115TH CONGRESS
1ST SESSION

H. R. 111

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

IN THE HOUSE OF REPRESENTATIVES

Mr. Scott of Virginia (for himself, Mr. DeFazio, Mr. Pallone, Mr. Norcross, Mrs. Dingell, Mr. Kihuen, and Ms. Norton) introduced the following bill; which was referred to the Committee on

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 Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

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

4 SEC. 2. DEFINITIONS.

5 In this Act:
(1) APPROPRIATE CONGRESSIONAL COMMIT-TEES.—The term “appropriate congressional committees” means the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate.

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

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

(A) under title I of this Act; or

(B) from a school infrastructure bond.

(4) ESEA TERMS.—The terms “elementary school”, “local educational agency”, “outlying area”, and “secondary school” have the meanings given to the terms in section 8101 of the Elementary and Secondary Education Act 1965 (20 U.S.C. 7801).

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

(6) QUALIFIED LOCAL EDUCATIONAL AGENCY.—The term “qualified local educational agency”
means a local educational agency that receives funds under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.).

(7) School infrastructure bond.—The term “school infrastructure bond” means a bond designated by the issuer as a school infrastructure bond under section 54BB of the Internal Revenue Code of 1986 (as added by section 201).

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

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

TITLE I—GRANTS FOR THE LONG-TERM IMPROVEMENT OF PUBLIC SCHOOL FACILITIES

SEC. 101. PURPOSE AND RESERVATION.

(a) Purpose.—Funds made available under this title shall be for the purpose of supporting long-term improvements to public school facilities in accordance with this Act.

(b) Reservation for Outlying Areas, Puerto Rico, and Bureau-funded Schools.—
(1) IN GENERAL.—For each of fiscal years 2018 through 2020, the Secretary shall reserve, from the amount appropriated to carry out this title—

(A) one-half of 1 percent, to provide assistance to the outlying areas;

(B) one-half of 1 percent, to provide assistance to the Commonwealth of Puerto Rico; and

(C) one-half of 1 percent, for payments to the Secretary of the Interior to provide assistance to Bureau-funded schools.

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

SEC. 102. ALLOCATION TO STATES.

(a) ALLOCATION TO STATES.—

(1) STATE-BY-STATE ALLOCATION.—Of the amount appropriated to carry out this title for each fiscal year and not reserved under section 101(b), each State that has a plan approved by the Secretary under subsection (b) shall be allocated an amount in proportion to the amount received by all local educational agencies in the State under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for the
previous fiscal year relative to the total such amount received by all local educational agencies in every State that has a plan approved by the Secretary under subsection (b).

(2) **STATE RESERVATION.**—A State may reserve not more than 1 percent of its allocation under paragraph (1) to carry out its responsibilities under this Act, which shall include—

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

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

(ii) coordinating the provision of technical assistance across such agencies;

(B) in accordance with the guidance issued by the Secretary under section 307, developing an online, publicly searchable database that contains an inventory of all public school facilities infrastructure in the State (including the facilities of Bureau-funded schools, as appropriate), including, with respect to each such facility, an identification of—
(i) the information described in clauses (i) through (vi) of subparagraph (F);

(ii) the age (including an identification of the date of any retrofits or recent renovations) of—

(I) the facility;

(II) its roof;

(III) its lighting system;

(IV) its windows;

(V) its ceilings;

(VI) its plumbing; and

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

(iii) fire safety inspection results; and

(iv) the proximity of the facilities to toxic sites or the vulnerability of the facilities to natural disasters, including the extent to which facilities that are vulnerable to natural disasters are seismically retrofitted;

(C) updating the database developed under subparagraph (B) not less frequently than once every 2 years;
(D) ensuring that the information in the database developed under subparagraph (B)—

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

(ii) is regularly distributed to local educational agencies and Tribal governments in the State;

(E) issuing or reviewing regulations to ensure the health and safety of students and staff during construction or renovation projects; and

(F) issuing or reviewing regulations to ensure safe, healthy, and high-performing school buildings, including regulations governing—

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

(ii) mold, mildew, and moisture control;

(iii) the safety of drinking water at the tap and water used for meal preparation, including regulations that—

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

(II) require the regular testing of the potability of water at the tap;
(iv) energy and water efficiency;
(v) excessive classroom noise; and
(vi) the levels of maintenance work, operational spending, and capital investment needed to maintain the quality of public school facilities; and
(G) creating a plan to reduce or eliminate exposure to toxins and chemicals, including mercury, radon, PCBs, lead, vapor intrusions, and asbestos.

(b) STATE PLAN.—

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

(A) describes how the State will use the allocation to make long-term improvements to public school facilities;
(B) explains how the State will carry out each of its responsibilities under subsection (a)(2);
(C) explains how the State will make the determinations under subsections (b) and (c) of section 103;
(D) identifies how long, and at what levels, the State will maintain fiscal effort for the ac-
tivities supported by the allocation after the
State no longer receives the allocation; and

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

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

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

(1) MATCHING REQUIREMENT.—The State shall
contribute, from non-Federal sources, an amount
equal to 10 percent of the amount of the allocation
received under this section to carry out the activities
supported by the allocation.

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

(3) Supplement not supplant.—The State shall use an allocation under this section only to supplement the level of Federal, State, and local public funds that would, in absence of such allocation, be made available for the activities supported by the allocation, and not to supplant such funds.

SEC. 103. NEED-BASED GRANTS TO QUALIFIED LOCAL EDUCATIONAL AGENCIES.

(a) Grants to local educational agencies.—

(1) In general.—Subject to paragraph (2), from the amounts allocated to a State under section 102(a) and contributed by the State under section 102(c)(1), the State shall award grants to qualified local educational agencies, on a competitive basis, to carry out the activities described in section 301(a).

(2) Allowance for digital learning.—A State may use up to 10 percent of the amount described in paragraph (1) to make grants to qualified local educational agencies carry out activities to improve digital learning in accordance with section 301(b).

(b) Eligibility.—To be eligible to receive a grant under this section a qualified local educational agency—
(1) shall be among the local educational agencies in the State—

(A) with the greatest need to improve public school facilities, as determined by the State, which may include consideration of threats posed by the proximity of the facilities to toxic sites or the vulnerability of the facilities to natural disasters;

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

(C) with the most limited capacity to raise funds for the long-term improvement of public school facilities, as determined by an assessment of—

(i) the current and historic ability of the agency to raise funds for construction, renovation, modernization, and major repair projects for schools;

(ii) whether the agency has been able to issue bonds or receive other funds to support construction projects, including—
(I) qualified school construction bonds under section 54F of the Internal Revenue Code of 1986;

(II) qualified zone academy bonds under section 1397E of the Internal Revenue Code of 1986;

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

(IV) funds made available under 7007 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7707); and

(iii) the bond rating of the agency;

and

(2) shall agree to prioritize the improvement of the facilities of public schools that serve the highest percentages of students who are eligible for a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) (which, in the case of a high school, may be calculated using comparable data from the schools that feed into the high school), as compared to other public schools in the jurisdiction of the agency.
(c) PRIORITY OF GRANTS.—In awarding grants under this section, the State shall give priority to local educational agencies that—

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

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

(A) elementary schools or middle schools that have an enrollment of students who are eligible for a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) that constitutes not less than 40 percent of the total student enrollment at such schools; or

(B) high schools that have an enrollment of students who are eligible for a free or reduced price lunch under such Act that constitutes not less than 30 percent of the total student enrollment at such schools (which may be calculated using comparable data from the schools that feed into the high school);

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

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

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

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

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

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

(e) FACILITIES MASTER PLAN.—

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

(2) ELEMENTS.—The facilities master plan required under paragraph (1) shall include, with respect to all public school facilities of the agency, a description of—

(A) the extent to which public school facilities meet students’ educational needs and support the agency’s educational mission and vision;

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

(C) the current health, safety, and environmental conditions of the public school facilities, including—

(i) indoor air quality;

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

(iii) the safety of drinking water at the tap and water used for meal preparation, including the level of lead and other contaminants in such water;

(iv) energy and water efficiency;

(v) excessive classroom noise; and
(vi) other health, safety, and environmental conditions that would impact the health, safety, and learning ability of students;

(D) how the local educational agency will address any conditions identified under subparagraph (C);

(E) the impact of current and future student enrollment levels on the design of current and future public school facilities, as well as the financial implications of such enrollment levels; and

(F) the dollar amount and percentage of funds the local educational agency will dedicate to capital construction projects as well as maintenance and operations related to maintaining public school facilities.

(3) CONSULTATION.—In developing the facilities master plan required under paragraph (1), the qualified local educational agency shall consult with teachers, principals and other school leaders, custodial and maintenance staff, emergency first responders, school facilities directors, students and families, community residents, and Indian Tribes and Tribal organizations (as applicable).
(f) SUPPLEMENT NOT SUPPLANT.—A qualified local educational agency shall use an allocation received under this section only to supplement the level of Federal, State, and local public funds that would, in the absence of such allocation, be made available for the activities supported by the allocation, and not to supplant such funds.

SEC. 104. ANNUAL REPORT ON GRANT PROGRAM.

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

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

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

(2) With respect to each such agency, a description of—

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

(i) race;

(ii) the number and percentage of students counted under section 1124(c) of the
Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(c)); and

(iii) the number and percentage of students who are eligible for a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

(B) the population density of the geographic area served by the agency;

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

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

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

(3) The total dollar amount of all grants received by local educational agencies under this title.

(c) LEA INFORMATION COLLECTION.—A local educational agency that receives a grant under this title shall—

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

(2) make the information available to the public, including by posting the information on a publicly accessible website of the Agency; and
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(3) submit the information to the State.

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

(1) compile the information and report it annually to the Secretary at such time and in such manner as the Secretary may require;

(2) make the information available to the public, including by posting the information on a publicly accessible website of the State; and

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

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

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

**TITLE II—SCHOOL INFRASTRUCTURE BONDS**

SEC. 201. SCHOOL INFRASTRUCTURE BONDS.

(a) **IN GENERAL.**—The Internal Revenue Code of 1986 is amended by adding after section 54AA the following new section:


“SEC. 54BB. SCHOOL INFRASTRUCTURE BONDS.

“(a) In General.—If a taxpayer holds a school infrastructure bond on one or more interest payment dates of the bond during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

“(b) Amount of Credit.—The amount of the credit determined under this subsection with respect to any interest payment date for a school infrastructure bond is 100 percent of the amount of interest payable by the issuer with respect to such date.

“(c) Limitation Based on Amount of Tax.—

“(1) In General.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

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

“(2) Carryover of Unused Credit.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable
year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year (determined before the application of paragraph (1) for such succeeding taxable year).

“(d) SCHOOL INFRASTRUCTURE BOND.—

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

“(A) 100 percent of the available project proceeds of such issue are to be used for the purposes described in section 301 of the Rebuild America’s Schools Act of 2017,

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

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

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

“(2) APPLICABLE RULES.—For purposes of applying paragraph (1)—

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

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

“(C) a bond shall not be treated as a
school infrastructure bond if the issue price has
more than a de minimis amount (determined
under rules similar to the rules of section
1273(a)(3)) of premium over the stated prin-
cipal amount of the bond.

“(3) 6-YEAR EXPENDITURE PERIOD.—

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

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

“(e) Limitation on Amount of Bonds Designated.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (d) by any issuer shall not exceed the limitation amount allocated under subsection (g) for such calendar year to such issuer.

“(f) National Limitation on Amount of Bonds Designated.—The national qualified school infrastructure bond limitation for each calendar year is—

“(1) $10,000,000,000 for 2018,
“(2) $10,000,000,000 for 2019, and
“(3) $10,000,000,000 for 2020.

“(g) Allocation of Limitation.—

“(1) Allocation Among States.—

“(A) Except as provided in paragraph (2), the limitation applicable under subsection (f) for any calendar year shall be allocated by the
Secretary among the States in proportion to the respective amounts received by all local educational agencies in each State under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for the previous fiscal year relative to the total such amount received by all local educational agencies in for the most recent fiscal year ending before such calendar year.

“(B) Subject to subparagraph (C), the limitation amount allocated to a State under subparagraph (A) shall be allocated by the State educational agency (or such other agency as is authorized under State law to make such allocation) to issuers within such State in accordance with the priorities described in section 103(e) of the Rebuild America’s Schools Act of 2017 (as in effect on the date of the enactment of this section) and the eligibility requirements described in section 103(b) of such Act, except that paragraph (1)(C) of such section shall not apply to the determination of eligibility for such allocation.

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

“(2) ALLOCATIONS TO CERTAIN POSSES-
sions.—The amount to be allocated under para-
graph (1) to possessions of the United States other
than Puerto Rico for a calendar year shall be 1/2 of
1 percent of national qualified school infrastructure
bond limitation for such year. In making other allo-
cations, the amount to be allocated under paragraph
(1) shall be reduced by the aggregate amount allo-
cated under this paragraph and paragraph (3).

“(3) ALLOCATIONS FOR INDIAN SCHOOLS.—The
amount to be allocated under paragraph (1) to the
Secretary of the Interior for schools funded by the
Bureau of Indian Affairs for a calendar year shall
be 1/2 of 1 percent of national qualified school infra-
structure bond limitation for such year. Notwith-
standing any other provision of law, in the case of
amounts allocated under the preceding sentence, In-
dian tribal governments (as defined in section
7701(a)(40)) shall be treated as qualified issuers for purposes of this subchapter.

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

“(i) SPECIAL RULES.—

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

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

“(3) APPLICATION OF CERTAIN LABOR STANDARDS.—Notwithstanding any other provision of law, a school infrastructure bond shall be treated as a qualified school construction bond for purposes of the application of section 1601 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 26 U.S.C. 54C note.).”.

(b) CLERICAL AMENDMENTS.—
(1) The table of subparts for part IV of subchapter A of chapter 1 of such Code is amended by amending the item related to subpart J to read as follows:

“SUBPART J—CERTAIN INFRASTRUCTURE BONDS”.

(2) The table of chapters for subpart J of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

“Sec. 54BB. School infrastructure bonds”.

(e) TRANSITIONAL COORDINATION WITH STATE LAW.—Except as otherwise provided by a State after the date of the enactment of this Act, the interest on any school infrastructure bond (as defined in section 54BB of the Internal Revenue Code of 1986, as added by this section) and the amount of any credit determined under such section with respect to such bond shall be treated for purposes of the income tax laws of such State as being exempt from Federal income tax.

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

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

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2017.

SEC. 202. EXPANSION OF QUALIFIED ZONE ACADEMY BONDS.

(a) CONSTRUCTION OF A PUBLIC SCHOOL FACILITY.—Subparagraph (A) of section 54E(d)(3) of the Internal Revenue Code of 1986 is amended by striking “rehabilitating or repairing” and inserting “constructing, rehabilitating, retrofitting, or repairing”.

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

(1) in subsection (a)(3)—

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

(B) by striking subparagraph (B),

(2) by striking subsection (b), and

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

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

c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2017.

SEC. 203. ANNUAL REPORT ON BOND PROGRAM.

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

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

(1) An identification of —

(A) each local educational agency that received funds from a school infrastructure bond; and

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

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

(2) With respect to each local educational agency described in paragraph (1)—

(A) an assessment of the capacity of the agency to raise funds for the long-term improvement of public school facilities, as determined by an assessment of—

(i) the current and historic ability of the agency to raise funds for construction, renovation, modernization, and major repair projects for schools, including the ability of the agency to raise funds through imposition of property taxes;

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

(I) qualified school construction bonds under section 54F of the Internal Revenue Code of 1986;

(II) qualified zone academy bonds under section 1397E of the Internal Revenue Code of 1986; and
(III) school infrastructure bonds;

and

(iii) the bond rating of the agency;

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

(i) race;

(ii) the number and percentage of students counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(c)); and

(iii) the number and percentage of students who are eligible for a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

(C) the population density of the geographic area served by the agency;

(D) a description of the projects carried out with funds received from school infrastructure bonds;

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

(F) the estimated number of jobs created by the projects.
(3) The total dollar amount of all funds received by local educational agencies from school infrastructure bonds.

(4) Any other factors that the Secretary determines to be appropriate.

(c) INFORMATION COLLECTION.—A State or local educational agency that receives funds from a school infrastructure bond shall—

(1) annually compile the information necessary for the Secretary to determine the elements described in subsection (b); and

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

TITLE III—GENERAL PROVISIONS

SEC. 301. ALLOWABLE USES OF FUNDS.

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

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

(2) construct, modernize, renovate, or retrofit public school facilities, which may include seismic...
retrofitting for schools vulnerable to natural disasters;

(3) carry out major repairs of public school facilities;

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

(5) construct new public school facilities;

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

(7) extend the life of basic systems and components of public school facilities;

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

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

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

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

(12) reduce or eliminate the presence of—

(A) toxins and chemicals, including mercury, radon, PCBs, lead, and asbestos;

(B) mold and mildew; or
(C) rodents and pests;

(13) ensure the safety of drinking water at the tap and water used for meal preparation in public school facilities, which may include testing of the potability of water at the tap for the presence of lead and other contaminants;

(14) bring public school facilities into compliance with applicable fire, health, and safety codes;

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

(16) provide instructional program space improvements for programs relating to early learning (including early learning programs operated by partners of the agency), special education, science, technology, career and technical education, physical education, or the arts;

(17) increase the use of public school facilities for the purpose of community-based partnerships that provide students with academic, health, and social services;
(18) ensure the health of students and staff during the construction or modernization of public school facilities; or

(19) reduce or eliminate excessive classroom noise.

(b) ALLOWANCE FOR DIGITAL LEARNING.—A local educational agency may use funds received under section 103(a)(2) or proceeds from a school infrastructure bond limitation allocated under section 54BB(g)(1)(C) of the Internal Revenue Code of 1986 (as added by section 201) to leverage existing public programs or public-private partnerships to expand access to high-speed broadband sufficient for digital learning.

SEC. 302. PROHIBITED USES.

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

(1) payment of routine and predictable maintenance costs and minor repairs;

(2) any facility that is primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public;

(3) vehicles;

(4) central offices, operation centers, or other facilities that are not primarily used to educate students; or
(5) digital infrastructure or handheld digital devices.

3 SEC. 303. GREEN PRACTICES.

(a) IN GENERAL.—In a given fiscal year, a local educational agency that uses covered funds for a new construction project or renovation project shall use not less than the applicable percentage (as described in subsection (b)) of the funds used for such project for construction or renovation that is certified, verified, or consistent with any applicable provisions of—

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

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

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

(4) a program that—

(A) has standards that are equivalent to or more stringent than the standards of a program described in paragraphs (1) through (3);
(B) is adopted by the State or another jurisdiction with authority over the agency; and

(C) includes a verifiable method to demonstrate compliance with such program.

(b) APPLICABLE PERCENTAGE.—The applicable percentage described in this subsection is—

(1) for fiscal year 2018, 60 percent;
(2) for fiscal year 2019, 70 percent;
(3) for fiscal year 2020; 80 percent;
(4) for fiscal year 2021, 90 percent; and
(5) for each of fiscal years 2022 through 2027, 100 percent.

SEC. 304. USE OF AMERICAN IRON, STEEL, AND MANUFACTURED PRODUCTS.

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

(b) WAIVER AUTHORITY.—

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

(A) applying subsection (a) would be inconsistent with the public interest;
(B) iron, steel, and manufactured products produced in the United States are not produced in a sufficient and reasonably available amount or are not of a satisfactory quality; or

(C) using iron, steel, and manufactured products produced in the United States will increase the cost of the overall project by more than 25 percent.

(2) PUBLICATION.—Before issuing a waiver under paragraph (1), the Secretary shall publish in the Federal Register a detailed written explanation of the waiver determination.

(c) CONSISTENCY WITH INTERNATIONAL AGREEMENTS.—This section shall be applied in a manner consistent with the obligations of the United States under international agreements.

(d) DEFINITIONS.—In this section:

(1) PRODUCED IN THE UNITED STATES.—The term “produced in the United States” means the following:

(A) When used with respect to a manufactured product, the product was manufactured in the United States and the cost of the components of such product that were mined, produced, or manufactured in the United States
exceeds 60 percent of the total cost of all components of the product.

(B) When used with respect to iron or steel products, or an individual component of a manufactured product, all manufacturing processes for such iron or steel products or components, from the initial melting stage through the application of coatings, occurred in the United States. Except that the term does not include—

(i) steel or iron material or products manufactured abroad from semi-finished steel or iron from the United States; and

(ii) or iron material or products manufactured in the United States from semi-finished steel or iron of foreign origin.

(2) MANUFACTURED PRODUCT.—The term “manufactured product” means any construction material or end product (as such terms are defined in part 25.003 of the Federal Acquisition Regulation) that is not an iron or steel product, including—

(A) electrical components; and

(B) non-ferrous building materials, including, aluminum and polyvinylchloride (PVC),
glass, fiber optics, plastic, wood, masonry, rubber, manufactured stone, any other non-ferrous metals, and any unmanufactured construction material.

SEC. 305. COMPTROLLER GENERAL REPORT.

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

(b) Elements.—The report under subsection (a) shall include an assessment of—

(1) the types of projects carried out with covered funds;

(2) the geographic distribution of the projects;

(3) an assessment of the impact of the projects on the health and safety of school staff and students; and

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

(A) to schools with highest numbers and percentages of students counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(c)); and
(B) to schools with fiscal challenges in raising capital for school infrastructure projects.

(c) Updates.—The Comptroller General shall update and resubmit the report to the appropriate congressional committees—

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

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

SEC. 306. STUDY AND REPORT PHYSICAL CONDITION OF PUBLIC SCHOOLS.

(a) Study and Report.—Not less frequently than once in each 5-year period beginning after the date of the enactment of this Act, the Secretary, acting through the Director of the Institute of Education Sciences, shall—

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

(2) submit a report to the appropriate congressional committees that includes that results of the study.

(b) Elements.—Each study and report under subsection (a) shall include an assessment of—
(1) the effect of school facility conditions on student and staff health and safety;

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

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

(4) the condition of school facilities for economically disadvantaged students as well as students from major racial and ethnic subgroups; and

(5) the accessibility of school facilities for students and staff with disabilities.

SEC. 307. DEVELOPMENT OF DATA STANDARDS.

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

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

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

(3) issue guidance to States concerning the collection and measurement of such data.

(b) OFFICIALS.—The officials described in this subsection are—
(1) the Administrator of the Environmental Protection Agency;

(2) the Secretary of Energy;

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

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

SEC. 308. INFORMATION CLEARINGHOUSE.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall establish a clearinghouse to disseminate information on Federal programs and financing mechanisms that may be used to assist schools in initiating, developing, and financing—

(1) energy efficiency projects;

(2) distributed generation projects; and

(3) energy retrofitting projects.

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

(1) consult with the officials described in section 307(b) to develop a list of Federal programs and financing mechanisms to be included in the clearinghouse; and

(2) coordinate with such officials to develop a collaborative education and outreach effort to
streamline communications and promote the Federal programs and financing mechanisms included in the clearinghouse, which may include the development and maintenance of a single online resource that includes contact information for relevant technical assistance that may be used by States, local education agencies, and schools to effectively access and use such Federal programs and financing mechanisms.

**TITLE IV—IMPACT AID CONSTRUCTION**

**SEC. 401. TEMPORARY INCREASE IN FUNDING FOR IMPACT AID CONSTRUCTION.**

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

“(d) CONSTRUCTION.—For the purpose of carrying out section 7007, there are authorized to be appropriated—

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

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

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