

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury and Education Announce 2010 School Bond Allocation Recovery Act Program Provides \$11 Billion to Build Schools, Create Jobs Across the Country

3/17/2010

TG - 592

WASHINGTON – The U.S. Department of Treasury and the Department of Education today announced \$11 billion in allocation authority to issue qualified school construction bonds under the American Recovery and Reinvestment Act of 2009 (Recovery Act). Qualified school construction bonds can be used to finance the construction, rehabilitation or repair of a public school facility or for the acquisition of land where a school will be built.

"Recovery Act school construction bonds provide low-cost borrowing to build and upgrade schools, which is a win-win for communities across the country," said Deputy Treasury Secretary Neal Wolin. "The projects funded with these bonds create jobs today building modern schools to prepare our kids for the global economy of tomorrow."

"Preparing students to compete in the global economy requires improvements in all aspects of our nation's education system, including the environments in which they learn," added Education Deputy Secretary Tony Miller. "The Recovery Act is keeping teachers in the classroom and, through the construction bond program, making lasting investments in the quality of our schools. Our kids deserve no less."

Created by the Recovery Act, qualified school construction bonds help state and local governments obtain low-cost financing for much needed public school improvements and construction. Investors who buy these bonds receive Federal income tax credits at prescribed tax credit rates in lieu of interest. These tax credit bonds essentially allow state and local governments to borrow without incurring interest costs.

The Recovery Act provided for the issuance of \$11 billion of qualified school construction bonds by states and large local educational agencies in 2009 and \$11 billion in 2010. The 2010 allocations include \$6.6 billion of bonding authority to the 50 states and the remaining \$4.4 billion of volume cap to 103 large local educational agencies under a statutory formula tied to levels of federal education grant funding.

The full list of allocations by state can be found [here](#).

REPORTS

- [2010 Allocations to States of Volume Cap for Qualified School Construction Bonds](#) 

