

# Virginia Board of Education Agenda Item



**Agenda Item:** B

**Date:** July 24, 2014

<b>Title</b>	Final Review of Recommendations Concerning Literary Fund Applications Approved for Release of Funds or Placement on a Waiting List		
<b>Presenter</b>	Mr. Kent C. Dickey, Deputy Superintendent for Finance and Operations		
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**Purpose of Presentation:**

Action required by state or federal law or regulation.

**Previous Review or Action:**

No previous review or action.

**Action Requested:**

Final review: Action requested at this meeting.

**Alignment with Board of Education Goals: Please indicate (X) all that apply:**

	Goal 1: Accountability for Student Learning
	Goal 2: Rigorous Standards to Promote College and Career Readiness
	Goal 3: Expanded Opportunities to Learn
	Goal 4: Nurturing Young Learners
	Goal 5: Highly Qualified and Effective Educators
	Goal 6: Sound Policies for Student Success
X	Goal 7: Safe and Secure Schools
	Other Priority or Initiative. Specify:

**Background Information and Statutory Authority:**

Goal 7: The Literary Fund provides low-interest loans for new school construction and for additions or permanent improvements to existing schools to help provide students with a safe and secure environment in which to learn. School divisions that have successfully completed the application process for a low-interest loan from the Literary Fund for new construction or renovation are placed on one of two Waiting Lists. The Literary Fund regulations of the Board of Education establish two priorities for the Literary Fund Waiting Lists. These priorities are as follows:

Priority 1: Applications from localities having a composite index less than 0.6000 and indebtedness (including the application considered for release of funds) less than \$20 million to the Literary Fund (Attachment A).

Priority 2: Applications from localities having a composite index of 0.6000 or above or an indebtedness (including the application considered for release of funds) of \$20 million or greater to the Literary Fund (Attachment B).

Attachment C lists the projects that have been removed from the First Priority Waiting List.

Attachment D identifies the Literary Fund applications that are available for release.

Attachment E is the Board of Education's current Approved Application List. This attachment identifies the Literary Fund applications that are approved as to form but are awaiting other required information to be submitted to the Department. These projects are not included on either waiting list and are not recommended for funding at this time.

**Summary of Important Issues:**

To the extent funds are available, a recommendation for initial release of funds is presented for projects currently on the First Priority Waiting List or otherwise eligible for priority funding. To the extent funds are not available, new requests for the initial release of Literary Funds cannot be approved. As a result, such requests must be deferred and placed on either the First or Second Priority Waiting List in accordance with the Literary Fund regulations.

One item requires action by the Board of Education:

1. Buckingham County's two projects from the First Priority Waiting List were partially funded under the Virginia Public School Authority/Qualified School Construction Bonds Program, Series 2011-1, on June 16, 2011. The Dillwyn Lower Elementary School and Dillwyn Upper Elementary School projects were each reduced by \$5,000,000. The school division requested on May 30, 2014, that the reduced amount of \$2,500,000 remaining for each project on the First Priority Waiting List be withdrawn from funding and from the First Priority Waiting List.

**Impact on Fiscal and Human Resources:**

Current Board policy provides that, upon initial release of funds, Literary Fund cash is reduced in the total amount of the approved loan to assure that cash is available as required for project completion. The disbursement of funds is based on actual invoices or other evidence of bills due and payable from the Literary Fund.

**Timetable for Further Review/Action:**

The staff will prepare items for the Board on this action as needed. Based on the availability of funds, initial release of funds will be made or projects will be deferred and placed on the Waiting Lists.

**Superintendent's Recommendation:**

The Superintendent of Public Instruction recommends that the Board of Education approve the action described in the item listed under "Summary of Important Issues."

**Rationale for Action:**

The school division notified the Department that funding for the schools was received through the Virginia Public School Authority/Qualified School Construction Bonds program. Therefore, funding for these projects is no longer necessary from the Literary Fund.

**VIRGINIA BOARD OF EDUCATION - LITERARY FUND FIRST PRIORITY WAITING LIST**

*The following projects have been placed or are recommended for placement on the First Priority Waiting List with the actions as indicated in the last column. Projects recommended for action at this meeting are presented in italics.*

Priority	Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total	Action/Status	Application Receipt Date
1	July 2007	Pulaski County	Riverlawn Elementary School	2%	7,500,000	7,500,000	Funding Deferred	4/9/2007
2	October 2007	Manassas Park City	Cougar Upper Elementary School	3%	7,500,000	15,000,000	Funding Deferred	5/14/2007
3	October 2007	Covington City	Jeter Watson Intermediate School	2%	7,500,000	22,500,000	Funding Deferred	8/20/2007
4	October 2007	Covington City	Edgemont Primary School	2%	7,500,000	30,000,000	Funding Deferred	8/20/2007
5	October 2007	Prince George County	North Elementary School	2%	7,500,000	37,500,000	Funding Deferred	8/27/2007
6	July 2008	Petersburg City	Walnut Hill Elementary School	2%	5,818,691	43,318,691	Funding Deferred	10/4/2007
7	July 2008	Norton City	Norton Elementary School	3%	7,500,000	50,818,691	Funding Deferred	11/13/2007
8	July 2008	Northampton County	Northampton High School	3%	7,500,000	58,318,691	Funding Deferred	3/28/2008
9	July 2008	Lee County	Dryden Elementary School	2%	2,300,000	60,618,691	Funding Deferred	4/22/2008
10	July 2008	Grayson County	West Grayson Elementary School	2%	7,500,000	68,118,691	Funding Deferred	4/25/2008
11	October 2008	Pittsylvania County	Tunstall High School	2%	7,500,000	75,618,691	Funding Deferred	2/19/2008
12	October 2008	Pittsylvania County	Chatham High School	2%	7,500,000	83,118,691	Funding Deferred	2/19/2008
13	October 2008	Wythe County	Rural Retreat High School	2%	7,500,000	90,618,691	Funding Deferred	5/5/2008
14	October 2008	Wythe County	Rural Retreat Middle School	2%	2,600,000	93,218,691	Funding Deferred	6/18/2008
15	January 2009	Warren County	Luray Avenue Middle School	3%	7,500,000	100,718,691	Funding Deferred	3/12/2008
16	January 2009	Grayson County	Fries Elementary School	2%	7,500,000	108,218,691	Funding Deferred	10/16/2008
17	April 2009	Giles County	Giles County Technology Center	2%	7,500,000	115,718,691	Funding Deferred	6/2/2008
18	April 2009	Giles County	Eastern Elementary/Middle School	2%	7,500,000	123,218,691	Funding Deferred	6/2/2008
19	April 2009	Nottoway County	Blackstone Primary School	2%	666,667	123,885,358	Funding Deferred	8/8/2008
20	April 2009	Nottoway County	Crewe Primary School	2%	666,667	124,552,025	Funding Deferred	8/8/2008
21	April 2009	Nottoway County	Burkeville Elementary School	2%	666,666	125,218,691	Funding Deferred	8/8/2008
22	April 2009	Fluvanna County <sup>1</sup>	Fluvanna County High School	3%	2,670,000	127,888,691	Funding Deferred	9/23/2008
23	July 2009	Virginia Beach City	Great Neck Middle School	3%	7,500,000	135,388,691	Funding Deferred	3/30/2009
24	October 2009	Washington County <sup>2</sup>	Patrick Henry High School	3%	404,574	135,793,265	Funding Deferred	9/11/2006
25	October 2009	Washington County <sup>2</sup>	Meadowview Elementary School	3%	468,707	136,261,972	Funding Deferred	9/11/2006
26	October 2009	Washington County <sup>2</sup>	Wallace Middle School	3%	72,181	136,334,153	Funding Deferred	9/11/2006
27	October 2009	Washington County <sup>2</sup>	Glade Spring Middle School	3%	510,960	136,845,113	Funding Deferred	9/11/2006
28	October 2009	Washington County <sup>2</sup>	William N. Neff Center	3%	1,183,651	138,028,764	Funding Deferred	9/11/2006
29	October 2011	Caroline County <sup>3</sup>	Bowling Green Elementary School	3%	1,928,819	139,957,582	Funding Deferred	6/23/2011

**VIRGINIA BOARD OF EDUCATION - LITERARY FUND FIRST PRIORITY WAITING LIST**

*The following projects have been placed or are recommended for placement on the First Priority Waiting List with the actions as indicated in the last column. Projects recommended for action at this meeting are presented in italics.*

Priority	Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total	Action/Status	Application Receipt Date
30	October 2011	Smyth County <sup>3</sup>	New Elementary School	2%	6,428,819	146,386,402	Funding Deferred	9/20/2011
31	October 2011	Smyth County <sup>3</sup>	Marion Primary School	2%	3,928,819	150,315,221	Funding Deferred	9/20/2011
32	January 2012	Sussex County	Sussex Central Elementary School	3%	5,000,000	155,315,221	Funding Deferred	8/26/2011
33	April 2012	Wise County	Appalachia Elementary School	2%	1,500,000	156,815,221	Funding Deferred	6/27/2011
34	July 2012	Isle of Wight County	Windsor Middle School	3%	7,500,000	164,315,221	Funding Deferred	6/21/2011
35	July 2012	Wise County	Union High School	2%	7,500,000	171,815,221	Funding Deferred	6/27/2011
36	July 2012	Wise County	Eastside High School	2%	7,500,000	179,315,221	Funding Deferred	6/27/2011
37	October 2012	Dickenson County	Combined Middle/High School	2%	7,500,000	186,815,221	Funding Deferred	12/8/2011
38	January 2013	Town of West Point	West Point Middle/High School	2%	3,320,985	190,136,206	Funding Deferred	9/26/2011
39	January 2013	Town of West Point	West Point Elementary School	2%	2,390,440	192,526,646	Funding Deferred	9/26/2011

*New projects to be added with funding deferred until funds are approved for release by separate action of the Board of Education*

*NO NEW PROJECTS*

<sup>1</sup>Literary Fund application amount reduced by the amount that was funded with the issuance of Series 2009-1 VPSA/Qualified School Construction Bonds on November 13, 2009.

<sup>2</sup>Literary Fund application amount reduced by the amount that was funded with the issuance of Series 2010-1 VPSA/Qualified School Construction Bonds on June 28, 2010.

<sup>3</sup>Literary Fund application amount reduced by the amount that was funded with the issuance of Series 2012-1 VPSA/Qualified School Construction Bonds on October 31, 2012.

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**VIRGINIA BOARD OF EDUCATION - LITERARY FUND SECOND PRIORITY WAITING LIST**

*The following projects have been placed or are recommended for placement on the Second Priority Waiting List with the actions as indicated in the last column. Projects recommended for action at this meeting are presented in italics.*

Priority	Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total	Action/Status	Comments
1	October 2008	Pittsylvania County	Dan River High School	2%	7,500,000	7,500,000	Funding Deferred	
2	October 2008	Pittsylvania County	Gretna High School	2%	7,500,000	15,000,000	Funding Deferred	
3	October 2012	Wise County	Central High School	2%	7,500,000	22,500,000	Funding Deferred	

*New projects to be added with funding deferred until funds are approved for release by separate action of the Board of Education*

*NO NEW PROJECTS*

**VIRGINIA BOARD OF EDUCATION - REMOVAL FROM FIRST PRIORITY WAITING LIST**

*The following projects have been removed from the First Priority Waiting List with the actions as indicated in the last column.*

Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total	Action/Status
October 2010	Buckingham County	Dillwyn Lower Elementary School	2%	7,500,000	7,500,000	Partially funded by Series 2011-1 VPSA/QSCB; remaining application amount withdrawn from Literary Fund
October 2010	Buckingham County	Dillwyn Upper Elementary School	2%	7,500,000	15,000,000	Partially funded by Series 2011-1 VPSA/QSCB; remaining application amount withdrawn from Literary Fund

**VIRGINIA BOARD OF EDUCATION - RELEASE OF LITERARY FUNDS**

*It is recommended that Literary Funds be released for the following projects on the First Priority Waiting List.*

Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total
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*NO PROJECTS*

**APPROVED APPLICATION LIST <sup>1</sup>**

Priority	Date Placed on Application List <sup>2</sup>	School Division	School	Interest Rate	Application Amount	Cumulative Total	Action/Status
1	January 2012	Dickenson County	Sandlick/Clinchco Area Elementary School	2%	7,500,000	7,500,000	Pending receipt of plans

*New projects to be added to the approved application list:*

*NO NEW PROJECTS*

**Notes:**

<sup>1</sup> Reflects only those applications not on waiting lists.

<sup>2</sup> Per 8 VAC20-100-90, applications which remain on the approved application list for three years shall be removed from the list.

**July, 2014**