

REBUILD AMERICA'S SCHOOLS

FAX TRANSMISSION

TO: Andy Rotherham

FROM: Bob Canavan

DATE: December 17, 1999

NO. PAGES:
including cover

6

Andy, Thank you for your time yesterday. We'll talk soon. Have a wonderful holiday.

HAPPY HOLIDAYS!

For transmission problems, please call 202-462-5911

Rebuild America's Schools

National Parent Teacher Association Council of The Great City Schools National Education Association American Federation of Teachers
American Association of School Administrators National School Boards Association NAACP National Association of Federally Impacted Schools
Sylvan Learning Systems, Inc. American Institute of Architects Organizations Concerned About Rural Education
National Rural Education Association California Federal School Infrastructure Coalition Bell Atlantic SBC Communications

School Districts

November 1999

Update on Qualified Zone Academy Bond Projects

Akron, OH
Aldine, TX
Birmingham City, AL
Birmingham Public, AL
Boston, MA
Broward County, FL
Brownsville, TX
Chicago, IL
Cincinnati, OH
Clark County, NV
Compton, CA
Corpus Christi, TX
Dayton, OH
Detroit, MI
Escambia, FL
Houston, TX
Jefferson Parish, LA
Jersey City, NJ
McAllen, TX
Memphis, TN
Miami-Dade, FL
Milwaukee, WI
Minneapolis, MN
Montgomery, AL
Nashville, TN
Newark, NJ
New Orleans, LA
New York, NY
Norfolk, VA
Oklahoma City, OK
Omaha, NE
Pharr-San Juan-Alamo, TX
Philadelphia, PA
Providence, RI
Richmond, VA
Rochester, NY
Savannah-Chatham, GA
St. Louis, MO
St. Paul, MN
Toledo, OH
Tulsa, OK
Ysleta, TX

States are undertaking the Qualified Zone Academy Bond program. The IRS regulations issued in July 1999 further clarified the simplicity of the program. States and school districts realize the unencumbered federal assistance that QZABs can provide to local communities.

States that have authorized or that are preparing to offer QZABs to Local School Districts include: Texas, California, Illinois, Oklahoma, Florida, Virginia, Wisconsin, Kansas, Missouri, North Dakota, Mississippi, Arizona, Ohio, Vermont, Montana, Nebraska, South Dakota, North Carolina, Pennsylvania, Maryland, Connecticut and Washington.

Below is a partial list of states and local school districts using or preparing to use QZABs.

Texas

Aquilla ISD
Bartlett ISD
Boles ISD
Granger ISD
Houston ISD
Kaufman ISD
Kenedy ISD
Liberty-Eylau ISD
Lytle ISD
Louise ISD
Thrall ISD
Troy ISD
Wilmer-Hutchins ISD
Ysleta ISD

California

Clovis/ Fresno
San Diego
Los Angeles
Beaumont
San Diego
Torrance
Pomona
Vaughan Charter
Twin Ridges Charter
Compton
Newark
Fenton Charter
Glendale
Paso Robles
Marvsville

Oklahoma

Anadarko
Chandler
Comanche
Durant '98
Elgin
Jay
Little Axe'98
Okmulgee
Pauls Valley
Roff
Oktaha
Agra
Sasakwa
Talihina

Durant'99
Little Axe'99
Duncan
Tahlequah
Catossa
Millwood
Rock Creek
Healdton
Central High

Illinois

Chicago
East St. Louis
West Aurora
DeKalb
Mendota

Kansas

Galena
Columbus
Fort Scott
Oswego
Riverton
LaCygne

QUALIFIED ZONE ACADEMY BONDS

The partial list of cities completing or preparing QZABs include:

Houston, Chicago, Milwaukee, Fresno, Los Angeles, San Diego, Seattle, Cleveland, Cincinnati, Miami-Dade, Compton, Hartford, and Norfolk.

The above information represents partial information on the QZAB program. More states and local school districts will use the program as states and school districts complete successful school renovation and repair projects providing significant savings to local taxpayers.

THE AIKIN GROUP

P. O. Box 975
Commerce, Texas 75429

903-886-1978
903-886-6678 fax

November 13, 1999

The Honorable Charles Rangel
2354 Rayburn House Office Building
Washington, D. C. 20515

Re: Qualified Zone Academy Bond Program

Dear Congressman Rangel:

An increasing number of Texas school districts are issuing QZABs to finance over \$30 million in renovations and equipment purchases. Our firm has worked closely with the Texas Education Agency, public finance professionals, and the school districts to develop the program.

Houston ISD, the largest in the state, issued \$8 million in QZABs to renovate Davis High School, emphasizing its library and media center. Kaufman ISD is a mid-size, low-wealth district on the eastern edge of the Dallas-Ft. Worth metro area. Kaufman's \$2 million QZAB will finance renovation of the Nash and Phillips Elementary campuses in addition to purchase of computers. Also among those districts in the final stages of preparation is Ysleta ISD, located in El Paso and the state's eighth largest district.

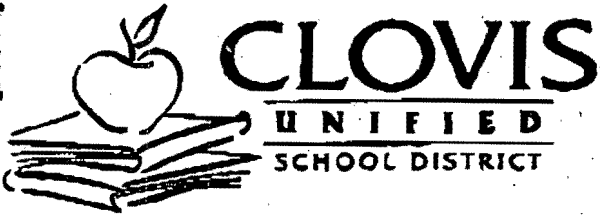
Another \$3.5 million of the Texas QZABs have been issued by six small, poor districts. Five more districts have authorized but not yet closed an additional \$6.5 million. These projects included renovation costs but have been weighted toward purchase of equipment especially computers and other technology-based teaching equipment. These eleven districts are scattered across the state and are among the poorest (measured by taxable property values divided by students) - including the very poorest district in the state, Boles ISD.

Since the first transaction closed the bond market and more school districts have become increasingly aware of the existence and usefulness of QZABs. Transactions have been increasingly economical and user-friendly to the school districts. It would be tragic if the program were to be terminated just as it is becoming known and useful. In addition to renewing the program we all strongly support increasing the dollar amount available under the program and extending its benefits to new construction.

Thank you for your efforts on behalf of all our school districts.

Sincerely,


Bob Aikin



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October 20, 1998

The Honorable William Jefferson Clinton
President
The White House
1600 Pennsylvania Avenue
Washington, DC

Subject: Qualified Zone Academy Bonds

Dear Mr. President:

On September 30, 1998, the Clovis Unified and Fresno Unified School Districts combined to successfully issue the first Qualified Zone Academy Bond authorized as part of the 1997 Federal Tax Relief Act. These funds will be used to renovate an existing warehouse/manufacturing plant which will, when completed, house the state-of-the-art Center for Advanced Research and Technology which will be available to more than 1,600 students from our two school districts.

The Qualified Zone Academy Bond program resulted in our two school districts "saving" more than \$6 million each in principal and interest payments for this outstanding technology facility.

In addition to reducing our capital facility cost significantly, we have found that this program is one of the most "user friendly" Federal or State programs currently in existence because of the following reasons:

- Decisions regarding the use of funds are determined at the local level.
- Federal and State requirements are minimal.
- No additional Federal appropriation is required.
- Tax credits are made available to financial institutions acquiring Qualified Zone Academy Bonds.

GOVERNING BOARD

Susan M. Walker, D.H.Sc.
President
Garry L. Moxseption
Vice President
Richard Lake
Clerk

Sandra A. Bengel
Elizabeth J. Sandow
Jim Van Volkinburg, D.D.S.
Brian D. Heryford

ADMINISTRATION

Walter L. Baxter, Ed.D.
District Superintendent
Terry Bradley, Ed.D.
Deputy Superintendent
James S. Fugman, Ed.D.
Deputy Superintendent

Virginia R. Boris, Ed.D.
Associate Superintendent
Daniel E. Kalder, Ed.D.
Associate Superintendent
William C. McGuire
Associate Superintendent

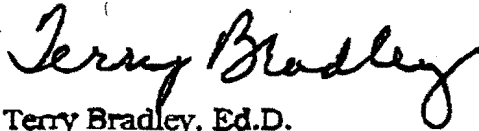
OCT.19.1998 2:27PM CLOVIS UNIFIED S D

NO.541

October 19, 1998
Page 2

On behalf of the taxpayers, elected officials, staff and students of our two districts, we would like to thank you for your continued efforts in assisting school districts in much-needed capital facility improvements and encourage you to continue in your attempt to expand the availability of Federal assistance for both new construction and renovation of existing facilities.

Sincerely



Terry Bradley, Ed.D.
Deputy Superintendent,
Administrative Services

TB:lf

cc: Congressman Charles B. Rangel, United States House of Representatives

Chronology - 6

the philosophical and fiscal dispute between President Eisenhower and Congressional Democrats over school aid broke open. Even some Republicans (who controlled the 83rd Congress) were dismayed by the President's program, which eschewed general school aid grants and proposed (1) a national conference to study education problems; (2) authorization for the U.S. Office of Education to help the states conduct education surveys; (3) an advisory committee on education in the office of the Secretary of HEW; and (4) extension of PL 815 (impacted areas construction grants), which was to expire June 30, 1954. In his Jan. 21 budget message making these proposals, the President said: "I do not underestimate the difficulties facing the states and communities in attempting to solve the problems created by the great increase in the number of children of school age, the shortage of qualified teachers, and the overcrowding of classrooms. . . . At the same time, I do not accept the simple remedy of federal intervention."

Sen. James E. Murray (D Mont.) charged that "puny bills" were put forward because people in the Administration who knew the problems of education had been overruled by the "budget balancers." The necessary advice to meet educational problems could be obtained "just by picking up the phone," Murray said.

Education groups generally backed the President's proposals, but termed them "grossly inadequate." All four were enacted.

White House Conference. PL 83-530 authorized the President to hold a White House Conference on Education in 1955. The law authorized \$1 million for preparatory conferences in the states and whatever sums were necessary for the Washington conference.

Joint Studies. PL 83-531 authorized the Office of Education to make contracts and cooperative arrangements with colleges and universities for joint studies of educational problems. No ceiling was placed on monetary authorizations.

National Advisory Committee. PL 83-532 authorized establishment of a nine-man National Advisory Committee on Education to advise the Secretary of HEW on pressing problems in education and limited spending to \$200,000 in any one year. However, because there was little enthusiasm for the group either in Congress or HEW, it never was set up.

Impacted Areas School Aid. PL 83-731 extended impacted areas school aid under PL 815 through June 30, 1956. In a related development, Secretary of Defense Charles E. Wilson Jan. 12, 1954 issued an order that no new schools on military installations be opened on a segregated basis and that schools already segregated, desegregate no later than Sept. 1, 1955.

General School Aid. The President notwithstanding, general school aid grants were pushed in Congress, but unsuccessfully. The Senate Labor and Public Welfare Committee July 19 reported a bill (S 2601) authorizing "emergency" school construction aid in grants of \$500 million for two years to the states, based on need, to pay up to 40 percent of construction costs. The bill was opposed by HEW Secretary Mrs. Overa Culp Hobby who sent a letter to the Committee saying school aid legislation should await the outcome of the 1955 White House Conference, and that the pending bill was not in accord with the Administration's efforts to balance the budget or with the maintenance of state and local control of

public education. There was no Senate floor action on the bill before the end of the 83rd Congress. A similar, less costly bill (HR 10149) was reported by the House Education and Labor School Construction Subcommittee Aug. 2, but received no further action.

1955 General School Aid. President Eisenhower sent Congress a school aid proposal to authorize a three-year, \$1.1 billion program of federal aid for school construction, with all but about \$200 million to be repaid. The new Democratic Congress was not pleased and began work on its own bills. The funds in the Administration bill would have been used for federal purchase of school bonds issued by communities unable to sell the bonds "at a reasonable interest rate" (later estimated as 3-1/8 percent); federal support of a program under which states would build schools and rent them to school districts until the principal and interest were repaid and the districts took title to the buildings; grants of \$200 million to districts financially unable to issue bonds or participate in a lease-purchase program, limiting this aid to an amount sufficient to enable them to undertake bond issues or a rental program; and federal payment of half the administrative cost of state programs designed to work out long-term solutions of school financial problems.

The President's State of the Union message said there were "grave educational problems" and an "unprecedented classroom shortage" (about 300,000 classrooms needed). Spelling out again his education aid philosophy, Mr. Eisenhower said: "Without impairing in any way the responsibilities of our states, localities, communities, or families, the Federal Government can and should serve as an effective catalyst in dealing with this problem." His program, however, was greeted by Congressional Democrats as "government by gimmick," a plan "conceived by investment bankers and dedicated to the money lenders," and an "empty hoax." Education lobbies urged programs of direct grants of substantially higher sums.

The Senate Labor and Public Welfare Committee held hearings on a number of bills, but took no further action before the first session adjourned.

The House Education and Labor Committee July 28 reported a bill (HR 7535) authorizing grants of \$1.6 billion over four years, to be matched equally by the states, for school construction; \$750 million for federal purchase of local school construction bonds; \$150 million to help pay off the principal and interest ("debt service") of school construction bonds worth \$6 billion.

The bill remained in the House Rules Committee for the rest of the session. It was clear from the testimony given earlier that there was still no real consensus on what form school aid should take, and that the question of whether aid should go to segregated schools was adding a new problem. The leadership therefore made no determined effort to dislodge the bill from the Rules Committee and bring it to a vote until almost a year after it was reported.

Impacted Areas School Aid. Aid for school construction in impacted areas (PL 815), scheduled to expire June 30, 1956, was extended until June 30, 1957 (PL 84-382).

White House Conference on Education. Began Nov. 28 amidst charges that it was "stacked" by those against federal aid to education. It ended, however, Dec. 1, with an endorsement of federal financial aid to education, with

6-5372

To : Andrew Lotherham

pm 220

From: Paul Glastis

Paul thought you
might be able to
use this.

get speed

The Presidential Papers of Franklin D. Roosevelt, 1936, Item 173 Rear-Platform Remarks at Olathe, Kansas, October 13

When you build a schoolhouse--and I know you have built some new schoolhouses in Kansas, some of them with the help of the Federal Government--you are building it, not just for the number of children who will attend school this year, but you are thinking ten and twenty years ahead. You know from experience that the improvements which go on in education have not stopped going on. You know that the improvements have to continue in the future in every single thing we do, just as they have in the past. That is the simplest way of expressing the philosophy that lies behind the kind of government we have been trying to give in the past four years.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

My mind has gone back also to the days when I used to spend many hours as a small boy, holding my father's horse in the village of Hyde Park while my father attended meetings of the school board. Long before those days-- back about 1870-- my father had helped, with very great pride, to build the red brick schoolhouse over in the village of Hyde Park. It is still standing and in those days it was considered a model school.

lot

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

Compare that old brick schoolhouse with these new three schoolhouses. See how these new ones emphasize how much more complex our civilization is today than it was seventy years ago. Education these days calls for equipment and instruction that were unthought of seventy years ago. For that reason we are now under the necessity--the painful but willing necessity--of paying out many hundreds of thousands of dollars to substitute modern equipment for what we must admit was out of date.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

May I bear tribute to the taxpayers of this Town of Hyde Park and of certain portions of the Towns of Poughkeepsie and Pleasant Valley and Clinton for their willingness to do a new job of school construction rather than a repair job. If our old schoolhouses, scattered throughout the districts, remained useful to the community for threescore years and more, I think we can be confident today that in all human probability these three new schoolhouses will still be used and busy one hundred years from now. To the trustees of the consolidated district also, we owe a very deep debt of gratitude, for they have shown the finest spirit of cooperation. And I know that all of us miss today the presence of our old friend, Arthur White, who was one of the trustees when the whole project was started. Personally I am happy that, without any additional cost, we have built these buildings of the native field stone of old Dutchess County, most of it stone which for nearly two centuries has served a useful purpose as a part of our famous stone walls.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

Finally, we are all happy that the trustees, with rare foresight, have secured adequate acreage for the schools, enough for expansion in the century to come that I have spoken of. Every boy and girl in these schools will have elbow room, plenty of space and plenty of air for sports and games and recreation of all kinds. The next generation will not have to worry about buying more athletic fields or about the high cost of adjoining property.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

These three new schools symbolize, I think, two modern Government functions in this country of ours, each of which is proving itself more and more vital to the continuance of our democracy.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

One of them is an old function, based on the ideal and the understanding of the Founding Fathers that true democratic Government cannot long endure in the midst of widespread ignorance. They recognized that democratic Government would call for the intelligent participation of all its people, as enlightened citizens--citizens equipped with what we used to call in the old days "a schooling." From their time to our own, it has always been recognized as a responsibility of Government that every child have the right to a free and liberal education. So, today, I think that we can dedicate these buildings to that old American function--the institution of universal education.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

In the last decade, this right of free education, which has become a part of the national life in our land, has taken on additional significance because of certain events in certain other lands. For a large portion of the world that right no longer exists. Almost the first freedom to be destroyed, as dictators take control, is the freedom of learning. Tyranny hates and fears nothing more than the free exchange of ideas, the free play of the mind that comes from education.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

In these schools and in other American schools, the children of today and of future generations will be taught, without censorship or restriction, the facts of current history and the whole context of current knowledge. Their textbooks will not be burned by a dictator who disagrees with them; their teachers will not be banished by a ruler whom they have offended; their schools will not be closed if they teach unpalatable truths; and their daily instruction will not be governed by the decrees of any central bureau of propaganda. They will get not all of the story part of the time, or only part of the story all of the time—they will get all of the story all of the time.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

Here, in these and other schools, will be trained the young people of a nation—not for enforced labor camps or for regimentation as an enslaved citizenry, but for the intelligent exercise of the right of suffrage, and for participation as free human beings in the life of the Nation.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

These buildings are also a symbol of a second and a newer responsibility which our democracy has assumed as one of its major functions. As you know, they have been paid for, in part by the taxpayers of the consolidated district, and in part, by the Federal Government in accordance with the purpose of the Federal Government to give work to many Americans who otherwise could find no work.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

About eight years ago, at a time when our national economy had been prostrate for several years, when starvation or undernourishment or bankruptcy had almost become the order of the day, the Government of our country for the first time took on this new responsibility. There were some in those days who chanted that nature had to run its course of misery, that deflation could not be stopped, and that the depression was only the working of natural economic laws in a system of free enterprise.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

The American Government, through elected representatives in the Legislative and Executive Branches, decided to reject that philosophy of inaction and irresponsibility and indifference to the destitution of its citizens. In its place was substituted a new doctrine—that the Government owed a continuing responsibility to see to it that no one should starve who was willing to work but was unable to find work. That was the responsibility, the duty, which the collective strength and will of all the people imposed upon themselves, to alleviate the suffering of their fellow beings and to stimulate recovery in their national economy. That responsibility expresses itself in the example which stands before us today.

The Presidential Papers of Franklin D. Roosevelt, 1940, Item 109 Address at Dedication of Three New Schools in Hyde Park, New York. October 5

And remember that the Nation, all the way from one coast to the other, all the way from Canada to Mexico, is dotted in almost every one of its thirty-two hundred counties with schools, to the construction of which the Federal Government has contributed--new schools, useful schools, schools to replace outworn schools, schools that were needed by the communities where they were erected, schools, incidentally, for which the communities were ready and willing to contribute their own share out of their own pockets.