- QZAB funding totaling \$4,540,711 was spent using FY 2001, 2002 and 2004 allocations.
- To date, 33 schools have participated in QZAB.
- To date, 32 schools have completed their matching requirements.
- The remaining school has 70% of their goal completed.
- To date, almost 60,000 volunteer hours have been recorded with a value of approximately \$6,000,000.

QZAB Program

- Project Examples
 - Gymnasium and auditorium renovations
 - Interior and exterior door replacements
 - ADA related upgrades
 - Hot water heater replacements
 - Unit vent replacements
 - Interior and exterior lighting upgrades
 - Chalkboard replacements
 - Chiller/cooling tower replacements

QZAB Program

Woodlawn Middle School



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QZAB Program

Woodlawn Middle School



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QZAB Program

Lansdowne Middle School



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QZAB Program

Lansdowne Middle School



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QZAB Program

Lansdowne Middle School



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QZAB Program

Middle River Middle School



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QZAB Program

Middle River Middle School



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QZAB Program

Middle River Middle School



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QZAB Program

Hawthorne Elementary School



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QZAB Program

Hawthorne Elementary School



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QZAB Program

- If excess funds are available when a project is completed, a portion of the funds can be spent at the school by purchasing various equipment, books, electronics or computers.
- Purchases must be approved by the Board of Public Works.
- Only 10% of the contract amount can be reassigned as excess funds.
- To date, \$118,526 has been designated as excess funds and spent at 14 schools.

QZAB Program

- Examples of the uses of excess funds
 - Lansdowne Middle purchased \$30,898 worth of computers, audio/visual equipment, and digital cameras
 - New tables and chairs for the media center at Middle River Middle
 - 8 new computers for Riverview Elementary
 - Books for the reading instruction program, library books, and a music cart for Scotts Branch Elementary

QZAB Program

Middle River Middle School



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QZAB Program

Middle River Middle School



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QZAB Program

Middle River Middle School



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QZAB Program

- “I am so glad I have a name to go with the purchase of this wonderful furniture! I have waited to formally thank someone and can now officially say, from all of Middle River faculty and students, "THANK YOU SO MUCH!!!" We love the furniture and it certainly has been a great addition to the library. The students have been so excited to have tables and chairs that are sturdy, neat, and clean. It is so appreciated, and I wanted you to know!”

Lynne Edel

Media Specialist

Middle River Middle School

QZAB Program

- FY 2006 QZAB funding totals \$1,573,000.
- The QZAB application is being prepared now, and will be submitted this summer for Board of Public Works approval.
- Once approval is received, schools can begin recording volunteer hours.
- Design work is being done in-house by the Department of Physical Facilities.
- Construction should begin on most projects this fall.

QZAB Program

■ **FY 2006 QZAB Projects**

- Hernwood Elementary - Complete ATC controls
- Pleasant Plains Elementary - ADA upgrades
- Scotts Branch Elementary - ADA upgrades
- Deep Creek Elementary – Unit Vent replacement
- Hawthorne Elementary – Ceiling and floor tile, selected window and door replacements
- Stemmers Run Middle – Remaining steam boilers converted to hot water
- Berkshire Elementary – Strip, prepare, and paint peeling walls in the computer lab.

Qualified Zone Academy Bond (QZAB) Status Report					
Baltimore County Public Schools					
Compiled by the Office of Budget & Reporting					
May 10, 2006					
FY 01 QZAB					
			School		
	QZAB Funds	School	Contribution	Remaining	
School	Allocated	Match Needed	To Date	Match Needed	Status
Woodlawn MS	\$275,000	\$27,500	\$27,500	\$0	Completed
Dundalk MS	385,000	38,500	38,035	0	Completed
Halabird MS	150,000	15,000	15,357	0	Completed
Lansdowne MS	403,000	40,300	40,658	0	Completed
Middle River MS	165,000	16,500	21,275	0	Completed
Old Court MS	110,000	11,000	11,497	0	Completed
Southwest Academy	110,000	11,000	23,347	0	Completed
Totals:	\$1,598,000	\$159,800	\$178,909	\$0	
FY 02 QZAB					
			School		
	QZAB Funds	School	Contribution	Remaining	
School	Allocated	Match Needed	To Date	Match Needed	Status
Baltimore Highlands ES	\$35,000	\$3,500	\$35,102	\$0	Completed
Elmwood ES	40,000	4,000	5,006	0	Completed
Glenmar ES	88,500	8,850	9,541	0	Completed
Hebbyville ES	125,000	12,500	12,821	0	Completed
Jehanycake ES	149,000	14,900	17,157	0	Completed
Riverview ES	150,000	15,000	15,317	0	Completed
Scotts Branch ES	220,000	22,000	24,055	0	Completed
Woodmeor ES	87,500	8,750	10,280	0	Completed
Berkshire ES	43,000	4,300	11,932	0	Completed
Chase ES	46,500	4,650	14,451	0	Completed
Colgate ES	101,500	10,150	17,479	0	Completed
Dundalk ES	38,000	3,800	3,845	0	Completed
Edmondson Heights ES	80,000	8,000	15,416	0	Completed
Featherbed Lane ES	78,000	7,800	7,891	0	Completed
Hawthorne ES	71,500	7,150	10,657	0	Completed
Norwood ES	52,000	5,200	10,905	0	Completed
Owings Mills ES	64,000	6,400	9,074	0	Completed
Sussex ES	52,000	5,200	9,955	0	Completed
Victory Villa ES	31,500	3,150	4,980	0	Completed
Woodlawn MS	70,000	7,000	8,451	0	Completed
Maiden Choice ES	50,000	5,000	5,974	0	Completed
Totals:	\$1,693,000	\$169,300	\$260,279	\$0	

Qualified Zone Academy Bond (QZAB) Status Report					
Baltimore County Public Schools					
Compiled by the Office of Budget & Reporting					
May 10, 2006					
FY 04 QZAB					
School	QZAB Funds Allocated	School Match Needed	School Contribution To Date	Remaining Match Needed	Status
Chesapeake HS	\$100,000	\$10,000	\$10,435	\$0	Completed
Deer Park ES	400,000	40,000	27,005	12,995	
Halstead Academy	125,000	12,500	13,430	0	Completed
Hawthorne ES	150,000	15,000	18,865	0	Completed
Loch Raven Academy	135,000	13,500	14,885	0	Completed
Mars Estates ES	300,000	30,000	33,580	0	Completed
McCormick ES	105,000	10,500	10,800	0	Completed
Southwest Academy	115,000	11,500	11,500	0	Completed
Victory Villa ES	150,000	15,000	19,680	0	Completed
Totals:	\$1,580,000	\$158,000	\$158,780	\$12,995	
Summary					
Year	QZAB Funds Allocated	School Match Needed	Contribution To Date	Remaining Match Needed	Status
FY 01	\$1,598,000	\$159,800	\$178,909	\$0	Completed
FY 02	1,693,000	169,300	260,279	0	Completed
FY 04	1,580,000	158,000	158,780	12,995	
Totals	\$4,871,000	\$487,100	\$598,968	\$12,995	

June, 2006

Brian Scriven, Principal
Woodlawn Middle School

RE: Completion of Qualified Zone Academy Bond (QZAB) Program Qualifications

Dear Brian:

Congratulations are extended to your school and community for completing the 3,595 required volunteer hours in the amount of \$35,951 for FY01 and FY02 in order to meet the requirements for funding through the QZAB Program. As a result, your PTA has helped to assure FY2001 funding for the replacement of exterior doors and gymnasium renovations, and FY2002 funding for exterior lighting.

As you may be aware, the QZAB program was established by Congress in 1997 to provide funding for schools for capital improvements. To qualify for QZAB funds, a school must be at least 15 years old and have a minimum of 35% of the students eligible for free and reduced lunches.

Beginning in FY 2001, BCPS has spent \$4,532,711 of QZAB funds for projects at 33 different schools. The commitment of your school and PTA has made this possible. Enclosed is a certificate to be presented to your school PTA as a thank you to their dedication to the students of Woodlawn Middle School.

Sincerely,

Joe A. Hairston
Superintendent

Enclosure

c: Manuel Rodriguez, Area Assistant Superintendent

Baltimore County Public Schools

Recognizes the Parent/Teacher Association of

Woodlawn Middle School

for the completion of required volunteer hours as part of the
Qualified Zone Academy Bond Program
for fiscal years 2001 and 2002

Joe A. Hairston
Superintendent