

115TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To provide grants for the repair, renovation, and construction of public elementary schools and secondary schools, to establish a school infrastructure bond program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

Mr. REED introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To provide grants for the repair, renovation, and construction of public elementary schools and secondary schools, to establish a school infrastructure bond program, 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 “School Building Im-  
5 provement Act of 2017”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1           (1) ESEA DEFINITIONS.—The terms “elemen-  
2           tary school”, “local educational agency”, “outlying  
3           areas”, “secondary school”, and “State educational  
4           agency” have the meanings given the terms in sec-  
5           tion 8101 of the Elementary and Secondary Edu-  
6           cation Act of 1965 (20 U.S.C. 8101).

7           (2) ASHRAE ENERGY STANDARD FOR BUILD-  
8           INGS.—The term “ASHRAE Energy Standard for  
9           Buildings” means American Society of Heating, Re-  
10          frigerating and Air-Conditioning Engineers Stand-  
11          ard 90.1.–2016 or any successor standard.

12          (3) CHARTER SCHOOL.—The term “charter  
13          school” has the meaning given the term in section  
14          4310 of the Elementary and Secondary Education  
15          Act of 1965 (20 U.S.C. 722li).

16          (4) CHPS CRITERIA.—The term “CHPS Cri-  
17          teria” means the green building rating criteria devel-  
18          oped by the Collaborative for High Performance  
19          Schools.

20          (5) COVERED FUNDS.—The term “covered  
21          funds” means funds provided under title I or title II.

22          (6) EARLY LEARNING FACILITY.—The term  
23          “early learning facility” means a public facility  
24          that—

1 (A) serves children who are not yet in kin-  
2 dergarten; and

3 (B) is under the jurisdiction of a local edu-  
4 cational agency.

5 (7) ENERGY STAR.—The term “Energy Star”  
6 means the Energy Star program of the Department  
7 of Energy and the Environmental Protection Agen-  
8 cy.

9 (8) FACILITY CONDITION INDEX.—The term  
10 “facility condition index” means, as of the date of  
11 the calculation, the cost of maintenance, repairs, and  
12 replacement deficiencies of a facility, divided by the  
13 estimated replacement value of the facility.

14 (9) HIGH-NEED LOCAL EDUCATIONAL AGEN-  
15 CY.—The term “high-need local educational agency”  
16 means a local educational agency that—

17 (A) serves a high percentage of high-need  
18 schools; and

19 (B) is among the local educational agencies  
20 in a State with the highest number or propor-  
21 tion of children who are counted under section  
22 1124(c) of the Elementary and Secondary Edu-  
23 cation Act of 1965, in comparison to other local  
24 educational agencies in the State.

1           (10) HIGH-NEED SCHOOL.—The term “high-  
2 need school” means—

3           (A) an elementary school or middle school  
4 in which not less than 50 percent of the en-  
5 rolled students are children from low-income  
6 families; or

7           (B) a high school in which not less than 40  
8 percent of the enrolled students are children  
9 from low-income families, which may be cal-  
10 culated using comparable data from the schools  
11 that feed into the high school.

12           (11) LEED GREEN BUILDING RATING SYS-  
13 TEM.—The term “LEED Green Building Rating  
14 System” means the United States Green Building  
15 Council Leadership in Energy and Environmental  
16 Design green building rating system.

17           (12) LOW-INCOME FAMILY.—The term “low-in-  
18 come family” means a family—

19           (A) in which the children are eligible for a  
20 free or reduced-price lunch under the Richard  
21 B. Russell National School Lunch Act (42  
22 U.S.C. 1751 et seq.);

23           (B) receiving assistance under the program  
24 of block grants to States for temporary assist-  
25 ance for needy families established under part

1 A of title IV of the Social Security Act (42  
2 U.S.C. 601 et seq.); or

3 (C) in which the children are eligible to re-  
4 ceive medical assistance under the Medicaid  
5 program under title XIX of the Social Security  
6 Act (42 U.S.C. 1396 et seq.).

7 (13) PUBLIC SCHOOL FACILITY.—The term  
8 “public school facility” means a public elementary  
9 school or secondary school facility, including a public  
10 charter school facility or an existing facility planned  
11 for adaptive reuse as a public charter school facility.

12 (14) RURAL LOCAL EDUCATIONAL AGENCY.—  
13 The term “rural local educational agency” means a  
14 local educational agency that meets the eligibility re-  
15 quirements under—

16 (A) section 5211(b) of the Elementary and  
17 Secondary Education Act of 1965 (20 U.S.C.  
18 7345(b)) for participation in the program de-  
19 scribed in subpart 1 of part B of title V of such  
20 Act; or

21 (B) section 5221(b) of the Elementary and  
22 Secondary Education Act of 1965 (20 U.S.C.  
23 7351(b)) for participation in the program de-  
24 scribed in subpart 2 of part B of title V of such  
25 Act.

1           (15) SECRETARY.—The term “Secretary”  
2 means the Secretary of Education.

3           (16) STATE.—The term “State” means each of  
4 the several states of the United States, the District  
5 of Columbia, and the Commonwealth of Puerto Rico.

6 **TITLE I—GRANTS FOR SCHOOL**  
7 **REPAIR, RENOVATION, AND**  
8 **CONSTRUCTION**

9 **SEC. 101. GRANTS FOR SCHOOL REPAIR, RENOVATION, AND**  
10 **CONSTRUCTION.**

11 (a) ALLOCATION OF FUNDS.—

12           (1) RESERVATIONS.—From the funds appro-  
13 priated under subsection (i) for a fiscal year, the  
14 Secretary shall reserve 1 percent to provide assist-  
15 ance to the outlying areas and for payments to the  
16 Secretary of the Interior to provide assistance to  
17 schools funded by the Bureau of Indian Education.  
18 Funds allocated under this paragraph shall be re-  
19 served by the Secretary for distribution among the  
20 outlying areas and the Secretary of the Interior on  
21 the basis of their relative need for public elementary  
22 school and secondary school repair, renovation, and  
23 construction, as determined by the Secretary.

24           (2) STATE ALLOTMENT.—

1 (A) IN GENERAL.—Subject to subpara-  
2 graphs (B) and (C), from the funds made avail-  
3 able under subsection (i) that remain after car-  
4 rying out paragraph (1) for a fiscal year, the  
5 Secretary shall allot to each State educational  
6 agency serving a State an amount that bears  
7 the same relation to such remainder as the  
8 amount the State received under subpart 2 of  
9 part A of title I of the Elementary and Sec-  
10 ondary Education Act of 1965 (20 U.S.C. 6311  
11 et seq.) for the fiscal year preceding the fiscal  
12 year for which the determination is made bears  
13 to the amount all States received under such  
14 subpart for such preceding fiscal year.

15 (B) STATE MINIMUM.—No State receiving  
16 an allotment under this paragraph shall receive  
17 less than one-half of 1 percent of the total  
18 amount allotted under this paragraph.

19 (C) PUERTO RICO.—The amount allotted  
20 under this paragraph to the Commonwealth of  
21 Puerto Rico for a fiscal year may not exceed  
22 one-half of 1 percent of the total amount allot-  
23 ted under this paragraph.

24 (b) WITHIN-STATE DISTRIBUTIONS.—

25 (1) ADMINISTRATIVE AND OTHER COSTS.—

1 (A) STATE EDUCATIONAL AGENCY ADMIN-  
2 ISTRATION AND OTHER COSTS.—Except as pro-  
3 vided in subparagraph (D), each State edu-  
4 cational agency may reserve not more than 1  
5 percent of the State educational agency's allot-  
6 ment under subsection (a) for the purposes of  
7 administering the distribution of grants under  
8 this subsection and awarding grants under sub-  
9 paragraph (C)(v).

10 (B) REQUIRED USES.—The State edu-  
11 cational agency shall use a portion of the funds  
12 reserved under subparagraph (A)—

13 (i) to provide technical assistance to  
14 local educational agencies; and

15 (ii) to establish or support a State-  
16 level database of public school facility in-  
17 ventory, condition, design, and utilization,  
18 in accordance with section 304.

19 (C) PERMISSIBLE USES.—The State edu-  
20 cational agency may use a portion of the funds  
21 reserved under subparagraph (A) for—

22 (i) developing a statewide public  
23 school facility master plan;



1 (ii) developing policies, procedures,  
2 and standards for high-quality, energy effi-  
3 cient public school facilities;

4 (iii) supporting interagency collabora-  
5 tion that will lead to broad community use  
6 of public school facilities, and school-based  
7 services for students served by high-need  
8 local educational agencies or rural local  
9 educational agencies;

10 (iv) helping to defray the cost of  
11 issuing State bonds to finance public ele-  
12 mentary school and secondary school re-  
13 pair, renovation, and construction; and

14 (v) awarding grants to State-operated  
15 or State-supported schools, such as a State  
16 school for the deaf or for the blind, to en-  
17 able such schools to carry out school re-  
18 pair, renovation, and construction activities  
19 in accordance with subsection (c).

20 (D) STATE ENTITY ADMINISTRATION AND  
21 OTHER COSTS.—If the State educational agency  
22 transfers funds to a State entity described in  
23 paragraph (2)(A), the State educational agency  
24 shall transfer to such State entity not less than  
25 75 percent of the amount reserved under sub-

1 paragraph (A) for the purpose of carrying out  
2 the activities described in subparagraph (C).

3 (2) DISTRIBUTION OF COMPETITIVE SCHOOL  
4 REPAIR, RENOVATION, AND CONSTRUCTION GRANTS  
5 TO LOCAL EDUCATIONAL AGENCIES.—

6 (A) IN GENERAL.—Of the funds allotted to  
7 a State educational agency under subsection (a)  
8 that are not reserved under paragraph (1), the  
9 State educational agency shall distribute 100  
10 percent of such funds to local educational agen-  
11 cies or, if the State educational agency is not  
12 responsible for the financing of public school fa-  
13 cilities, the State educational agency shall  
14 transfer such funds to the State entity respon-  
15 sible for the financing of public school facilities  
16 (referred to in this section as the “State enti-  
17 ty”) for distribution by such State entity to  
18 local educational agencies in accordance with  
19 this paragraph, to be used, consistent with sub-  
20 section (c), for public elementary school or sec-  
21 ondary school repair, renovation, and construc-  
22 tion.

23 (B) COMPETITIVE GRANTS TO LOCAL EDU-  
24 CATIONAL AGENCIES.—The State educational  
25 agency or State entity shall carry out a pro-



1 relationship to such total amount as the  
2 aggregate amount such rural local edu-  
3 cational agencies received under part A of  
4 title I of the Elementary and Secondary  
5 Education Act of 1965 (20 U.S.C. 6311  
6 et. seq.) for the fiscal year preceding the  
7 fiscal year for which the determination is  
8 made bears to the aggregate amount re-  
9 ceived for such preceding fiscal year under  
10 such part by all local educational agencies  
11 in the State; and

12 (iii) award the remaining funds to  
13 local educational agencies in the State that  
14 did not receive a grant award under clause  
15 (i) or (ii), including to high-need local edu-  
16 cational agencies and rural local edu-  
17 cational agencies that did not receive a  
18 grant award under clause (i) or (ii).

19 (C) CRITERIA FOR AWARDING GRANTS.—

20 In awarding competitive grants under this para-  
21 graph, a State educational agency or State enti-  
22 ty shall take into account the following criteria:

23 (i) PERCENTAGE OF CHILDREN FROM  
24 LOW-INCOME FAMILIES.—The percentage  
25 of children served by the local educational

1 agency who are between 5 to 17 years of  
2 age, inclusive, and who are from low-in-  
3 come families.

4 (ii) NEED FOR SCHOOL REPAIR, REN-  
5 OVATION, AND CONSTRUCTION.—The need  
6 of a local educational agency for public  
7 school facility repair, renovation, and con-  
8 struction, as demonstrated by a facility  
9 condition index or the local educational  
10 agency’s need for new public school facili-  
11 ties based on enrollment or anticipated en-  
12 rollment.

13 (iii) GREEN SCHOOLS.—The extent to  
14 which a local educational agency will make  
15 use, in the repair, renovation, or construc-  
16 tion to be undertaken, of green practices  
17 that are certified, verified, or consistent  
18 with any applicable provisions of—

- 19 (I) the LEED Green Building  
20 Rating System;  
21 (II) Energy Star;  
22 (III) the CHPS Criteria;  
23 (IV) the ASHRAE Energy  
24 Standard for Buildings; or

1 (V) an equivalent program adopt-  
2 ed by the State or another jurisdiction  
3 with authority over the local edu-  
4 cational agency.

5 (iv) FISCAL CAPACITY.—The fiscal ca-  
6 pacity of a local educational agency to  
7 meet the needs of the local educational  
8 agency for repair, renovation, and con-  
9 struction of public school facilities without  
10 assistance under this section, including the  
11 ability of the local educational agency to  
12 raise funds through the use of local bond-  
13 ing capacity and otherwise.

14 (v) ASSURANCE OF MAINTAINING THE  
15 FACILITY.—The ability of a local edu-  
16 cational agency to provide an assurance  
17 that the local educational agency will main-  
18 tain, in good condition, any public school  
19 facility whose repair, renovation, or con-  
20 struction is assisted under this section.

21 (vi) CHARTER SCHOOL EQUITABLE  
22 ACCESS TO FUNDING.—In the case of a  
23 local educational agency that proposes to  
24 fund a repair, renovation, or construction

1 project for a public charter school, the ex-  
2 tent to which—

3 (I) the public charter school lacks  
4 access to funding for school repair,  
5 renovation, and construction through  
6 the financing methods available to  
7 other public schools or local edu-  
8 cational agencies in the State; and

9 (II) the charter school operator  
10 owns or has care and control of the  
11 facility that is to be repaired, ren-  
12 ovated, or constructed.

13 (D) MATCHING REQUIREMENT.—

14 (i) IN GENERAL.—A State educational  
15 agency or State entity shall require local  
16 educational agencies to match funds  
17 awarded under this paragraph.

18 (ii) MATCH AMOUNT.—A State edu-  
19 cational agency may establish a sliding  
20 scale for determining the match described  
21 in clause (i), taking into account the rel-  
22 ative poverty of the population served by  
23 the local educational agency.

24 (c) RULES APPLICABLE TO SCHOOL REPAIR, REN-  
25 OVATION, AND CONSTRUCTION.—With respect to funds

1 made available under this section that are used for school  
2 repair, renovation, and construction, the following rules  
3 shall apply:

4 (1) PERMISSIBLE USES OF FUNDS.—School re-  
5 pair, renovation, and construction shall be limited to  
6 1 or more of the following:

7 (A) Upgrades, repair, construction, or re-  
8 placement of public elementary schools or sec-  
9 ondary schools, or their building systems or  
10 components, in order to improve the quality of  
11 education and ensure the health and safety of  
12 students and staff, including—

13 (i) repairing, replacing, or con-  
14 structing early learning facilities at public  
15 elementary schools (including renovation of  
16 existing facilities to serve children under 5  
17 years of age);

18 (ii) repairing, replacing, or con-  
19 structing school library facilities;

20 (iii) modernizing or upgrading school  
21 classroom facilities, including laboratories;

22 (iv) repairing, replacing, or installing  
23 roofs, windows, doors, electrical wiring,  
24 plumbing systems, or sewage systems;



1 (v) installing classroom furniture or  
2 fixtures with at least a 10-year life cycle;

3 (vi) repairing, replacing, or installing  
4 heating, ventilation, or air conditioning  
5 systems (including insulation); and

6 (vii) bringing such public schools into  
7 compliance with fire and safety codes.

8 (B) Public school facility modifications  
9 necessary to render public school facilities ac-  
10 cessible in order to comply with the Americans  
11 with Disabilities Act of 1990 (42 U.S.C. 12101  
12 et seq.) and section 504 of the Rehabilitation  
13 Act of 1973 (29 U.S.C. 794).

14 (C) Improvements to the environmental  
15 conditions of public elementary school or sec-  
16 ondary school sites, including—

17 (i) asbestos abatement or removal;

18 (ii) the reduction or elimination of  
19 human exposure to lead-based paint, lead-  
20 contaminated drinking water, mercury,  
21 radon, polychlorinated biphenyls, or other  
22 toxic substances;

23 (iii) the reduction or elimination of  
24 mold, mildew, pests, and rodents; and

25 (iv) air quality improvement.

1 (D) Measures designed to reduce or elimi-  
2 nate human exposure to classroom noise and  
3 environmental noise pollution.

4 (E) Modifications necessary to reduce the  
5 consumption of electricity, natural gas, oil,  
6 water, coal, or land.

7 (F) Upgrades or installations of edu-  
8 cational technology infrastructure to ensure  
9 that students have access to up-to-date edu-  
10 cational technology.

11 (G) Measures that will broaden or improve  
12 the use of public elementary school or sec-  
13 ondary school buildings and grounds by the  
14 community in order to improve educational out-  
15 comes.

16 (2) IMPERMISSIBLE USES OF FUNDS.—No  
17 funds received under this section may be used for—

18 (A) payment of maintenance costs in con-  
19 nection with any projects constructed in whole  
20 or part with Federal funds provided under this  
21 section;

22 (B) purchase or upgrade of vehicles;

23 (C) improvement or construction of any  
24 stand-alone facility whose purpose is not the  
25 education of children, including central office

1 administration or operations or logistical sup-  
2 port facilities;

3 (D) purchase of information technology  
4 hardware, including computers, monitors, print-  
5 ers, or other devices; or

6 (E) stadiums or other facilities primarily  
7 used for athletic contests or exhibitions or other  
8 events for which admission is charged to the  
9 general public.

10 (3) SUPPLEMENT, NOT SUPPLANT.—A local  
11 educational agency or State-operated or State-sup-  
12 ported school shall use Federal funds subject to this  
13 subsection only to supplement the amount of funds  
14 that would, in the absence of such Federal funds, be  
15 made available from non-Federal sources for school  
16 repair, renovation, and construction.

17 (d) QUALIFIED BIDDERS; COMPETITION.—Each local  
18 educational agency that receives funds under subsection  
19 (b)(2) shall ensure that, if the local educational agency  
20 carries out repair, renovation, or construction through a  
21 contract, any such contract process ensures the maximum  
22 number of qualified bidders, including small, minority, and  
23 women-owned businesses, through full and open competi-  
24 tion.

1 (e) PUBLIC COMMENT.—Each local educational agen-  
2 cy receiving funds under subsection (b)(2) shall—

3 (1) provide an opportunity for public comment,  
4 and ensure that parents, educators, and all other in-  
5 terested members of the community in which the  
6 school to be assisted is located, have the opportunity  
7 to consult on the use of the funds received under  
8 such subsection;

9 (2) provide the public with adequate and effi-  
10 cient notice of the opportunity described in para-  
11 graph (1) in a widely read and distributed medium;  
12 and

13 (3) provide the opportunity described in para-  
14 graph (1) in accordance with any applicable State  
15 and local law specifying how the comments may be  
16 received and how the comments may be reviewed by  
17 any member of the public.

18 (f) REPORTING.—

19 (1) LOCAL REPORTING.—Each local educational  
20 agency that receives funds under subsection (b)(2)  
21 for a fiscal year shall, for each fiscal year—

22 (A) compile the information described in  
23 subsection (g)(2)(B) with respect to the local  
24 educational agency for the preceding fiscal year;

1 (B) make the compiled information avail-  
2 able to the public, including by posting the in-  
3 formation on a publicly accessible website of the  
4 local educational agency; and

5 (C) prepare and submit to the State edu-  
6 cational agency an annual report that in-  
7 cludes—

8 (i) the compiled information described  
9 in subparagraph (A); and

10 (ii) a description of how the local edu-  
11 cational agency used funds received under  
12 subsection (b)(2) for public elementary  
13 school and secondary school repair, renova-  
14 tion, and construction; and

15 (iii) any other information the State  
16 educational agency may require.

17 (2) STATE REPORTING.—Each State edu-  
18 cational agency that receives a grant under sub-  
19 section (a) for a fiscal year shall, for each such fiscal  
20 year—

21 (A) compile the information received from  
22 the reports described in paragraph (1) (C) [and  
23 the information described in subsection  
24 (g)(2)(B) with respect to any State-operated or  
25 State-sponsored school receiving funds under

1 subsection (b)(1)(C)(v),<sup>1</sup> for the preceding fis-  
2 cal year;

3 (B) make the compiled information avail-  
4 able to the public, including by posting the in-  
5 formation on a publicly accessible website of the  
6 State educational agency;

7 (C) regularly distribute the compiled infor-  
8 mation to local educational agencies and tribal  
9 governments in the State; and

10 (D) prepare and submit to the Secretary  
11 an annual report that includes—

12 (i) the compiled information described  
13 in subparagraph (A);

14 (ii) a description of how funds re-  
15 ceived under this section were made avail-  
16 able and used for public elementary school  
17 and secondary school repair, renovation,  
18 and construction.

19 (g) ANNUAL REPORT ON GRANT PROGRAM.—

20 (1) IN GENERAL.—Not later than September  
21 30 of each fiscal year beginning after the date of the  
22 enactment of this Act, the Secretary shall submit to  
23 the Committee on Health, Education, Labor, and  
24 Pensions of the Senate and the Committee on Edu-  
25 cation and the Workforce of the House of Rep-

1           representatives a report on the projects carried out with  
2           funds made available under this section.

3           (2) ELEMENTS.—The report under paragraph  
4           (1) shall include, with respect to the fiscal year pre-  
5           ceding the year in which the report is submitted, the  
6           following:

7                   (A) An identification of each local edu-  
8                   cational agency that received funds under sub-  
9                   section (b)(2).

10                   (B) With respect to each such agency, a  
11                   description of—

12                           (i) the demographic composition of  
13                           the student population served by the agen-  
14                           cy, disaggregated, by number and percent-  
15                           age, by—

16                                   (I) race;

17                                   (II) status as a student counted  
18                           under section 1124(c) of the Elemen-  
19                           tary and Secondary Education Act of  
20                           1965 (20 U.S.C. 6333(c)); and

21                                   (III) eligibility for a free or re-  
22                           duced price lunch under the Richard  
23                           B. Russell National School Lunch Act  
24                           (42 U.S.C. 1751 et seq.);

1 (ii) the population density of the geo-  
2 graphic area served by the agency;

3 (iii) the projects for which the agency  
4 used the grant received under this section;

5 (iv) the demonstrable or expected ben-  
6 efits of the projects; and

7 (v) the estimated number of jobs cre-  
8 ated by the projects.

9 (C) The total dollar amount of all grants  
10 received by local educational agencies under this  
11 section.

12 (h) REALLOCATION.—If a State educational agency  
13 does not apply for an allocation of funds under subsection  
14 (a) for a fiscal year, or does not use the State educational  
15 agency's entire allocation for such fiscal year, then the  
16 Secretary may reallocate the amount of the State edu-  
17 cational agency's allocation (or the remainder thereof, as  
18 the case may be) for such fiscal year to the remaining  
19 State educational agencies in accordance with such sub-  
20 section.

21 (i) AUTHORIZATION OF APPROPRIATIONS.—There  
22 are authorized to be appropriated to carry out this section  
23 \$7,000,000,000 for each of fiscal years 2018 through  
24 2027.



1                   **TITLE II—SCHOOL**  
2                   **INFRASTRUCTURE BONDS**

3 **SEC. 201. SCHOOL INFRASTRUCTURE BONDS.**

4           (a) IN GENERAL.—The Internal Revenue Code of  
5 1986 is amended by adding after section 54AA the fol-  
6 lowing new section:

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

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

15           “(b) AMOUNT OF CREDIT.—The amount of the credit  
16 determined under this subsection with respect to any in-  
17 terest payment date for a school infrastructure bond is  
18 100 percent of the amount of interest payable by the  
19 issuer with respect to such date.

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

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

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

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

7           “(2) CARRYOVER OF UNUSED CREDIT.—If the  
8           credit allowable under subsection (a) exceeds the  
9           limitation imposed by paragraph (1) for such taxable  
10          year, such excess shall be carried to the succeeding  
11          taxable year and added to the credit allowable under  
12          subsection (a) for such taxable year (determined be-  
13          fore the application of paragraph (1) for such suc-  
14          ceeding taxable year).

15          “(d) SCHOOL INFRASTRUCTURE BOND.—

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

19                         “(A) 100 percent of the available project  
20                         proceeds of such issue are to be used for the  
21                         purposes described in section 101(c)(1) of the  
22                         School Building Improvement Act of 2017,

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

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

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

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

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

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

15           “(C) a bond shall not be treated as a  
16 school infrastructure bond if the issue price has  
17 more than a de minimis amount (determined  
18 under rules similar to the rules of section  
19 1273(a)(3)) of premium over the stated prin-  
20 cipal amount of the bond.

21           “(3) 6-YEAR EXPENDITURE PERIOD.—

22           “(A) IN GENERAL.—An issue shall be  
23 treated as meeting the requirements of this  
24 paragraph if, as of the date of issuance, the  
25 issuer reasonably expects 100 percent of the

1 available project proceeds to be spent for pur-  
2 poses described in section 101(c)(1) of the  
3 School Building Improvement Act of 2017 with-  
4 in the 6-year period beginning on such date of  
5 issuance.

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

18 “(e) LIMITATION ON AMOUNT OF BONDS DES-  
19 IGNATED.—The maximum aggregate face amount of  
20 bonds issued during any calendar year which may be des-  
21 ignated under subsection (d) by any issuer shall not exceed  
22 the limitation amount allocated under subsection (g) for  
23 such calendar year to such issuer.

1           “(f) NATIONAL LIMITATION ON AMOUNT OF BONDS  
2 DESIGNATED.—The national qualified school construction  
3 bond limitation for each calendar year is—

4                   “(1) \$10,000,000,000 for 2018,

5                   “(2) \$10,000,000,000 for 2019, and

6                   “(3) \$10,000,000,000 for 2020.

7           “(g) ALLOCATION OF LIMITATION.—

8                   “(1) ALLOCATION AMONG STATES.—Except as  
9 provided in paragraphs (2) and (3), the limitation  
10 applicable under subsection (f) for any calendar year  
11 shall be allocated by the Secretary among the States  
12 in proportion to the respective amounts received by  
13 all local educational agencies in each State under  
14 part A of title I of the Elementary and Secondary  
15 Education Act of 1965 (20 U.S.C. 6311 et seq.) for  
16 the previous fiscal year relative to the total such  
17 amount received by all local educational agencies in  
18 for the most recent fiscal year ending before such  
19 calendar year. The limitation amount allocated to a  
20 State under the preceding sentence shall be allocated  
21 by the State education agency (or such other agency  
22 as is authorized under State law to make such allo-  
23 cation) to issuers within such State in accordance  
24 with the criteria described in subparagraphs (B) and  
25 (C) of section 101(b)(2) of the School Building Im-

1       provement Act of 2017 (as in effect on the date of  
2       the enactment of this section).

3           “(2) ALLOCATIONS TO CERTAIN POSSES-  
4       SIONS.—The amount to be allocated under para-  
5       graph (1) to possessions of the United States other  
6       than Puerto Rico for a calendar year shall be 1/2 of  
7       1 percent of national qualified school construction  
8       bond limitation for such year. In making other allo-  
9       cations, the amount to be allocated under paragraph  
10      (1) shall be reduced by the aggregate amount allo-  
11      cated under this paragraph and paragraph (3).

12           “(3) ALLOCATIONS FOR INDIAN SCHOOLS.—The  
13      amount to be allocated under paragraph (1) to the  
14      Secretary of the Interior for schools funded by the  
15      Bureau of Indian Affairs for a calendar year shall  
16      be 1/2 of 1 percent of national qualified school con-  
17      struction bond limitation for such year. In the case  
18      of amounts allocated under the preceding sentence,  
19      Indian tribal governments (as defined in section  
20      7701(a)(40)) shall be treated as qualified issuers for  
21      purposes of this subchapter.

22           “(h) INTEREST PAYMENT DATE.—For purposes of  
23      this section, the term ‘interest payment date’ means any  
24      date on which the holder of record of the school infrastruc-

1 ture bond is entitled to a payment of interest under such  
2 bond.

3 “(i) SPECIAL RULES.—

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

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

13 “(3) APPLICATION OF CERTAIN LABOR STAND-  
14 ARDS.—Notwithstanding any other provision of law,  
15 a school infrastructure bond shall be treated as a  
16 qualified school construction bond for purposes of  
17 the application of section 1601 of the American Re-  
18 covery and Reinvestment Act of 2009 (Public Law  
19 111–5; 26 U.S.C. 54C note.).”.

20 (b) CLERICAL AMENDMENTS.—

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

“SUBPART J—CERTAIN INFRASTRUCTURE BONDS”.

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

“Sec. 54BB. School infrastructure bonds”.

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

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

19          (e) SEQUESTRATION.—Subparagraph (A) of section  
20          255(g)(1) of the Balanced Budget and Emergency Deficit  
21          Control Act of 1985 is amended by adding before “Postal  
22          Service Fund” the following: “Payments under section  
23          54BB of the Internal Revenue Code of 1986.”



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

4 **SEC. 202. EXPANSION OF QUALIFIED ZONE ACADEMY**  
5 **BONDS.**

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

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

14 (1) in subsection (a)(3)—

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

17 (B) by striking subparagraph (B),

18 (2) by striking subsection (b), and

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

20 (A) by striking “and \$400,000,0000” and  
21 inserting “\$400,000,000”, and

22 (B) by striking “and, except as provided”  
23 and all that follows through the period at the  
24 end and inserting “, and \$1,400,000,000 for  
25 2018 and each year thereafter.”.

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

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

5 (a) IN GENERAL.—Not later than September 30 of  
6 each fiscal year beginning after the date of the enactment  
7 of this Act, the Secretary shall prepare and submit to the  
8 Committee on Health, Education, Labor, and Pensions of  
9 the Senate and the Committee on Education and the  
10 Workforce of the House of Representatives a report on  
11 the school infrastructure bond program.

12 (b) ELEMENTS.—The report under subsection (a)  
13 shall include, with respect to the fiscal year preceding the  
14 year in which the report is submitted, the following:

15 (1) An identification of—

16 (A) each local educational agency that re-  
17 ceived funds from a school infrastructure bond;  
18 and

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

21 (i) but did not receive such funds; or

22 (ii) received less than the maximum  
23 amount of funds for which the agency was  
24 eligible.



1 (B) the demographic composition of the  
2 student population served by the agency,  
3 disaggregated, by number and percentage, by—

4 (i) race;

5 (ii) status as a student counted under  
6 section 1124(c) of the Elementary and  
7 Secondary Education Act of 1965 (20  
8 U.S.C. 6333(c)); and

9 (iii) eligibility for a free or reduced  
10 price lunch under the Richard B. Russell  
11 National School Lunch Act (42 U.S.C.  
12 1751 et seq.);

13 (C) the population density of the geo-  
14 graphic area served by the agency;

15 (D) a description of the projects carried  
16 out with funds received from school infrastruc-  
17 ture bonds;

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

20 (F) the estimated number of jobs created  
21 by the projects.

22 (3) The total dollar amount of all funds re-  
23 ceived by local educational agencies from school in-  
24 frastructure bonds.

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

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

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

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

## 12                           **TITLE III—GENERAL** 13                           **PROVISIONS**

### 14   **SEC. 301. USE OF AMERICAN IRON, STEEL, AND MANUFAC-** 15                           **TURED PRODUCTS.**

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

20          (b) WAIVER AUTHORITY.—

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

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

1 (B) iron, steel, and manufactured products  
2 produced in the United States are not produced  
3 in a sufficient and reasonably available amount  
4 or are not of a satisfactory quality; or

5 (C) using iron, steel, and manufactured  
6 products produced in the United States will in-  
7 crease the cost of the overall project by more  
8 than 25 percent.

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

13 (c) CONSISTENCY WITH INTERNATIONAL AGREE-  
14 MENTS.—This section shall be applied in a manner con-  
15 sistent with the obligations of the United States under  
16 international agreements.

17 (d) DEFINITIONS.—In this section:

18 (1) PRODUCED IN THE UNITED STATES.—

19 (A) IN GENERAL.—The term “produced in  
20 the United States” means the following:

21 (i) When used with respect to a man-  
22 ufactured product, the product was manu-  
23 factured in the United States and the cost  
24 of the components of such product that  
25 were mined, produced, or manufactured in

1 the United States exceeds 60 percent of  
2 the total cost of all components of the  
3 product.

4 (ii) When used with respect to iron or  
5 steel products, or an individual component  
6 of a manufactured product, all manufac-  
7 turing processes for such iron or steel  
8 products or components, from the initial  
9 melting stage through the application of  
10 coatings, occurred in the United States.

11 (B) EXCLUSIONS.—The term “produced in  
12 the United States” does not include the fol-  
13 lowing:

14 (i) Steel or iron material or products  
15 manufactured abroad from semi-finished  
16 steel or iron from the United States.

17 (ii) Iron material or products manu-  
18 factured in the United States from semi-  
19 finished steel or iron of foreign origin.

20 (2) MANUFACTURED PRODUCT.—The term  
21 “manufactured product” means any construction  
22 material or end product (as such terms are defined  
23 in part 25.003 of the Federal Acquisition Regula-  
24 tion) that is not an iron or steel product, includ-  
25 ing—

1 (A) electrical components; and

2 (B) nonferrous building materials, includ-  
3 ing aluminum and polyvinylchloride (PVC),  
4 glass, fiber optics, plastic, wood, masonry, rub-  
5 ber, manufactured stone, any other nonferrous  
6 metal, and any unmanufactured construction  
7 material.

8 **SEC. 302. COMPTROLLER GENERAL REPORT.**

9 (a) IN GENERAL.—Not later than 2 years after the  
10 date of the enactment of this Act, the Comptroller General  
11 of the United States shall prepare and submit to the Com-  
12 mittee on Health, Education, Labor, and Pensions of the  
13 Senate and the Committee on Education and the Work-  
14 force of the House of Representatives a report on the  
15 projects carried out with covered funds.

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

18 (1) the types of projects carried out with cov-  
19 ered funds;

20 (2) the geographic distribution of the projects;

21 (3) an assessment of the impact of the projects  
22 on the health and safety of school staff and stu-  
23 dents; and

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



1 (A) to public elementary or secondary  
2 schools with the highest numbers and percent-  
3 ages of students counted under section 1124(c)  
4 of the Elementary and Secondary Education  
5 Act of 1965 (20 U.S.C. 6333(c)); and

6 (B) to public elementary or secondary  
7 schools with fiscal challenges in raising capital  
8 for school infrastructure projects.

9 (c) UPDATES.—The Comptroller General shall up-  
10 date and resubmit the report to the Committee on Health,  
11 Education, Labor, and Pensions of the Senate and the  
12 Committee on Education and the Workforce of the House  
13 of Representatives—

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

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

18 **SEC. 303. STUDIES AND REPORTS ON THE PHYSICAL CON-**  
19 **DITION OF PUBLIC SCHOOLS.**

20 (a) STUDIES AND REPORTS.—Not less frequently  
21 than once in each 5-year period beginning after the date  
22 of enactment of this Act, the Secretary, acting through  
23 the Director of the Institute of Education Sciences,  
24 shall—

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

6           (2) prepare and submit a report to the Com-  
7           mittee on Health, Education, Labor, and Pensions  
8           of the Senate and the Committee on Education and  
9           the Workforce of the House of Representatives that  
10          includes the results of the study.

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

13           (1) the effect of public school facility conditions  
14           on student and staff health and safety;

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

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

19           (4) the condition of public school facilities for  
20           economically disadvantaged students as well as stu-  
21           dents from major racial and ethnic subgroups; and

22           (5) the accessibility of public school facilities for  
23           students, and staff, with disabilities.

1 **SEC. 304. DEVELOPMENT OF DATA STANDARDS.**

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

6 (1) identify the data that States should collect  
7 and include in the databases developed under section  
8 101(b)(1)(B)(ii);

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. 305. INFORMATION CLEARINGHOUSE.**

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

1 assist public elementary schools and secondary schools in  
2 initiating, developing, and financing—

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 304(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 edu-  
20 cational agencies, and schools to effectively access  
21 and use such Federal programs and financing mech-  
22 anisms.