

U.S. DEPARTMENT OF THE TREASURY

Press Center



Secretary Geithner, Governor Strickland Tout Benefits of Recovery Act School Bonds Program

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Qualified School Construction Bonds Program Provides \$22 Billion Nationally; Ohio Using More Than \$224 Million to Upgrade, Build Schools Statewide

BEREA, OH – As part of the Obama Administration's efforts to highlight the local impact of economic stimulus programs, Treasury Secretary Tim Geithner and Ohio Governor Ted Strickland today visited the construction site for a future school building funded through Qualified School Construction Bonds. Created by the American Recovery and Reinvestment Act (Recovery Act), these school bonds help state and local governments obtain the financing for much needed public school improvements and construction. To date, Ohio has designated \$224 million in school construction bonds for use in more than 60 school districts throughout the state – creating an estimated 2,400 jobs, according to the Ohio School Facilities Commission.

"The Recovery Act's bond programs are an innovative way of giving communities direct access to the funding needed to increase development and stimulate the local economy," said Secretary Geithner. "Because of the Recovery Act's bonds program, state and local governments are able to obtain the funds needed to create jobs and revitalize our communities."

The Recovery Act included \$22 billion for Qualified School Construction Bonds nationwide. Investors who buy these bonds receive federal income tax credits in lieu of interest, allowing state and local governments to obtain financing without incurring interest expense. States may directly issue the bonds on behalf of eligible schools or provide school districts with the authority to issue the bonds within the state.

Said Governor Strickland: "The impact of President Obama's Recovery Act is clear – because of just one of the Recovery Act's innovative bond programs, we are creating jobs and building the schools of the future today. Ohio is a clear example of how successful Recovery Act bonds can be in helping states pursue much-needed development infrastructure projects during these challenging times."

Geithner and Strickland visited the site of Fairwood Elementary School, an old school building in Berea, Ohio that is being torn down to make room for construction of a new building. Because of the Recovery Act, the Berea City School District will be able to consolidate four old schools into one new building, without raising local taxes and with an anticipated savings to the district of \$500,000 per year.

"Because of the Recovery Act Bond Programs, children in our school district will have access to modern, efficient, earth friendly 21st century learning environments, and we will be able to make this available to students across the district thanks to the savings that we will realize from this program. All of this is able to be done without an increase in taxes for our homeowners," said Berea City Schools Superintendent Derran Wimer.

Since being signed into law, the Recovery Act has already made nearly \$6 billion available to Ohio – providing tax relief, filling gaps in Medicaid funding, incentivizing small business lending, and jump-starting highway construction projects. Ohio's teachers, school staff and education programs are benefiting from more than \$2 billion in Recovery Act funding, including \$1.3 billion in State Fiscal Stabilization Funds, which are helping keep teachers on the job and in the classroom.

In addition to the \$242 million in Qualified School Construction Bonds already at work, the Recovery Act has provided Ohio with \$152 million of Build America Bonds – a program under which Treasury makes a direct payment to the state or local governmental issuer in an amount equal to 35 percent of the interest payment on the bond. The Recovery Act has also allocated \$1.05 billion of Recovery Zone Bonds to Ohio. Cuyahoga County alone, which encompasses the city of Cleveland, has access to \$106 million in Recovery Zone Bonds, which are targeted to areas particularly affected by job loss and will help local governments obtain financing for much needed economic development projects, such as public infrastructure development. Treasury provides a larger subsidy for Recovery Zone Bonds, equal to 45 percent of the interest.

The following is a school district breakdown of the \$224 million in Qualified School Construction Bonds designated for Ohio to date.

School District Name	County	Current \$ Allocation
Austintown LSD	Mahoning	3,231,502.00

Avon Lake CSD	Lorain	2,989,139.00
Bath LSD	Allen	629,919.00
Beachwood CSD	Cuyahoga	3,231,502.00
Bellevue CSD	Huron	3,231,502.00
Bellevue CSD	Huron	1,200,000.00
Berea CSD	Cuyahoga	11,500,000.00
Big Walnut LSD	Delaware	10,000,000.00
Bloom-Carroll LSD	Fairfield	3,231,502.00
Bloomfield- Mesopotamia LSD	Trumbull	291,574.00
Buckeye LSD	Medina	3,500,000.00
Cedar Cliff LSD	Greene	1,685,515.00
Champion LSD	Trumbull	567,763.00
Circleville CSD	Pickaway	3,231,502.00
Clinton Massie LSD	Clinton	498,599.00
Cloverleaf LSD	Medina	10,000,000.00
Columbus Grove LSD	Putnam/Allen	5,000,000.00
Covington EVSD	Miami	2,023,105.23
Crestline LSD	Crawford	9,913,151.00
Crestwood LSD	Portage	2,061,877.26
Eastwood LSD	Wood	2,474,781.42
Eaton Community CSD	Preble	680,750.04
Elgin LSD	Marion	2,552,231.95
Euclid CSD	Cuyahoga	3,231,501.68
Firelands LSD	Lorain	3,231,501.68

Hopewell-Loudon LSD	Seneca	2,259,528.04
Hudson CSD	Summit	2,100,000.00
Huron CSD	Eire	1,500,000.00
Liberty Center LSD	Henry	936,270.00
Logan Elm	Pickaway	2,868,081.54
Loudonville-Perrysville EVSD	Ashland	3,231,501.68
Loveland CSD	Hamilton	6,016,992.00
Madison LSD	Madison	3,231,501.68
Madison Plains LSD	Madison	3,231,501.68
Manchester LSD	Summit	3,231,501.68
Marietta CSD	Washington	3,231,501.68
Matthews LSD	Trumbull	3,231,501.68
Mayfield CSD	Cuyahoga	10,000,000.00
Mid-East CTSD	Muskingum	6,446,439.00
North Baltimore LSD	Wood	5,000,000.00
North Fork LSD	Licking	563,006.28
Northeastern LSD	Clark	3,231,501.68
Northwestern LSD	Clark	3,231,502.00
Norton CSD	Summit	3,231,502.00
Old Fort LSD	Seneca	787,732.00
Otsego LSD	Wood	4,000,000.00
Port Clinton CSD	Ottawa	3,231,502.00
Russia LSD	Shelby	1,979,536.00
Shelby CSD	Richland	3,231,502.00
Southeastern LSD	Clark	815,000.00

Switzerland LSD	Monroe	10,000,000.00
Triway LSD	Wayne	2,676,161.00
Troy CSD	Miami	1,556,589.00
Twin-Valley LSD	Preble	459,285.00
Vanguard-Sentinel CC	Sandusky	5,783,812.00
Vantage Career Center	Van Wert	1,162,973.00
Wadsworth CSD	Medina	15,000,000.00
Warren County CC	Warren	3,231,502.00
Weathersfield LSD	Trumbull	1,142,992.00
Wellington EVSD	Lorain	3,231,502.00
Westlake CSD	Cuyahoga	3,231,502.00
Woodmore LSD	Sandusky	2,519,804.00
Xenia CSD	Greene	3,231,502.00
	Total Assigned	224,235,647.91