



# COMMONWEALTH of VIRGINIA

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Superintendent of Public Instruction

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December 21, 2023

The Honorable Glenn Youngkin  
Governor of Virginia  
P. O. Box 1475  
Richmond, Virginia 23218

The Honorable Barry Knight  
Chair, House Appropriations Committee  
1852 Mill Landing Road  
Virginia Beach, Virginia 23457

The Honorable Janet Howell  
Co-Chair, Senate Finance and  
Appropriations Committee  
P.O. Box 2608  
Reston, Virginia 20195

The Honorable George Barker  
Co-Chair, Senate Finance and  
Appropriations Committee  
P. O. Box 10527  
Alexandria, Virginia 22310

Dear Governor Youngkin, Delegate Knight, and Senators Barker and Howell:

Item 137, Paragraph C.11.b of the Chapter 1 budget contains the following reporting requirement:

*“The Department of Education, in cooperation with the Department of the Treasury, shall provide an update on Literary Fund loan issuance to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2023, and each year thereafter. This report shall include detail of: 1) loan applications received in the prior fiscal year by locality, project, and amount; 2) loans issued in the prior fiscal year by locality, project, and amount; 3) the schedule of loan interest rates and the basis for those rates; 4) loans issued for school consolidation projects and the projected impact of those school consolidations; and 5) the impact of loans issued to date on the Literary Fund cash balance, outstanding loan balance, and projected asset base.”*

This letter is intended to fulfill the above requirement.

The Chapter 1 budget provided \$200.0 million for Literary Fund construction loans in fiscal year 2023. The Department of Education conducted an application process from December 2022 through February 2023. Loan applications from nine school divisions for 19 school projects were received requesting a total of \$152.9 million in loans. An application submitted by Petersburg for a new combined elementary-middle school indicated the project would result in the consolidation of one existing school, but no additional details are available on this project. Petersburg has indicated the project is in the early design stages.

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The following table provides, for fiscal year 2023, the loan applications received by division, school site, project type, loan amount requested, eligible loan interest rate under Board of Education guidelines, and loans that were issued/released by the Board. The Board released three loans in fiscal year 2023 at the amounts requested in the applications. The other loans listed below will be released by the Board when they have met all requirements for release.

Division	School	Type of Project	Loan Amount Requested	Eligible Annual Interest Rate	Date Loan Released by BOE
Campbell Co.	Brookville High School	Addition/Renovations	\$25,000,000	2.00%	
Franklin City	Franklin High School	Roof replacement	\$ 1,000,000	2.00%	5/11/2023
Franklin City	S.P. Morton Elementary School	Roof replacement	\$ 1,000,000	2.00%	5/11/2023
Franklin County	Benjamin Franklin Middle School	Roof/HVAC replacement; electrical upgrades; renovations	\$25,000,000	3.00%	
Giles County	Macy McClaugherty Elem./Middle	Roof/HVAC replacement; electrical upgrades; renovations	\$ 7,850,000	2.00%	
Hampton City	Mary S. Peake Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	Albert W. Patrick III Elementary	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	Phillips Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	Barron Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	Francis Asbury Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	Aberdeen Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	Cpt. John Smith Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	Alfred S. Forrest Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	Kraft Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Hampton City	S.P. Langley Elementary School	Exterior/interior renovations; asbestos abatement	\$ 2,000,000	2.00%	
Petersburg City	NEW Combined Elem./Middle	New construction	\$25,000,000	2.00%	
Rockbridge Co.	Floyd S. Kay Technical Ed. Center	Renovations	\$ 9,000,000	3.24%	
Rockingham Co.	Broadway High School	Addition/Renovations	\$14,000,000	3.00%	4/20/2023
Suffolk City	John F. Kennedy Middle School	Replacement school	\$25,000,000	3.00%	

Through June 30, 2023, no cash draws had been made for project reimbursements on the three loans released in fiscal year 2023. However, the current Literary Fund forecast from the Department of the Treasury assumes these loans will be fully drawdown during fiscal year 2024 and has encumbered the full amount of the loans. These new loans increase the asset base of the Literary Fund by \$16 million, helping to maintain the asset base of the Literary Fund above the constitutionally required \$80 million minimum.

Sincerely,



Lisa Coons