

ILLINOIS STATE BOARD OF EDUCATION

School Business Services Division

217-785-8779

100 North First Street, N-330

Springfield, Illinois 62777-0001

APPLICATION FOR QUALIFIED SCHOOL CONSTRUCTION BOND DESIGNATION

(Please see instructions for completing application on reverse side of page)

1. DISTRICT NAME AND NUMBER: North Boone Community Unit School District Number 200
2. REGION, COUNTY, DISTRICT, TYPE CODE: Boone and Winnebago Counties, Illinois

3. ADDRESS (Street, City, State, Zip Code): 6248 N. Boone School Road, Poplar Grove, Illinois 61065

4. CONTACT PERSON: Mike Greenlee
5. TELEPHONE (Include Area Code): 815-765-3322
6. FAX (Include Area Code): 815-765-2053

7. [] Yes [] No [X] N/A Has a referendum been passed for district to proceed with new construction OR has a referendum been passed increasing debt extension limitation? Date Passed: Attach documents verifying passed referendum.

8. [X] Yes [] No Has the District Superintendent, School Board President, and the District's Bond Counsel reviewed and signed the assurance page of QSCB program guidelines? Ensure the signed assurance page accompanies the application.

9. \$ Amount of bonds desired to be designated as Qualified School Construction Bonds

10. \$ Total Debt Extension Limitation (Certified by Bond Council)

Bond Counsel Signature: Date:

Name of Firm: Chapman and Cutler LLP

PROJECT DETAILS

11. FACILITY NAME
12. AGE OF FACILITY (Year built) (N/A for new construction)

13. FACILITY ADDRESS (Street, City, State, Zip Code)
14. DATE OF LAST RENOVATION (N/A for new construction)

15. Please check only one of the following:
[] New Building [] New Building With Land [] Addition Only [] Addition & Rehab/Repairs [X] Repairs & Rehab Only
Estimated Cost \$ Estimated Issuance Cost \$ (Not to exceed 2%)

16. Short description of project (provide supplemental documents for project detail)

17. This certifies that the Board of Education of North Boone Community Unit School District 200 has reviewed the proposed materials of this application and has approved the issuance of Qualified School Construction Bonds on behalf of said School District in the amount designated by the Illinois State Board of Education pursuant to 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.

18. Date Signature of Board President

[] District has contacted its bond counsel to ensure eligibility and ability to issue the requested amount.

ISBE USE ONLY
Round #: Application Submission Deadline: Approved by:

**INSTRUCTIONS FOR COMPLETING APPLICATION FOR QUALIFIED SCHOOL
CONSTRUCTION BOND DESIGNATION**

1. Enter the name and number of the district applying for qualified school construction bond designation.
2. Enter the region, county, district, type code associated with this district.
3. Enter the address of the district applying for qualified school construction bond designation.
4. Enter the name of the contact person.
5. Enter the telephone number for the contact person.
6. Enter the fax number for the contact person.
7. Select YES, NO, or N/A. YES, if the district has passed a referendum to proceed with new construction OR passed referendum to exceed or increase the debt limitation of the district. NO, if the district has not passed a referendum and N/A if the district would not need a referendum passed to issue the requested debt. If YES provide the date which the referendum passed and attach documents verifying the passed referendum.
8. Select YES or NO. Select YES if the district Superintendent, School Board President, and the District's Bond Counsel has reviewed and signed the assurance page of QSCB program guidelines. Select NO if they have not reviewed and signed the assurance page. If YES, ensure the signed assurance page accompanies the application.
9. Enter the amount of bonds desired to be designated as Qualified School Construction Bonds.
10. Enter the District's debt extension limitation (available bonding authority). This number must be certified by the District's Bond Counsel and the Bond Counsel must sign the application that the number has been verified.

PROJECT DETAILS

11. Enter the name of the facility to be renovated or new additions added.
12. Enter the age of the facility, the year the facility was first built, or N/A for new construction.
13. Enter the address of the facility seeking school construction bond designation.
14. Enter the date of the last renovation or N/A for new construction.
15. Please check one of the following that applies:
 New Building New Building With Land Addition Only Addition & Rehab/Repairs Repairs & Rehab Only
Enter the Estimated Cost and Estimated Issuance Cost (issuance cost not to exceed 2%)
16. Provide a short description of the project and attach supplemental documents providing a clear and concise description of the project and anticipated costs.
17. Enter the name of the Board of Education certifying the application.
18. The **President of the Board of Education** must sign and date the application. They must also assure the District's bond counsel has been consulted about participation in the program by checking the corresponding box.

Submission

For further questions or inquiries, please call Scott Durr, School Business Services at 217-785-8779 or email sdurr@isbe.net. Please submit a PDF of the signed application and materials to ISBE at finance1@ISBE.net, and mail signed documents to:

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100 North First Street, N-330
Springfield, Illinois 62777-0001**

Exhibit B - QUALIFIED SCHOOL CONSTRUCTION BONDS - Illinois

Program Guidelines

Illinois Program Guidelines

QSCB APPLICATION CYCLE: December 1, 2015 – January 15, 2016

The following defines and describes the QSCB program and its implications for public schools in Illinois.

Qualified School Construction Bonds (QSCB). The American Recovery and Reinvestment Act of 2009 (Public Law 111-5) authorized the issuance of QSCBs to finance school construction and other eligible projects for public schools. The amount of QSCBs issued in each state is limited under federal law. The Illinois State Board of Education (ISBE) established a program for allocating the available allocation authority in Illinois. Under this program, qualified school districts or state education agencies can issue bonds to borrow funds with little to no interest cost. The proceeds can be used to construct, rehabilitate, or repair eligible public school facilities, or for certain land or equipment purchases. Since the proceeds can be used for rehabilitation or repair of a facility, district may use these low or no interest bonds in lieu of Fire Prevention (Health, Life, and Safety) bonds. Instead of receiving periodic interest payments from the issuer, the QSCB bondholder receives a federal income tax credit while the bond is outstanding, in an amount equal to a percentage of the face amount of the bond. Owners of qualified school construction bonds that provide tax credits (“tax credit qualified school construction bonds”) will receive a tax credit if they own qualified school construction bonds on one or more quarterly credit allowance dates. Issuers of qualified school construction bonds that provide direct subsidy payments (“direct pay qualified school construction bonds”) are entitled to receive direct subsidy payments for all or a portion of the interest payable on such bonds on an interest payment date. Owners of direct pay qualified school construction bonds will only receive taxable interest on the bonds and will not receive either tax credits or direct subsidy payments.)

(a) Eligibility Criteria

1. All school districts, except Chicago School District 299, are eligible to apply. Chicago School District 299 received a direct allocation from the Treasury.
 - a. The district submitting an application must have the Fiscal Year 2014 Annual Financial Report on file with ISBE
 - b. Districts ineligible to construct a new facility may still apply for repair and renovation projects
2. Eligible QSCB projects include all projects permitted to be financed with QSCBs under federal law, including:
 - a. New construction of a public school owned facility
 - b. Rehabilitation or repair of an existing public school owned facility
 - c. Land acquisition for the facility to be constructed with the QSCB proceeds, and
 - d. Equipment to be used in the facility that is being constructed, rehabilitated, or repaired with the proceeds of QSCBs

NOTE: Lease payments may not be made with QSCB proceeds

(b) Application Process

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Illinois Program Guidelines

QSCB APPLICATION CYCLE: December 1, 2015 – January 15, 2016

- i. School districts building a new school must pass referendum per Article 10-22.36 of the School Code
 - ii. School districts may need to pass a referendum to increase their debt extension limitation
 - b. The District has the ability to issue the debt requested given their debt limitation certified by the district's bond counsel
 - c. Concentration of low income as measured and reported on the latest General State Aid (GSA) claim
 - d. Available local resources per pupil from the latest GSA claim
 - e. Percentage of 2013 total tax rate over the median tax rate per type of school district: unit, elementary, high school, partial elementary unit district
 - f. Age of all of the district's educational facilities as per the Health/Life and Safety Facility Inventory
 - g. Calculate a facility capacity of all of the district's educational facilities utilizing data from the Health/Life and Safety Facility Inventory
3. After all information has been verified, each district will be ranked based on need and readiness as such;
 - a) Referendum and debt capacity, districts are ready to begin their project – shovel ready
 - i. The district has passed a referendum to construct a new school, if a new school is being built OR
 - ii. The district has passed a referendum increasing their debt extension limitation (if required) OR
 - iii. The district has the debt capacity to issue the amount requested and the ability to start their project(s)

Note: If QSCB allocation is available after all districts that are ready to begin their projects have been allotted their requests, districts that need to pass a referendum will be prioritized. These districts will have 18 months to pass a referendum and issue the bonds.
 - b) Highest concentration of low income as measured and reported on the Fiscal Year 2016 General State Aid claim
 - c) Lowest available local resources per pupil as reported on the Fiscal Year 2016 General State Aid claim
 - d) Highest Total Tax Rate for Tax Year 2013 as measured by the variance to the median Total Tax Rate by type of school district: unit, elementary, high school, partial elementary unit district
 - e) Lowest building capacity per student weighted by age of facilities
 - i. The formula establishes the actual available space per student for the district compared to the yearly published national averages for the square footage per student

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Illinois Program Guidelines

QSCB APPLICATION CYCLE: December 1, 2015 – January 15, 2016

- e. Each district is responsible for repayment of the principal upon maturity
 - f. If a district determines that its allotment will not be used, the district should notify ISBE as soon as possible at 217-785-8779.
 - g. Districts must have all bonds issued **within 18 months of receipt of authority. Unused allotments will revert back to ISBE for reallocation**
 - h. Districts must reasonably expect as of the issue date that a binding agreement will be entered into with a third party so that **at least 10% of the expenditures** are incurred within the **6-month period** beginning with the issue date of the bonds
2. Bond proceeds must be used for construction (including new construction), rehabilitation, or repair of a public school; or for land acquisition for the construction of a new facility.
- a. Eligible equipment expenditures: **equipment must be used in the portion of the public school facility to be constructed, rehabilitated, or repaired with QSCB funds.** This may include wiring and other infrastructure improvements related to providing technology and equipment for the new construction and rehabilitation or repair of existing structures, but not for personal computers or similar technology. Equipment will be project specific; e.g. new stove and freezer for kitchen renovation
 - b. The land purchase and building project on such land must be with the same bond proceeds. Land cannot be purchased for a future project
 - c. QSCB funds may not be used for stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public; or stand-alone facilities, such as a central office, whose purpose is not the education of children
 - d. A maximum of 2% of the bond proceeds may be used for QSCB issuance costs
 - e. Projects/construction contracts must be in compliance with the Davis-Bacon Act, which includes prevailing wage and labor standards established by the U.S. Department of Labor
3. The maximum term of indebtedness is set by the U.S. Treasury and is subject to change with current market conditions. https://www.treasurydirect.gov/govt/rates/rates_irstcb.htm.
4. The U.S. Treasury Department has allocated for 2009 the authority to issue QSCBs in Illinois in the face value amount of \$244,435,000 and \$251,167,000 for 2010.
- a. The maximum a single Local Education Agency (LEA) may apply for is \$50,000,000
 - b. The U.S. Treasury Department made a direct allocation to Chicago Public Schools 299 and therefore, the district is not eligible to make application for any of this authority
5. QSCBs must be issued **within 18 months of receipt of authority** and the proceeds spent **within 3 years of issue date.**
- a. A minimum of **10 %** of the bond issuance proceeds **must be obligated** within 6 months of receiving bond funds

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Program Guidelines**

Illinois Program Guidelines

QSCB APPLICATION CYCLE: December 1, 2015 – January 15, 2016

Statement of Assurance

The Local Education Agency (listed above) applying for the Qualified School Construction Bond Program has carefully reviewed and understands the obligations required herein. The Local Education Agency's Bond Counsel has reviewed this document and discussed with the district the contents and certified the debt capacity.

District Superintendent

Date

School Board President

Date