

Board of Education Agenda Item

Item: C.

Date: July 28, 2011

Topic: Final Review of Recommendations Concerning Literary Fund Applications Approved for Release of Funds or Placement on a Waiting List

Presenter: Mr. Kent C. Dickey, Deputy Superintendent for Finance and Operations

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Origin:

Topic presented for information only (no board action required)

Board review required by

State or federal law or regulation

Board of Education regulation

Other: _____

Action requested at this meeting Action requested at future meeting: _____ (date)

Previous Review/Action:

No previous board review/action

Previous review/action

date _____

action _____

Background Information:

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 not included on either waiting list and are not recommended for funding.

Summary of Major Elements:

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.

This item consists of three elements that require action by the Board of Education. These elements are:

1. Henry County secured \$3,000,000 in Recovery Zone Economic Development Bonds to partially cover the Magna Vista High School project on the First Priority Waiting List. The Literary Fund loan request for this project is reduced from \$7.2 million to \$4.2 million.
2. Seven new projects, totaling \$42,000,000, listed on Attachment E have Literary Fund applications which are approved as to form, but the plans have not yet been finalized. When the department receives the plans, these projects will be eligible for placement on a waiting list. Until such time, the projects should remain on the Approved Application List.
3. Wise County submitted a letter dated June 29, 2011, requesting that the High School A and High School B projects be removed from the Approved Application List. These projects have been replaced with new applications to the Literary Fund.

Superintendent's Recommendation:

The Superintendent of Public Instruction recommends that the Board of Education approve the actions described in the three elements listed under "Summary of Major Elements."

Impact on 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.

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		School	Interest		Cumulative		Action/Status
	Waiting List	School Division		Rate	Amount	Total		
1	July, 2007	Pulaski County	Riverlawn Elementary School	2%	7,500,000	7,500,000	Funding Deferred	
2	October, 2007	Manassas Park City	Cougar Upper Elementary School	3%	7,500,000	15,000,000	Funding Deferred	
3	October, 2007	Covington City	Jeter Watson Intermediate School	2%	7,500,000	22,500,000	Funding Deferred	
4	October, 2007	Covington City	Edgemont Primary School	2%	7,500,000	30,000,000	Funding Deferred	
5	October, 2007	Prince George County	North Elementery School	2%	7,500,000	37,500,000	Funding Deferred	
6	July, 2008	Petersburg City	Walnut Hill Elementary School	2%	5,818,691	43,318,691	Funding Deferred	
7	July, 2008	Norton City	Norton Elementary School	3%	7,500,000	50,818,691	Funding Deferred	
8	July, 2008	Northampton County	Northampton High School	3%	7,500,000	58,318,691	Funding Deferred	
9	July, 2008	Lee County	Dryden Elementary School	2%	2,300,000	60,618,691	Funding Deferred	
10	July, 2008	Grayson County	West Grayson Elementary School	2%	7,500,000	68,118,691	Funding Deferred	
11	October, 2008	Pittsylvania County	Tunstall High School	2%	7,500,000	75,618,691	Funding Deferred	
12	October, 2008	Pittsylvania County	Chatham High School	2%	7,500,000	83,118,691	Funding Deferred	
13	October, 2008	Wythe County	Rural Retreat High School	2%	7,500,000	90,618,691	Funding Deferred	
14	October, 2008	Wythe County	Rural Retreat Middle School	2%	2,600,000	93,218,691	Funding Deferred	
15	January, 2009	Warren County	Luray Avenue Middle School	3%	7,500,000	100,718,691	Funding Deferred	
16	January, 2009	Grayson County	Fries Elementary School	2%	7,500,000	108,218,691	Funding Deferred	
17	January, 2009	Henry County ³	Magna Vista High School	2%	4,200,000	112,418,691	Funding Deferred	
18	January, 2009	Richmond County	Rappahannock High School	3%	250,000	112,668,691	Funding Deferred	
19	April, 2009	Giles County	Giles County Technology Center	2%	7,500,000	120,168,691	Funding Deferred	
20	April, 2009	Giles County	Eastern Elementary/Middle School	2%	7,500,000	127,668,691	Funding Deferred	
21	April, 2009	Nottoway County	Blackstone Primary School	2%	666,667	128,335,358	Funding Deferred	
22	April, 2009	Nottoway County	Crewe Primary School	2%	666,667	129,002,025	Funding Deferred	
23	April, 2009	Nottoway County	Burkeville Elementary School	2%	666,666	129,668,691	Funding Deferred	
24	April, 2009	Fluvanna County ¹	Fluvanna County High School	3%	2,670,000	132,338,691	Funding Deferred	
25	July, 2009	Virginia Beach City	Great Neck Middle School	3%	7,500,000	139,838,691	Funding Deferred	
26	October, 2009	Washington County ²	Patrick Henry High School	3%	404,574	140,243,265	Funding Deferred	
27	October, 2009	Washington County ²	Meadowview Elementary School	3%	468,707	140,711,972	Funding Deferred	
28	October, 2009	Washington County ²	Wallace Middle School	3%	72,181	140,784,153	Funding Deferred	
29	October, 2009	Washington County ²	Glade Spring Middle School	3%	510,960	141,295,113	Funding Deferred	
30	October, 2009	Washington County ²	William N. Neff Center	3%	1,183,651	142,478,764	Funding Deferred	
31	October, 2010	Buckingham County	Dillwyn Lower Elementary School	2%	7,500,000	149,978,764	Funding Deferred	
32	October, 2010	Buckingham County	Dillwyn Upper Elementary School	2%	7,500,000	157,478,764	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 PROJECTS

¹Literary 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.

²Literary 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.

³Literary Fund application amount reduced by the amount that was funded with the issuance of Recovery Zone Economic Development (RZED) Bonds on March 15, 2010.

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	

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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
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NO PROJECTS

July, 2011

VIRGINIA BOARD OF EDUCATION - RELEASE OF LITERARY FUNDS

Attachment D

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

July, 2011

VIRGINIA BOARD OF EDUCATION - RELEASE OF LITERARY FUNDS

Attachment D

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

July, 2011

LITERARY FUND OF VIRGINIA
APPROVED APPLICATION LIST ¹

Priority ³	Date Placed on Application List ²	School Division	School	Interest Rate	Application Amount	Cumulative Total	Action/Status
<i>New projects to be added to the approved application list</i>							
1	July, 2011	Richmond County	Rappahannock High School	3%	7,500,000	7,500,000	Pending receipt of plans
2	July, 2011	Isle of Wight County	Windsor Middle School	3%	7,500,000	15,000,000	Pending receipt of plans
3	July, 2011	Caroline County	Bowling Green Elementary School	3%	3,000,000	18,000,000	Pending receipt of plans
4	July, 2011	Wise County	Union High School	2%	7,500,000	25,500,000	Pending receipt of plans
5	July, 2011	Wise County	Central High School	2%	7,500,000	33,000,000	Pending receipt of plans
6	July, 2011	Wise County	Eastside High School	2%	7,500,000	40,500,000	Pending receipt of plans
7	July, 2011	Wise County	Appalachia Elementary School	2%	1,500,000	42,000,000	Pending receipt of plans

Notes:

¹ Reflects only those applications not on waiting lists.

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

³ High School A and High School B, projects approved for placement on the Approved Application List in April 2011, have been withdrawn by Wise County.

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