



# QZAB Matters

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## Congress Passes Two Year QZAB Extension

### *News Updates*

December 21, 2006

Dear State QZAB Director/ Coordinator,

The long awaited Qualified Zone Academy Bond legislation has finally been passed in the waning hours of the 109th Congress as part of the "Tax Relief and Health Care Act of 2006" (HR 6408). This provision allows **\$400 million of issuing authority for 2006 and another \$400 million for 2007**, while adding some special rules such as requiring school districts to

spend 95% of the proceeds within five years and 10 percent of that amount within the first six months, in addition to various arbitrage and reporting requirements.

As many of you know, this long awaited legislation was delayed over a year by two factors:

- 1) efforts to significantly reduce the usefulness of the program by requiring only cash equivalent matches due to concerns about possible fraud and abuse of the 10% match, especially overvaluation;
- 2) concern that no proper Academy programs were set up, as required by the QZAB legislation, by many of the 10% match partners. Thanks to your efforts as well as the efforts of school superintendents and other interested parties, we were successful in winning a bipartisan victory on behalf of the disadvantaged children by communicating to the Congress the QZAB programs' success in helping to modernize America's aging school infrastructure, technology programs etc.

**Webinar:** To help us get off on the right foot with regard to ensuring some of the charges of abuse are clearly addressed and the changes in the QZAB legislation are thoroughly understood, we will be shortly inviting every one of you (state QZAB coordinator) to a webinar, tentatively scheduled for the third week of January 2007. Dr. Laurence Peters, our Vice President and the national QZAB expert who authored the QZAB directives and directed the QZAB program at the U.S. Department of Education, will moderate the session featuring U.S. Treasury and QZAB legal experts, who will help us understand in more detail the new legislation. **Please let us know if the third week of January is fine for you.**

Please feel free to call me or Dr. Laurence Peters at 703-823-9999 if you have any questions. Thank you for all your efforts on behalf of QZAB legislation extension and effective QZAB implementation. Working together, we CAN make a difference in the lives of our disadvantaged school students. Happy Holidays to you, your family and your staff

See pages 425-445 of the bill's text at  
[http://appropriations.house.gov/pdf/Recovery\\_Bill\\_Div\\_A.pdf](http://appropriations.house.gov/pdf/Recovery_Bill_Div_A.pdf)



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