

**KROKIDAS & BLUESTEIN**  
ATTORNEYS

**CLIENT ALERT**

**QUALIFIED ZONE ACADEMY BONDS:**

**IS YOUR SCHOOL AN ELIGIBLE QZAB BORROWER?  
CAN YOUR SCHOOL USE QZABS TO FINANCE RENOVATIONS?**

The Qualified Zone Academy Bond (“QZAB”) financing program allows charter schools (and other public schools) to obtain interest-free financing for rehabilitating or repairing school facilities, purchasing equipment, developing course materials, and training teachers and other school personnel. Under this program, interest-free bonds are issued on behalf of eligible charter schools, which are then sold to bondholders who may receive tax credits on their federal income tax returns, to compensate them for the value of the foregone interest. Not all charter schools can use QZABs. The program is only available to charter schools that are located in empowerment or enterprise zones and to charter schools in which at least 35% of the participating students are eligible for free or reduced-cost lunches. The good news is that many Massachusetts charter schools qualify for QZAB financing based on free and reduced-cost lunch program participation.

A total of \$6,100,000 in QZAB allocation is currently available to Massachusetts schools. QZABs will be allocated to individual school projects based on responses to the Department of Elementary & Secondary Education’s request for proposals. All proposals submitted by April 30, 2015 will receive equal consideration. Should credits remain available, proposals submitted after April 30, 2015, will be considered on a rolling basis as they are received.

If you would like more information on the QZAB financing program, please contact Elka Sachs ([ETS@kb-law.com](mailto:ETS@kb-law.com)) or Samuel Nagler ([SN@kb-law.com](mailto:SN@kb-law.com)) at Krokidas & Bluestein LLP.