



STATE OF NEW HAMPSHIRE  
**American Recovery  
and Reinvestment Act**



**Qualified Zone Academy Bonds (QZABs)** – The American Recovery and Reinvestment Act expands this existing bond program for school facilities. QZABs are a form of tax credit bonds which offer the bond holder a federal tax credit in lieu of interest so that no interest is charged to the school district.

QZABs can be used to finance school renovations at a “qualified zone academy.” None of the proceeds can be used for new construction or land acquisition. Schools are eligible to take advantage of the QZAB program if at least 35 percent of students enrolled at the school are eligible for free or reduced priced school lunches or if the school is located in a federally designated empowerment zone or enterprise community (per U.S. Housing and Urban Development designation). A “qualified zone academy” is any public school (or academic program within a public school) that is designed to cooperate with businesses to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for college. In order to utilize the QZAB program, a school district must have written commitment for a 10 percent match from a private business. The 10 percent contribution may be in the form of cash, equipment, or services.

QZABs are bonds, not grants. The requirements of RSA 33 for approval and sale of bonds apply.

Davis-Bacon prevailing wage rates and administrative requirements apply to all projects funded with QZABs.

New Hampshire’s allocation is \$901,000 for 2008 and \$3,152,000 for 2009.

There will be another application period later in the year.