(14) Qualified Public Educational Facilities (QPEF) Private Bond Allocation Act. Approved as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 and pursuant to Internal Revenue Code sections 142(a)(12) and 142(k), Qualified Public Education Facilities Bonds are defined as a source of financial assistance for public school improvement projects. They provide private, for-profit corporations capital cost savings realized from the difference between taxable and tax-exempt interest rates. The corporation (developer) agrees to construct, rehabilitate, refurbish or equip a school facility, and lease it to a public school district. The school district makes lease payments to the developer for the duration of the loan, while the developer makes debt service payments on the bonds. When the QPEF bonds mature, the facility/improvement is turned over to the school board with full ownership and no further lease payments are required. The term of the agreement cannot exceed the term of the bond issue. All pre-K through grade 12 public schools, including public charter schools, are eligible. Private schools are not eligible to participate in the QPEF program. Bonds must be issued in an amount of at least 90 percent of the allocation granted. The full faith and credit of the State of Florida does not support any QPEF bonds.

(a) Allowable Projects. The proceeds of QPEF Bonds may only be used as follows:

1. Constructing, rehabilitating, refurbishing or equipping a public school facility by a corporation that leases it to a public school. This includes providing modular facilities.
2. Transferring full ownership of the facility/improvement to the school board when the QPEF bond matures.
3. Allocating or reallocating funds among eligible projects identified by a school district in the application. Any reallocated amounts cannot exceed the total amount awarded.
4. Allocating or reallocating funds among projects in the application when the total amount awarded is less than the district's original request, as long as funds are reallocated on a per-project basis, not to exceed the original amount requested for each project.

(b) Eligibility Criteria.

1. The applicant must be a qualified public educational facility that is part of a public elementary school or a public secondary school. The educational facility must be owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a local education agency.
2. The corporation must agree to do one or more of the following: construct (includes modular facilities), rehabilitate, refurbish or equip a school facility and transfer the school facility back to the school board for no additional consideration at the end of the term of the agreement.
3. The term of the agreement must not exceed the term of the bonds.
4. Financing must be limited to corporations whose own credit worthiness (or financial viability of the project) is sufficient to attract a bondholder or a letter of credit from a bank guaranteeing repayment of the bonds.
5. No single corporation/developer shall access more than 25 percent of the bond allocation for any one year.

(c) Administration:

1. Each Board must determine whether the purposes for which QPEFs are issued conform to state and federal law regarding indebtedness.
2. Each Board is responsible for repayment of the monthly lease payments.
3. School boards shall not use PECO or CO&DS bond proceeds to pay QPEF debt, but are allowed to use 1.5 mills funds in accordance with sections 1001.42(11)(b)5. and 1013.15(2)(a), F S.
4. If 1.5 mills proceeds are proposed for repayment of QPEF debt, it shall not exceed the COPs limit established for 1.5 mills in section 1011.71(2), F.S.