

115TH CONGRESS
1ST SESSION

H. R. 2475

To provide for the long-term improvement of public school facilities, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2017

Mr. SCOTT of Virginia (for himself, Mr. DEFazio, Mr. PALLONE, Mr. NORCROSS, Mrs. DINGELL, Mr. KIHUEN, Ms. NORTON, Mr. SABLAN, Mr. ESPAILLAT, Ms. BONAMICI, Ms. ADAMS, Mr. RYAN of Ohio, Mr. GALLEG0, Mr. NADLER, Ms. JACKSON LEE, Mr. EVANS, Ms. VELÁZQUEZ, Ms. WILSON of Florida, Ms. SEWELL of Alabama, Ms. CLARKE of New York, Mr. TED LIEU of California, Mr. PAYNE, Ms. KAPTUR, Mrs. DEMINGS, Mr. VELA, Ms. FUDGE, Mr. RUSH, Ms. BLUNT ROCHESTER, Mr. RICHMOND, Mr. JOHNSON of Georgia, Mr. POCAN, Mr. CONYERS, Mr. ENGEL, Ms. ROYBAL-ALLARD, Mr. CLEAVER, Mr. KHANNA, Mr. COHEN, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. JEFFRIES, Mr. BRADY of Pennsylvania, Mr. CLAY, Mr. TAKANO, Mr. VARGAS, Mr. BLUMENAUER, Mr. McEACHIN, Mrs. TORRES, Mr. NOLAN, Mr. DESAULNIER, Mr. LOEBSACK, Ms. MOORE, Ms. HANABUSA, Mr. SERRANO, Mr. BEN RAY LUJÁN of New Mexico, Mr. GENE GREEN of Texas, Ms. DELAURO, Ms. CASTOR of Florida, Ms. SCHAKOWSKY, Mr. MCGOVERN, and Mr. CARTWRIGHT) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on Ways and Means, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the long-term improvement of public school
facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rebuild America’s
5 Schools Act of 2017”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) APPROPRIATE CONGRESSIONAL COMMIT-
9 TEES.—The term “appropriate congressional com-
10 mittees” means the Committee on Education and
11 the Workforce of the House of Representatives and
12 the Committee on Health, Education, Labor and
13 Pensions of the Senate

14 (2) BUREAU-FUNDED SCHOOL.—The term “Bu-
15 reau-funded school” has the meaning given to the
16 term in section 1141 of the Education Amendments
17 of 1978 (25 U.S.C. 2021).

18 (3) COVERED FUNDS.—The term “covered
19 funds” means funds received—

20 (A) under title I of this Act; or

21 (B) from a school infrastructure bond.

22 (4) ESEA TERMS.—The terms “elementary
23 school”, “local educational agency”, “outlying area”,
24 and “secondary school” have the meanings given to

1 the terms in section 8101 of the Elementary and
2 Secondary Education Act 1965 (20 U.S.C. 7801).

3 (5) PUBLIC SCHOOL FACILITIES.—The term
4 “public school facilities” means the facilities of a
5 public elementary school or a public secondary
6 school.

7 (6) QUALIFIED LOCAL EDUCATIONAL AGEN-
8 CY.—The term “qualified local educational agency”
9 means a local educational agency that receives funds
10 under part A of title I of the Elementary and Sec-
11 ondary Education Act of 1965 (20 U.S.C. 6311 et
12 seq.).

13 (7) SCHOOL INFRASTRUCTURE BOND.—The
14 term “school infrastructure bond” means a bond
15 designated by the issuer as a school infrastructure
16 bond under section 54BB of the Internal Revenue
17 Code of 1986 (as added by section 201).

18 (8) SECRETARY.—The term “Secretary” means
19 the Secretary of Education.

20 (9) STATE.—The term “State” means each of
21 the 50 States and the District of Columbia.

1 **TITLE I—GRANTS FOR THE**
2 **LONG-TERM IMPROVEMENT**
3 **OF PUBLIC SCHOOL FACILI-**
4 **TIES**

5 **SEC. 101. PURPOSE AND RESERVATION.**

6 (a) PURPOSE.—Funds made available under this title
7 shall be for the purpose of supporting long-term improve-
8 ments to public school facilities in accordance with this
9 Act.

10 (b) RESERVATION FOR OUTLYING AREAS, PUERTO
11 RICO, AND BUREAU-FUNDED SCHOOLS.—

12 (1) IN GENERAL.—For each of fiscal years
13 2018 through 2020, the Secretary shall reserve,
14 from the amount appropriated to carry out this
15 title—

16 (A) one-half of 1 percent, to provide assist-
17 ance to the outlying areas;

18 (B) one-half of 1 percent, to provide assist-
19 ance to the Commonwealth of Puerto Rico; and

20 (C) one-half of 1 percent, for payments to
21 the Secretary of the Interior to provide assist-
22 ance to Bureau-funded schools.

23 (2) USE OF RESERVED FUNDS.—Sections 301
24 through 304 shall apply to the use of funds reserved
25 under paragraph (1).

1 **SEC. 102. ALLOCATION TO STATES.**

2 (a) ALLOCATION TO STATES.—

3 (1) STATE-BY-STATE ALLOCATION.—Of the
4 amount appropriated to carry out this title for each
5 fiscal year and not reserved under section 101(b),
6 each State that has a plan approved by the Sec-
7 retary under subsection (b) shall be allocated an
8 amount in proportion to the amount received by all
9 local educational agencies in the State under part A
10 of title I of the Elementary and Secondary Edu-
11 cation Act of 1965 (20 U.S.C. 6311 et seq.) for the
12 previous fiscal year relative to the total such amount
13 received by all local educational agencies in every
14 State that has a plan approved by the Secretary
15 under subsection (b).

16 (2) STATE RESERVATION.—A State may reserve
17 not more than 1 percent of its allocation under para-
18 graph (1) to carry out its responsibilities under this
19 Act, which shall include—

20 (A) providing technical assistance to local
21 educational agencies, including by—

22 (i) identifying which State agencies
23 have programs, resources, and expertise
24 relevant to the activities supported by the
25 allocation under this section; and

1 (ii) coordinating the provision of tech-
2 nical assistance across such agencies;

3 (B) in accordance with the guidance issued
4 by the Secretary under section 307, developing
5 an online, publicly searchable database that
6 contains an inventory of all public school facili-
7 ties infrastructure in the State (including the
8 facilities of Bureau-funded schools, as appro-
9 priate), including, with respect to each such fa-
10 cility, an identification of—

11 (i) the information described in
12 clauses (i) through (vi) of subparagraph
13 (F);

14 (ii) the age (including an identifica-
15 tion of the date of any retrofits or recent
16 renovations) of—

17 (I) the facility;

18 (II) its roof;

19 (III) its lighting system;

20 (IV) its windows;

21 (V) its ceilings;

22 (VI) its plumbing; and

23 (VII) its heating, ventilation, and
24 air conditioning system;

25 (iii) fire safety inspection results; and

1 (iv) the proximity of the facilities to
2 toxic sites or the vulnerability of the facili-
3 ties to natural disasters, including the ex-
4 tent to which facilities that are vulnerable
5 to natural disasters are seismically retro-
6 fitted;

7 (C) updating the database developed under
8 subparagraph (B) not less frequently than once
9 every 2 years;

10 (D) ensuring that the information in the
11 database developed under subparagraph (B)—

12 (i) is posted on a publicly accessible
13 website of the State; and

14 (ii) is regularly distributed to local
15 educational agencies and Tribal govern-
16 ments in the State;

17 (E) issuing or reviewing regulations to en-
18 sure the health and safety of students and staff
19 during construction or renovation projects; and

20 (F) issuing or reviewing regulations to en-
21 sure safe, healthy, and high-performing school
22 buildings, including regulations governing—

23 (i) indoor air quality and ventilation,
24 including exposure to carbon monoxide and
25 carbon dioxide;

1 (ii) mold, mildew, and moisture con-
2 trol;

3 (iii) the safety of drinking water at
4 the tap and water used for meal prepara-
5 tion, including regulations that—

6 (I) address presence of lead and
7 other contaminants in such water; and

8 (II) require the regular testing of
9 the potability of water at the tap;

10 (iv) energy and water efficiency;

11 (v) excessive classroom noise; and

12 (vi) the levels of maintenance work,
13 operational spending, and capital invest-
14 ment needed to maintain the quality of
15 public school facilities; and

16 (G) creating a plan to reduce or eliminate
17 exposure to toxins and chemicals, including
18 mercury, radon, PCBs, lead, vapor intrusions,
19 and asbestos.

20 (b) STATE PLAN.—

21 (1) IN GENERAL.—To be eligible to receive an
22 allocation under this section, a State shall submit to
23 the Secretary a plan that—

1 (A) describes how the State will use the al-
2 location to make long-term improvements to
3 public school facilities;

4 (B) explains how the State will carry out
5 each of its responsibilities under subsection
6 (a)(2);

7 (C) explains how the State will make the
8 determinations under subsections (b) and (c) of
9 section 103;

10 (D) identifies how long, and at what levels,
11 the State will maintain fiscal effort for the ac-
12 tivities supported by the allocation after the
13 State no longer receives the allocation; and

14 (E) includes such other information as the
15 Secretary may require.

16 (2) APPROVAL AND DISAPPROVAL.—The Sec-
17 retary shall have the authority to approve or dis-
18 approve a State plan submitted under paragraph
19 (1).

20 (c) CONDITIONS.—As a condition of receiving an allo-
21 cation under this section, a State shall agree to the fol-
22 lowing:

23 (1) MATCHING REQUIREMENT.—The State shall
24 contribute, from non-Federal sources, an amount
25 equal to 10 percent of the amount of the allocation

1 received under this section to carry out the activities
2 supported by the allocation.

3 (2) MAINTENANCE OF EFFORT.—The State
4 shall provide an assurance to the Secretary that the
5 combined fiscal effort per student or the aggregate
6 expenditures of the State with respect to the activi-
7 ties supported by the allocation under this section
8 for fiscal years beginning with the fiscal year for
9 which the allocation is received will be not less than
10 90 percent of the combined fiscal effort or aggregate
11 expenditures by the State for such purposes for the
12 year preceding the fiscal year for which the alloca-
13 tion is received.

14 (3) SUPPLEMENT NOT SUPPLANT.—The State
15 shall use an allocation under this section only to
16 supplement the level of Federal, State, and local
17 public funds that would, in absence of such alloca-
18 tion, be made available for the activities supported
19 by the allocation, and not to supplant such funds.

20 **SEC. 103. NEED-BASED GRANTS TO QUALIFIED LOCAL EDU-**
21 **CATIONAL AGENCIES.**

22 (a) GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

23 (1) IN GENERAL.—Subject to paragraph (2),
24 from the amounts allocated to a State under section
25 102(a) and contributed by the State under section

1 102(c)(1), the State shall award grants to qualified
2 local educational agencies, on a competitive basis, to
3 carry out the activities described in section 301(a).

4 (2) ALLOWANCE FOR DIGITAL LEARNING.—A
5 State may use up to 10 percent of the amount de-
6 scribed in paragraph (1) to make grants to qualified
7 local educational agencies carry out activities to im-
8 prove digital learning in accordance with section
9 301(b).

10 (b) ELIGIBILITY.—To be eligible to receive a grant
11 under this section a qualified local educational agency—

12 (1) shall be among the local educational agen-
13 cies in the State—

14 (A) with the greatest need to improve pub-
15 lic school facilities, as determined by the State,
16 which may include consideration of threats
17 posed by the proximity of the facilities to toxic
18 sites or the vulnerability of the facilities to nat-
19 ural disasters;

20 (B) with the highest numbers or percent-
21 ages of students counted under section 1124(c)
22 of the Elementary and Secondary Education
23 Act of 1965 (20 U.S.C. 6333(c)); and

24 (C) with the most limited capacity to raise
25 funds for the long-term improvement of public

1 school facilities, as determined by an assess-
2 ment of—

3 (i) the current and historic ability of
4 the agency to raise funds for construction,
5 renovation, modernization, and major re-
6 pair projects for schools;

7 (ii) whether the agency has been able
8 to issue bonds or receive other funds to
9 support construction projects, including—

10 (I) qualified school construction
11 bonds under section 54F of the Inter-
12 nal Revenue Code of 1986;

13 (II) qualified zone academy
14 bonds under section 1397E of the In-
15 ternal Revenue Code of 1986;

16 (III) school infrastructure bonds
17 under section 54BB of the Internal
18 Revenue Code of 1986 (as added by
19 section 201); and

20 (IV) funds made available under
21 7007 of the Elementary and Sec-
22 ondary Education Act of 1965 (20
23 U.S.C. 7707); and

24 (iii) the bond rating of the agency;

25 and

1 (2) shall agree to prioritize the improvement of
2 the facilities of public schools that serve the highest
3 percentages of students who are eligible for a free or
4 reduced price lunch under the Richard B. Russell
5 National School Lunch Act (42 U.S.C. 1751 et seq.)
6 (which, in the case of a high school, may be cal-
7 culated using comparable data from the schools that
8 feed into the high school), as compared to other pub-
9 lic schools in the jurisdiction of the agency.

10 (c) PRIORITY OF GRANTS.—In awarding grants
11 under this section, the State shall give priority to local
12 educational agencies that—

13 (1) demonstrate the greatest need for such a
14 grant, as determined by a comparison of the factors
15 described in subsection (b);

16 (2) will use the grant to improve the facilities
17 of—

18 (A) elementary schools or middle schools
19 that have an enrollment of students who are eli-
20 gible for a free or reduced price lunch under the
21 Richard B. Russell National School Lunch Act
22 (42 U.S.C. 1751 et seq.) that constitutes not
23 less than 40 percent of the total student enroll-
24 ment at such schools; or

1 (B) high schools that have an enrollment
2 of students who are eligible for a free or re-
3 duced price lunch under such Act that con-
4 stitutes not less than 30 percent of the total
5 student enrollment at such schools (which may
6 be calculated using comparable data from the
7 schools that feed into the high school);

8 (3) operate public school facilities that pose a
9 severe health and safety threat to students and staff,
10 which may include a threat posed by the proximity
11 of the facilities to toxic sites or the vulnerability of
12 the facilities to natural disasters; and

13 (4) serve elementary schools or secondary
14 schools that lack access to high-speed broadband
15 sufficient to support digital learning (only in the
16 case of an agency that will use the grant improve
17 such access in accordance with section 301(b)).

18 (d) APPLICATION.—To be considered for a grant
19 under this section, a qualified local educational agency
20 shall submit an application to the State at such time, in
21 such manner, and containing such information as the
22 State may require. Such application shall include, at min-
23 imum—

1 (1) the information necessary for the State to
2 make the determinations under subsections (b) and
3 (c);

4 (2) a description of the projects that the agency
5 plans to carry out with the grant; and

6 (3) an explanation of how such projects will re-
7 duce risks to the health and safety of staff and stu-
8 dents at schools served by the agency.

9 (e) FACILITIES MASTER PLAN.—

10 (1) PLAN REQUIRED.—Not later than 180 days
11 after receiving a grant under this section, a qualified
12 local educational agency shall submit to the State a
13 comprehensive 10-year facilities master plan.

14 (2) ELEMENTS.—The facilities master plan re-
15 quired under paragraph (1) shall include, with re-
16 spect to all public school facilities of the agency, a
17 description of—

18 (A) the extent to which public school facili-
19 ties meet students' educational needs and sup-
20 port the agency's educational mission and vi-
21 sion;

22 (B) the physical condition of the public
23 school facilities;

1 (C) the current health, safety, and environ-
2 mental conditions of the public school facilities,
3 including—

4 (i) indoor air quality;

5 (ii) the presence of hazardous and
6 toxic substances and chemicals;

7 (iii) the safety of drinking water at
8 the tap and water used for meal prepara-
9 tion, including the level of lead and other
10 contaminants in such water;

11 (iv) energy and water efficiency;

12 (v) excessive classroom noise; and

13 (vi) other health, safety, and environ-
14 mental conditions that would impact the
15 health, safety, and learning ability of stu-
16 dents;

17 (D) how the local educational agency will
18 address any conditions identified under sub-
19 paragraph (C);

20 (E) the impact of current and future stu-
21 dent enrollment levels on the design of current
22 and future public school facilities, as well as the
23 financial implications of such enrollment levels;
24 and

1 (F) the dollar amount and percentage of
2 funds the local educational agency will dedicate
3 to capital construction projects as well as main-
4 tenance and operations related to maintaining
5 public school facilities.

6 (3) CONSULTATION.—In developing the facili-
7 ties master plan required under paragraph (1), the
8 qualified local educational agency shall consult with
9 teachers, principals and other school leaders, custo-
10 dial and maintenance staff, emergency first respond-
11 ers, school facilities directors, students and families,
12 community residents, and Indian Tribes and Tribal
13 organizations (as applicable).

14 (f) SUPPLEMENT NOT SUPPLANT.—A qualified local
15 educational agency shall use an allocation received under
16 this section only to supplement the level of Federal, State,
17 and local public funds that would, in the absence of such
18 allocation, be made available for the activities supported
19 by the allocation, and not to supplant such funds.

20 **SEC. 104. ANNUAL REPORT ON GRANT PROGRAM.**

21 (a) IN GENERAL.—Not later than September 30 of
22 each fiscal year beginning after the date of the enactment
23 of this Act, the Secretary shall submit to the appropriate
24 congressional committees a report on the projects carried
25 out with funds made available under this title.

1 (b) ELEMENTS.—The report under paragraph (1)
2 shall include, with respect to the fiscal year preceding the
3 year in which the report is submitted, the following:

4 (1) An identification of each local educational
5 agency that received a grant under this title.

6 (2) With respect to each such agency, a descrip-
7 tion of—

8 (A) the demographic composition of the
9 student population served by the agency,
10 disaggregated by—

11 (i) race;

12 (ii) the number and percentage of stu-
13 dents counted under section 1124(c) of the
14 Elementary and Secondary Education Act
15 of 1965 (20 U.S.C. 6333(c)); and

16 (iii) the number and percentage of
17 students who are eligible for a free or re-
18 duced price lunch under the Richard B.
19 Russell National School Lunch Act (42
20 U.S.C. 1751 et seq.);

21 (B) the population density of the geo-
22 graphic area served by the agency;

23 (C) the projects for which the agency used
24 the grant received under this title;

1 (D) the demonstrable or expected benefits
2 of the projects; and

3 (E) the estimated number of jobs created
4 by the projects.

5 (3) The total dollar amount of all grants re-
6 ceived by local educational agencies under this title.

7 (c) LEA INFORMATION COLLECTION.—A local edu-
8 cational agency that receives a grant under this title
9 shall—

10 (1) annually compile the information described
11 in subsection (b)(2);

12 (2) make the information available to the pub-
13 lic, including by posting the information on a pub-
14 licly accessible website of the Agency; and

15 (3) submit the information to the State.

16 (d) STATE INFORMATION DISTRIBUTION.—A State
17 that receives information from a local educational agency
18 under subsection (c) shall—

19 (1) compile the information and report it annu-
20 ally to the Secretary at such time and in such man-
21 ner as the Secretary may require;

22 (2) make the information available to the pub-
23 lic, including by posting the information on a pub-
24 licly accessible website of the State; and

1 (3) regularly distribute the information to local
2 educational agencies and Tribal governments in the
3 State.

4 **SEC. 105. AUTHORIZATION OF APPROPRIATIONS.**

5 There are authorized to be appropriated
6 \$7,000,000,000 for each of fiscal years 2018 through
7 2027 to carry out this title.

8 **TITLE II—SCHOOL**
9 **INFRASTRUCTURE BONDS**

10 **SEC. 201. SCHOOL INFRASTRUCTURE BONDS.**

11 (a) IN GENERAL.—The Internal Revenue Code of
12 1986 is amended by adding after section 54AA the fol-
13 lowing new section:

14 **“SEC. 54BB. SCHOOL INFRASTRUCTURE BONDS.**

15 “(a) IN GENERAL.—If a taxpayer holds a school in-
16 frastructure bond on one or more interest payment dates
17 of the bond during any taxable year, there shall be allowed
18 as a credit against the tax imposed by this chapter for
19 the taxable year an amount equal to the sum of the credits
20 determined under subsection (b) with respect to such
21 dates.

22 “(b) AMOUNT OF CREDIT.—The amount of the credit
23 determined under this subsection with respect to any in-
24 terest payment date for a school infrastructure bond is

1 100 percent of the amount of interest payable by the
2 issuer with respect to such date.

3 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

4 “(1) IN GENERAL.—The credit allowed under
5 subsection (a) for any taxable year shall not exceed
6 the excess of—

7 “(A) the sum of the regular tax liability
8 (as defined in section 26(b)) plus the tax im-
9 posed by section 55, over

10 “(B) the sum of the credits allowable
11 under this part (other than subpart C and this
12 subpart).

13 “(2) CARRYOVER OF UNUSED CREDIT.—If the
14 credit allowable under subsection (a) exceeds the
15 limitation imposed by paragraph (1) for such taxable
16 year, such excess shall be carried to the succeeding
17 taxable year and added to the credit allowable under
18 subsection (a) for such taxable year (determined be-
19 fore the application of paragraph (1) for such suc-
20 ceeding taxable year).

21 “(d) SCHOOL INFRASTRUCTURE BOND.—

22 “(1) IN GENERAL.—For purposes of this sec-
23 tion, the term ‘school infrastructure bond’ means
24 any bond issued as part of an issue if—

1 “(A) 100 percent of the available project
2 proceeds of such issue are to be used for the
3 purposes described in section 301 of the Re-
4 build America’s Schools Act of 2017,

5 “(B) the interest on such obligation would
6 (but for this section) be excludable from gross
7 income under section 103,

8 “(C) the issue meets the requirements of
9 paragraph (3), and

10 “(D) the issuer designates such bond for
11 purposes of this section.

12 “(2) APPLICABLE RULES.—For purposes of ap-
13 plying paragraph (1)—

14 “(A) for purposes of section 149(b), a
15 school infrastructure bond shall not be treated
16 as federally guaranteed by reason of the credit
17 allowed under subsection (a) or section 6431,

18 “(B) for purposes of section 148, the yield
19 on a school infrastructure bond shall be deter-
20 mined without regard to the credit allowed
21 under subsection (a), and

22 “(C) a bond shall not be treated as a
23 school infrastructure bond if the issue price has
24 more than a de minimis amount (determined
25 under rules similar to the rules of section

1 1273(a)(3)) of premium over the stated prin-
2 cipal amount of the bond.

3 “(3) 6-YEAR EXPENDITURE PERIOD.—

4 “(A) IN GENERAL.—An issue shall be
5 treated as meeting the requirements of this
6 paragraph if, as of the date of issuance, the
7 issuer reasonably expects 100 percent of the
8 available project proceeds to be spent for pur-
9 poses described in section 301 of the Rebuild
10 America’s Schools Act of 2017 within the 6-
11 year period beginning on such date of issuance.

12 “(B) FAILURE TO SPEND REQUIRED
13 AMOUNT OF BOND PROCEEDS WITHIN 6
14 YEARS.—To the extent that less than 100 per-
15 cent of the available project proceeds of the
16 issue are expended at the close of the period de-
17 scribed in subparagraph (A) with respect to
18 such issue, the issuer shall redeem all of the
19 nonqualified bonds within 90 days after the end
20 of such period. For purposes of this paragraph,
21 the amount of the nonqualified bonds required
22 to be redeemed shall be determined in the same
23 manner as under section 142.

24 “(e) LIMITATION ON AMOUNT OF BONDS DES-
25 IGNATED.—The maximum aggregate face amount of

1 bonds issued during any calendar year which may be des-
2 ignated under subsection (d) by any issuer shall not exceed
3 the limitation amount allocated under subsection (g) for
4 such calendar year to such issuer.

5 “(f) NATIONAL LIMITATION ON AMOUNT OF BONDS
6 DESIGNATED.—The national qualified school infrastruc-
7 ture bond limitation for each calendar year is—

8 “(1) \$10,000,000,000 for 2018,

9 “(2) \$10,000,000,000 for 2019, and

10 “(3) \$10,000,000,000 for 2020.

11 “(g) ALLOCATION OF LIMITATION.—

12 “(1) ALLOCATION AMONG STATES.—

13 “(A) Except as provided in paragraph (2),
14 the limitation applicable under subsection (f)
15 for any calendar year shall be allocated by the
16 Secretary among the States in proportion to the
17 respective amounts received by all local edu-
18 cational agencies in each State under part A of
19 title I of the Elementary and Secondary Edu-
20 cation Act of 1965 (20 U.S.C. 6311 et seq.) for
21 the previous fiscal year relative to the total such
22 amount received by all local educational agen-
23 cies in for the most recent fiscal year ending
24 before such calendar year.

1 “(B) Subject to subparagraph (C), the lim-
2 itation amount allocated to a State under sub-
3 paragraph (A) shall be allocated by the State
4 educational agency (or such other agency as is
5 authorized under State law to make such alloca-
6 tion) to issuers within such State in accordance
7 with the priorities described in section 103(c)
8 the of the Rebuild America’s Schools Act of
9 2017 (as in effect on the date of the enactment
10 of this section) and the eligibility requirements
11 described in section 103(b) of such Act, except
12 that paragraph (1)(C) of such section shall not
13 apply to the determination of eligibility for such
14 allocation.

15 “(C) Up to 10 percent of the limitation
16 amount allocated to a State under subpara-
17 graph (A) may be allocated by the State to
18 issuers within such State to carry out activities
19 to improve digital learning in accordance with
20 section 301(b) of the Rebuild America’s Schools
21 Act of 2017 (as in effect on the date of the en-
22 actment of this section).

23 “(2) ALLOCATIONS TO CERTAIN POSSES-
24 SIONS.—The amount to be allocated under para-
25 graph (1) to possessions of the United States other

1 than Puerto Rico for a calendar year shall be one-
2 half of 1 percent of national qualified school infra-
3 structure bond limitation for such year. In making
4 other allocations, the amount to be allocated under
5 paragraph (1) shall be reduced by the aggregate
6 amount allocated under this paragraph and para-
7 graph (3).

8 “(3) ALLOCATIONS FOR INDIAN SCHOOLS.—The
9 amount to be allocated under paragraph (1) to the
10 Secretary of the Interior for schools funded by the
11 Bureau of Indian Affairs for a calendar year shall
12 be one-half of 1 percent of national qualified school
13 infrastructure bond limitation for such year. Not-
14 withstanding any other provision of law, in the case
15 of amounts allocated under the preceding sentence,
16 Indian tribal governments (as defined in section
17 7701(a)(40)) shall be treated as qualified issuers for
18 purposes of this subchapter.

19 “(h) INTEREST PAYMENT DATE.—For purposes of
20 this section, the term ‘interest payment date’ means any
21 date on which the holder of record of the school infrastruc-
22 ture bond is entitled to a payment of interest under such
23 bond.

24 “(i) SPECIAL RULES.—

1 “(1) INTEREST ON SCHOOL INFRASTRUCTURE
2 BONDS INCLUDIBLE IN GROSS INCOME FOR FED-
3 ERAL INCOME TAX PURPOSES.—For purposes of this
4 title, interest on any school infrastructure bond shall
5 be includible in gross income.

6 “(2) APPLICATION OF CERTAIN RULES.—Rules
7 similar to the rules of subsections (f), (g), (h), and
8 (i) of section 54A shall apply for purposes of the
9 credit allowed under subsection (a).

10 “(3) APPLICATION OF CERTAIN LABOR STAND-
11 ARDS.—Notwithstanding any other provision of law,
12 a school infrastructure bond shall be treated as a
13 qualified school construction bond for purposes of
14 the application of section 1601 of the American Re-
15 covery and Reinvestment Act of 2009 (Public Law
16 111–5; 26 U.S.C. 54C note.).”.

17 (b) CLERICAL AMENDMENTS.—

18 (1) The table of subparts for part IV of sub-
19 chapter A of chapter 1 of such Code is amended by
20 amending the item related to subpart J to read as
21 follows:

 “SUBPART J—CERTAIN INFRASTRUCTURE BONDS”.

22 (2) The table of chapters for subpart J of part
23 IV of subchapter A of chapter 1 of such Code is

1 amended by adding at the end the following new
2 item:

“Sec. 54BB. School infrastructure bonds.”.

3 (c) TRANSITIONAL COORDINATION WITH STATE
4 LAW.—Except as otherwise provided by a State after the
5 date of the enactment of this Act, the interest on any
6 school infrastructure bond (as defined in section 54BB of
7 the Internal Revenue Code of 1986, as added by this sec-
8 tion) and the amount of any credit determined under such
9 section with respect to such bond shall be treated for pur-
10 poses of the income tax laws of such State as being exempt
11 from Federal income tax.

12 (d) CREDIT FOR QUALIFIED BONDS ALLOWED TO
13 ISSUER.—Paragraph (3) of section 6431(f) of such Code
14 is amended by inserting “any school infrastructure bond
15 (as defined in section 54BB) or” before “any qualified tax
16 credit bond”.

17 (e) SEQUESTRATION.—Subparagraph (A) of section
18 255(g)(1) of the Balanced Budget and Emergency Deficit
19 Control Act of 1985 is amended by adding before “Postal
20 Service Fund” the following: “Payments under section
21 54BB of the Internal Revenue Code of 1986.”

22 (f) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to obligations issued after Decem-
24 ber 31, 2017.

1 **SEC. 202. EXPANSION OF QUALIFIED ZONE ACADEMY**
2 **BONDS.**

3 (a) CONSTRUCTION OF A PUBLIC SCHOOL FACIL-
4 ITY.—Subparagraph (A) of section 54E(d)(3) of the Inter-
5 nal Revenue Code of 1986 is amended by striking “reha-
6 bilitating or repairing” and inserting “constructing, reha-
7 bilitating, retrofitting, or repairing”.

8 (b) REMOVAL OF PRIVATE BUSINESS CONTRIBUTION
9 REQUIREMENT.—Section 54E of the Internal Revenue
10 Code of 1986 is amended—

11 (1) in subsection (a)(3)—

12 (A) in subparagraph (A), by inserting
13 “and” at the end; and

14 (B) by striking subparagraph (B);

15 (2) by striking subsection (b); and

16 (3) in paragraph (1) of subsection (c)—

17 (A) by striking “and \$400,000,0000” and
18 inserting “\$400,000,000”; and

19 (B) by striking “and, except as provided”
20 and all that follows through the period at the
21 end and inserting “, and \$1,400,000,000 for
22 2018 and each year thereafter.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to obligations issued after Decem-
25 ber 31, 2017.

1 **SEC. 203. ANNUAL REPORT ON BOND PROGRAM.**

2 (a) IN GENERAL.—Not later than September 30 of
3 each fiscal year beginning after the date of the enactment
4 of this Act, the Secretary shall submit to the appropriate
5 congressional committees a report on the school infra-
6 structure bond program.

7 (b) ELEMENTS.—The report under paragraph (1)
8 shall include, with respect to the fiscal year preceding the
9 year in which the report is submitted, the following:

10 (1) An identification of—

11 (A) each local educational agency that re-
12 ceived funds from a school infrastructure bond;
13 and

14 (B) each local educational agency that was
15 eligible to receive such funds—

16 (i) but did not receive such funds; or
17 (ii) received less than the maximum
18 amount of funds for which the agency was
19 eligible.

20 (2) With respect to each local educational agen-
21 cy described in paragraph (1)—

22 (A) an assessment of the capacity of the
23 agency to raise funds for the long-term im-
24 provement of public school facilities, as deter-
25 mined by an assessment of—

1 (i) the current and historic ability of
2 the agency to raise funds for construction,
3 renovation, modernization, and major re-
4 pair projects for schools, including the abil-
5 ity of the agency to raise funds through
6 imposition of property taxes;

7 (ii) whether the agency has been able
8 to issue bonds to fund construction
9 projects, including such bonds as—

10 (I) qualified school construction
11 bonds under section 54F of the Inter-
12 nal Revenue Code of 1986;

13 (II) qualified zone academy
14 bonds under section 1397E of the In-
15 ternal Revenue Code of 1986; and

16 (III) school infrastructure bonds;

17 and

18 (iii) the bond rating of the agency;

19 (B) the demographic composition of the
20 student population served by the agency,
21 disaggregated by—

22 (i) race;

23 (ii) the number and percentage of stu-
24 dents counted under section 1124(c) of the

1 Elementary and Secondary Education Act
2 of 1965 (20 U.S.C. 6333(c)); and

3 (iii) the number and percentage of
4 students who are eligible for a free or re-
5 duced price lunch under the Richard B.
6 Russell National School Lunch Act (42
7 U.S.C. 1751 et seq.);

8 (C) the population density of the geo-
9 graphic area served by the agency;

10 (D) a description of the projects carried
11 out with funds received from school infrastruc-
12 ture bonds;

13 (E) a description of the demonstrable or
14 expected benefits of the projects; and

15 (F) the estimated number of jobs created
16 by the projects.

17 (3) The total dollar amount of all funds re-
18 ceived by local educational agencies from school in-
19 frastructure bonds.

20 (4) Any other factors that the Secretary deter-
21 mines to be appropriate.

22 (c) INFORMATION COLLECTION.—A State or local
23 educational agency that receives funds from a school infra-
24 structure bond shall—

1 (1) annually compile the information necessary
2 for the Secretary to determine the elements de-
3 scribed in subsection (b); and

4 (2) report the information to the Secretary at
5 such time and in such manner as the Secretary may
6 require.

7 **TITLE III—GENERAL** 8 **PROVISIONS**

9 **SEC. 301. ALLOWABLE USES OF FUNDS.**

10 (a) IN GENERAL.—Except as provided in section 302,
11 a local educational agency that receives covered funds may
12 use such funds to—

13 (1) develop the facilities master plan required
14 under section 103(e);

15 (2) construct, modernize, renovate, or retrofit
16 public school facilities, which may include seismic
17 retrofitting for schools vulnerable to natural disas-
18 ters;

19 (3) carry out major repairs of public school fa-
20 cilities;

21 (4) install furniture or fixtures with at least a
22 10-year life in public school facilities;

23 (5) construct new public school facilities;

24 (6) acquire and prepare sites on which new
25 public school facilities will be constructed;

1 (7) extend the life of basic systems and compo-
2 nents of public school facilities;

3 (8) reduce current or anticipated overcrowding
4 in public school facilities;

5 (9) ensure the building envelopes of public
6 school facilities are structurally sound, secure, and
7 protects occupants and interiors from the elements;

8 (10) improve energy and water efficiency to
9 lower the costs of energy and water consumption in
10 public school facilities;

11 (11) improve indoor air quality in public school
12 facilities;

13 (12) reduce or eliminate the presence of—

14 (A) toxins and chemicals, including mer-
15 cury, radon, PCBs, lead, and asbestos;

16 (B) mold and mildew; or

17 (C) rodents and pests;

18 (13) ensure the safety of drinking water at the
19 tap and water used for meal preparation in public
20 school facilities, which may include testing of the po-
21 tability of water at the tap for the presence of lead
22 and other contaminants;

23 (14) bring public school facilities into compli-
24 ance with applicable fire, health, and safety codes;

1 (15) make public school facilities accessible to
2 people with disabilities through compliance with the
3 Americans with Disabilities Act of 1990 (42 U.S.C.
4 12101 et seq.) and section 504 of the Rehabilitation
5 Act of 1973 (29 U.S.C. 794);

6 (16) provide instructional program space im-
7 provements for programs relating to early learning
8 (including early learning programs operated by part-
9 ners of the agency), special education, science, tech-
10 nology, career and technical education, physical edu-
11 cation, or the arts;

12 (17) increase the use of public school facilities
13 for the purpose of community-based partnerships
14 that provide students with academic, health, and so-
15 cial services;

16 (18) ensure the health of students and staff
17 during the construction or modernization of public
18 school facilities; or

19 (19) reduce or eliminate excessive classroom
20 noise.

21 (b) ALLOWANCE FOR DIGITAL LEARNING.—A local
22 educational agency may use funds received under section
23 103(a)(2) or proceeds from a school infrastructure bond
24 limitation allocated under section 54BB(g)(1)(C) of the
25 Internal Revenue Code of 1986 (as added by section 201)

1 to leverage existing public programs or public-private part-
2 nerships to expand access to high-speed broadband suffi-
3 cient for digital learning.

4 **SEC. 302. PROHIBITED USES.**

5 A local educational agency that receives covered
6 funds may not use such funds for—

7 (1) payment of routine and predictable mainte-
8 nance costs and minor repairs;

9 (2) any facility that is primarily used for ath-
10 letic contests or exhibitions or other events for which
11 admission is charged to the general public;

12 (3) vehicles;

13 (4) central offices, operation centers, or other
14 facilities that are not primarily used to educate stu-
15 dents; or

16 (5) digital infrastructure or handheld digital de-
17 vices.

18 **SEC. 303. GREEN PRACTICES.**

19 (a) IN GENERAL.—In a given fiscal year, a local edu-
20 cational agency that uses covered funds for a new con-
21 struction project or renovation project shall use not less
22 than the applicable percentage (as described in subsection
23 (b)) of the funds used for such project for construction
24 or renovation that is certified, verified, or consistent with
25 any applicable provisions of—

1 (1) the United States Green Building Council
2 Leadership in Energy and Environmental Design
3 green building rating standard (commonly known as
4 the “LEED Green Building Rating System”);

5 (2) the Living Building Challenge developed by
6 the International Living Future Institute;

7 (3) a green building rating program developed
8 by the Collaborative for High-Performance Schools
9 (commonly known as “CHPS”) that is CHPS-
10 verified;

11 (4) a program that—

12 (A) has standards that are equivalent to or
13 more stringent than the standards of a program
14 described in paragraphs (1) through (3);

15 (B) is adopted by the State or another ju-
16 risdiction with authority over the agency; and

17 (C) includes a verifiable method to dem-
18 onstrate compliance with such program.

19 (b) APPLICABLE PERCENTAGE.—The applicable per-
20 centage described in this subsection is—

21 (1) for fiscal year 2018, 60 percent;

22 (2) for fiscal year 2019, 70 percent;

23 (3) for fiscal year 2020; 80 percent;

24 (4) for fiscal year 2021, 90 percent; and

1 (5) for each of fiscal years 2022 through 2027,
 2 100 percent.

3 **SEC. 304. USE OF AMERICAN IRON, STEEL, AND MANUFAC-**
 4 **TURED PRODUCTS.**

5 (a) IN GENERAL.—A local educational agency that
 6 receives covered funds shall ensure that any iron, steel,
 7 and manufactured products used in projects carried out
 8 with such funds are produced in the United States.

9 (b) WAIVER AUTHORITY.—

10 (1) IN GENERAL.—The Secretary may waive
 11 the requirement of subsection (a) if the Secretary
 12 determines that—

13 (A) applying subsection (a) would be in-
 14 consistent with the public interest;

15 (B) iron, steel, and manufactured products
 16 produced in the United States are not produced
 17 in a sufficient and reasonably available amount
 18 or are not of a satisfactory quality; or

19 (C) using iron, steel, and manufactured
 20 products produced in the United States will in-
 21 crease the cost of the overall project by more
 22 than 25 percent.

23 (2) PUBLICATION.—Before issuing a waiver
 24 under paragraph (1), the Secretary shall publish in

1 the Federal Register a detailed written explanation
2 of the waiver determination.

3 (c) CONSISTENCY WITH INTERNATIONAL AGREE-
4 MENTS.—This section shall be applied in a manner con-
5 sistent with the obligations of the United States under
6 international agreements.

7 (d) DEFINITIONS.—In this section:

8 (1) PRODUCED IN THE UNITED STATES.—The
9 term “produced in the United States” means the fol-
10 lowing:

11 (A) When used with respect to a manufac-
12 tured product, the product was manufactured in
13 the United States and the cost of the compo-
14 nents of such product that were mined, pro-
15 duced, or manufactured in the United States
16 exceeds 60 percent of the total cost of all com-
17 ponents of the product.

18 (B) When used with respect to iron or
19 steel products, or an individual component of a
20 manufactured product, all manufacturing proc-
21 esses for such iron or steel products or compo-
22 nents, from the initial melting stage through
23 the application of coatings, occurred in the
24 United States. Except that the term does not
25 include—

- 1 (i) steel or iron material or products
 2 manufactured abroad from semi-finished
 3 steel or iron from the United States; and
 4 (ii) or iron material or products man-
 5 ufactured in the United States from semi-
 6 finished steel or iron of foreign origin.

7 (2) MANUFACTURED PRODUCT.—The term
 8 “manufactured product” means any construction
 9 material or end product (as such terms are defined
 10 in part 25.003 of the Federal Acquisition Regula-
 11 tion) that is not an iron or steel product, includ-
 12 ing—

13 (A) electrical components; and

14 (B) non-ferrous building materials, includ-
 15 ing, aluminum and polyvinylchloride (PVC),
 16 glass, fiber optics, plastic, wood, masonry, rub-
 17 ber, manufactured stone, any other non-ferrous
 18 metals, and any unmanufactured construction
 19 material.

20 **SEC. 305. COMPTROLLER GENERAL REPORT.**

21 (a) IN GENERAL.—Not later than the date that is
 22 2 years after the date of the enactment of this Act, the
 23 Comptroller General of the United States shall submit to
 24 the appropriate congressional committees a report on the
 25 projects carried out with covered funds.

1 (b) ELEMENTS.—The report under subsection (a)
2 shall include an assessment of—

3 (1) the types of projects carried out with cov-
4 ered funds;

5 (2) the geographic distribution of the projects;

6 (3) an assessment of the impact of the projects
7 on the health and safety of school staff and stu-
8 dents; and

9 (4) how the Secretary or States could make
10 covered funds more accessible—

11 (A) to schools with highest numbers and
12 percentages of students counted under section
13 1124(c) of the Elementary and Secondary Edu-
14 cation Act of 1965 (20 U.S.C. 6333(c)); and

15 (B) to schools with fiscal challenges in
16 raising capital for school infrastructure
17 projects.

18 (c) UPDATES.—The Comptroller General shall up-
19 date and resubmit the report to the appropriate congres-
20 sional committees—

21 (1) on a date that is between 5 and 6 years
22 after the date of enactment of this Act; and

23 (2) on a date that is between 10 and 11 years
24 after such date of enactment.

1 **SEC. 306. STUDY AND REPORT PHYSICAL CONDITION OF**
2 **PUBLIC SCHOOLS.**

3 (a) STUDY AND REPORT.—Not less frequently than
4 once in each 5-year period beginning after the date of the
5 enactment of this Act, the Secretary, acting through the
6 Director of the Institute of Education Sciences, shall—

7 (1) carry out a comprehensive study of the
8 physical conditions of public schools in the United
9 States, including schools that received covered funds
10 schools that did not receive such funds; and

11 (2) submit a report to the appropriate congres-
12 sional committees that includes that results of the
13 study.

14 (b) ELEMENTS.—Each study and report under sub-
15 section (a) shall include an assessment of—

16 (1) the effect of school facility conditions on
17 student and staff health and safety;

18 (2) the effect of school facility conditions on
19 student academic outcomes;

20 (3) the condition of school facilities, set forth
21 separately by geographic region;

22 (4) the condition of school facilities for eco-
23 nomically disadvantaged students as well as students
24 from major racial and ethnic subgroups; and

25 (5) the accessibility of school facilities for stu-
26 dents and staff with disabilities.

1 **SEC. 307. DEVELOPMENT OF DATA STANDARDS.**

2 (a) DATA STANDARDS.—Not later than 120 days
3 after the date of the enactment of this Act, the Secretary,
4 in consultation with the officials described in subsection
5 (b), shall—

6 (1) identify the data that States should collect
7 and include in the databases developed under section
8 102(a)(2)(B);

9 (2) develop standards for the measurement of
10 such data; and

11 (3) issue guidance to States concerning the col-
12 lection and measurement of such data.

13 (b) OFFICIALS.—The officials described in this sub-
14 section are—

15 (1) the Administrator of the Environmental
16 Protection Agency;

17 (2) the Secretary of Energy;

18 (3) the Director of the Centers for Disease
19 Control and Prevention; and

20 (4) the Director of the National Institute for
21 Occupational Safety and Health.

22 **SEC. 308. INFORMATION CLEARINGHOUSE.**

23 (a) IN GENERAL.—Not later than 120 days after the
24 date of the enactment of this Act, the Secretary shall es-
25 tablish a clearinghouse to disseminate information on Fed-
26 eral programs and financing mechanisms that may be

1 used to assist schools in initiating, developing, and financ-
2 ing—

3 (1) energy efficiency projects;

4 (2) distributed generation projects; and

5 (3) energy retrofitting projects.

6 (b) ELEMENTS.—In carrying out subsection (a), the
7 Secretary shall—

8 (1) consult with the officials described in sec-
9 tion 307(b) to develop a list of Federal programs
10 and financing mechanisms to be included in the
11 clearinghouse; and

12 (2) coordinate with such officials to develop a
13 collaborative education and outreach effort to
14 streamline communications and promote the Federal
15 programs and financing mechanisms included in the
16 clearinghouse, which may include the development
17 and maintenance of a single online resource that in-
18 cludes contact information for relevant technical as-
19 sistance that may be used by States, local education
20 agencies, and schools to effectively access and use
21 such Federal programs and financing mechanisms.

1 **TITLE IV—IMPACT AID**
2 **CONSTRUCTION**
3 **SEC. 401. TEMPORARY INCREASE IN FUNDING FOR IMPACT**
4 **AID CONSTRUCTION.**

5 Section 7014(d) of the Elementary and Secondary
6 Education Act of 1965 (20 U.S.C. 7714(d)) is amended
7 to read as follows:

8 “(d) CONSTRUCTION.—For the purpose of carrying
9 out section 7007, there are authorized to be appro-
10 priated—

11 “(1) \$17,406,000 for fiscal year 2017;

12 “(2) \$50,406,000 for each of fiscal years 2018
13 and 2019; and

14 “(3) \$52,756,765 for fiscal year 2020.”.

○