

FREQUENTLY ASKED QUESTIONS

1. HOW OFTEN DOES THE STATE ISSUE BONDS TO FINANCE CAPITAL PROJECTS?

Annually, dependent upon capital project financing requirements. The State's annual bond process is coordinated by the Department of Finance (DOF), the Office of Management and Budget (OMB) and the Office of the State Treasurer (OST).

2. IS MY SCHOOL DISTRICT REQUIRED TO COMPLETE A BAN OR A BOND APPLICATION?

To receive local share funding authorized in the annual Bond Bill, you will need to submit a BAN application (if you require funding prior to the State's bond sale), or a Bond application. To apply, please navigate to <https://delaware.service-now.com/ost>. Please type BAN or Bond in the search to access the BAN/Bond Application Request page.

3. DO I HAVE TO PAY INTEREST ON THE BAN AND BOND?

Yes. Interest on school district bonds is set in accordance with Section 7506 of Title 29 of the Delaware code, which specifies "interest at a rate not less than the rate payable on bonds of the State issued to provide such local share plus an amount to cover administrative expenses of the State in connection with the financing of school construction programs in an amount not exceeding one quarter of 1 percent per annum". These rates are set forth in the Resolution Establishing Rates, which is a document signed by the State's issuing officers, authorizing issuance of the General Obligation Bonds.

Interest is also charged on funds advanced, in anticipation of the bond sale, via the BAN instrument. By practice OST has set the interest rate on the BANs based upon the school district bond rate, as reflected in the prior year's Resolution Establishing Interest Rates.

4. HOW DOES MY SCHOOL DISTRICT APPLY FOR CAPITAL FUNDING?

During the first quarter of the new fiscal year, the Office of the State Treasurer will notify districts of the application intake period for BAN or Bond applications to receive funds authorized in the State's Bond Bill. School districts or technical schools that wish to apply will complete an application via the Service Now platform at <https://delaware.service-now.com/ost>. Please type BAN or Bond in the search to access the BAN/Bond Application Request page.

Applications are processed on a first come-first served basis. However, BAN applications are prioritized over Bond applications.

5. WHAT SUPPORTING DOCUMENTS ARE REQUIRED TO SUBMIT THE BAN/BOND APPLICATION IN SERVICE NOW FOR PROCESSING?

The eleven required documents are listed below. For schools which aren't required to hold referenda, numbers 5 through 11 do not have to be completed.

1. Copy of the minutes, or relevant portions of the minutes, from the Board of Education meeting at which the Board authorized the issuance of the bond/note
2. Dated, fully executed copy of the proposed instrument
3. Copy of the Certificate of Necessity covering the project(s)
4. List reflecting the project(s) to be funded with the proceeds of the bond/note and the local share amount(s) for such project(s)

5. Copy of the minutes, or relevant portions of the minutes, from the Board of Education meeting at which the Board approved a resolution calling for a special election to authorize the sale of bonds to fund the project(s)
6. Notice of referendum
7. Documentation from the Department of Elections confirming that the notice (a) contained the information required by 14 Del. C. § 1074(b), and (b) was posted on the Department of Elections' website at least 21 days prior to the date of the referendum
8. Affidavit of publication showing that the notice was published in the manner prescribed by § 1074(b)
9. Copy of the ballot used in the special election
10. Copy of the election results issued by the Department of Election under 14 Del. C. § 1083(d)(2)
11. Affidavit of publication or other documentation establishing that, as required by 14 Del. C. § 2123(b), the Department of Elections publicly declared the election results within 10 days of the certification of the results of the referendum

6. DO I HAVE TO COMPLETE AN APPLICATION IF MY SCHOOL DISTRICT'S PROJECT IS 100% STATE FUNDED?

No. Funding is loaded by the Office of Management and Budget. Please contact your assigned OMB Budget Analyst for assistance.

7. IS A BAN/BOND APPLICATION REQUIRED TO RECEIVE FUNDING FOR THE SCHOOL DISTRICT'S PROJECT MARKET PRESSURE EXPENDITURES?

Yes. School districts will follow the existing process required to receive capital funding for capital improvement projects – please refer to Frequently Asked Question #2.

8. DOES MY SCHOOL DISTRICT HAVE TO APPLY FOR THE ENTIRE LOCAL SHARE AMOUNT AUTHORIZED IN THE BOND BILL?

Yes. A BAN or Bond application received for less than the State and local share amounts authorized in the bond bill will not be accepted.

9. WHAT IF MY SCHOOL DOESN'T HOLD REFERENDA FOR CAPITAL PROJECTS?

If a referendum is not required for you school district to raise monies for capital projects, please use the date 01/01/1900 for the referendum date.

10. IS THERE A DEADLINE TO SUBMIT MY BAN/BOND APPLICATION?

Yes. Applications must be received by December 1st unless otherwise specified by the Office of the State Treasurer.

11. HOW CAN I GET DEBT SERVICE REPORTS FOR MY SCHOOL DISTRICT OR ORGANIZATION?

A request can be submitted via Service Now to request reports from the OST at <http://de.gov/DebtMgmt>. Requests will be prioritized in the order received.

CUSTOMER SERVICE SURVEY

Customer service surveys help us make your experience better. Please complete our Customer Service Survey at <https://www.surveymonkey.com/r/9Q852Y8>.

We look forward to your feedback!