

Qualified School Construction Bonds (QSCBs)

The following message came from Kathleen Moore, California Department of Education, Director of the School Facilities Planning Division:

I am pleased to share with you that SB 205 (Hancock) was signed by the Governor and Chaptered (Chapter 11 of 2010) with urgency on March 25, 2010. SB 205 was co-sponsored by the State Superintendent for Public Instruction Jack O'Connell and State Treasurer Bill Lockyer.

As you know, this measure clarifies that the California Department of Education (CDE) and the California School Finance Authority (CSFA), under the Office of the State


Treasurer, are authorized to allocate federal Qualified School Construction Bond (QSCB) tax credits to local educational agencies (LEAs) and Charter schools, respectively. This legislation addressed the 2009 tax credit volume cap only.

By clarifying the role of the CSFA and the CDE in the allocation of these tax credits the State can help to ensure:

1. Districts and charter schools can issue locally authorized school bonds with the attached tax credits.
2. Both borrowers and bond investors will benefit from the federal tax credit attached to the bonds.
3. California will benefit from the economic and educational growth

created by the building and renovation of schools.

We look forward to working with all stakeholders on AB 2560 (Brownley), which is co-sponsored by Superintendent O'Connell and State Treasurer Lockyer. This legislation will address the 2010 Qualified School Construction Bond tax-credit program. It is currently a placeholder measure, which will be amended as it moves through the legislative process.

Thank you to everyone for your hard work on and in support of this measure. 

– Kathleen Moore, California Department of Education, Director of the School Facilities Planning Division