Amendment to the Rules Committee Print

For H.R. 8

Offered by Mr. Huffman of California

At the end of the bill, add the following new title:

TITLE ___—OTHER MATTERS

SEC. __. INVESTING FOR TOMORROW’S SCHOOLS.

(a) Establishment.—

(1) Cooperative agreements.—Subject to the provisions of this section, the Secretary of the Treasury, in consultation with the Secretary of Education, may enter into cooperative agreements with States for the establishment of State infrastructure banks and multistate infrastructure banks for making loans—

(A) to local educational agencies for building or repairing elementary or secondary schools which provide free public education (as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801));

(B) to public libraries for building or repairing library facilities;
(C) to eligible charter school entities for use for the objective described in section 5224(2) of such Act (20 U.S.C. 7223c(2)) consistent with subpart 2 of part B of title V of such Act (20 U.S.C. 7223 et seq.);

(D) to community learning centers to connect and improve broadband services; and

(E) to educational service agencies for building or repairing elementary schools, secondary schools, or other school facilities that provide free public education.

(2) INTERSTATE COMPACTS.—Congress grants consent to two or more of the States, entering into a cooperative agreement under paragraph (1) with the Secretary of the Treasury for the establishment of a multistate infrastructure bank, to enter into an interstate compact establishing such bank in accordance with this section.

(b) FUNDING.—The Secretary of the Treasury, in consultation with the Secretary of Education, shall make grants to State infrastructure banks and multistate infrastructure banks in a State in a cooperative agreement under subsection (a)(1) to provide initial capital for loans provided under this section. Each bank shall apply repayments of principal and interest on loans to the making
of additional loans. The Secretary shall take final action on an application for a grant under this subsection within 90 days of the date of the submission of such application.

(c) INFRASTRUCTURE BANK REQUIREMENTS.—In order to establish an infrastructure bank under this section, each State establishing the bank shall—

(1) contribute, at a minimum, in each account of the bank from non-Federal sources an amount equal to 25 percent of the amount of each capitalization grant made to the State and contributed to the bank under subsection (b);

(2) identify an operating entity of the State as recipient of the grant if the entity has the capacity to manage loan funds and issue debt instruments of the State for purposes of leveraging the funds;

(3) allow such funds to be used as reserve for debt issued by the State so long as proceeds are deposited in the fund for loan purposes;

(4) ensure that investment income generated by funds contributed to an account of the bank will be—

(A) credited to the account;

(B) available for use in providing loans to projects eligible for assistance from the account; and
(C) invested in United States Treasury securities, bank deposits, or such other financing instruments as the Secretary may approve to earn interest to enhance the leveraging of projects assisted by the bank;

(5) ensure that any loan from the bank to an eligible charter school entity, local educational agency, public library, or community learning center will bear interest at or below the lowest interest rates being offered for bonds the income from which is exempt from Federal taxation, as determined by the State, to make the project that is the subject of the loan feasible;

(6) ensure that repayment of any loan from the bank to an eligible charter school entity, local educational agency, public library, or community learning center will commence not later than 1 year after the project has been completed;

(7) ensure that the term for repaying any loan to an eligible charter school entity, local educational agency, public library, or community learning center will not exceed 30 years after the date of the first payment on the loan under paragraph (5);

(8) ensure that the funds loaned annually that are used under subsection (a)(1)(C) are limited to a
percentage of the total funds loaned that does not exceed the percentage of elementary and secondary school students in the State enrolled in charter schools during the most recent school year for which enrollment data are available;

(9) ensure that the funds loaned annually under subsection (a)(1)(D) are used exclusively to connect and improve broadband services; and

(10) require the bank to make an annual report to the Secretary on its status and make such other reports as the Secretary may require by guidelines.

(d) **Forms of Assistance From Infrastructure Banks.**—

(1) **In General.**—An infrastructure bank established under this section may make loans in an amount equal to all or part of the cost of carrying out a project eligible for assistance under this section.

(2) **Applications for Loans.**—An application to an infrastructure bank for a loan shall include—

(A) in the case of a renovation project, a description of each architectural, civil, structural, mechanical, or electrical deficiency to be corrected with funds under a loan and the priorities to be applied;
(B) a description of the criteria used by
the applicant to determine the type of corrective
action necessary for the renovation of a facility;
(C) a description of improvements to be
made and a cost estimate for the improvements;
(D) a description of how work undertaken
with the loan will promote the conservation of
energy, water, or waste; and
(E) such other information as the infra-
structure bank may require.

An infrastructure bank shall take final action on a
completed application submitted to it within 90 days
after the date of its submission.

(3) CRITERIA FOR LOANS.—In considering ap-
plications for a loan to an eligible charter school en-
tity, local educational agency, public library, or com-
munity learning center, an infrastructure bank shall
consider—

(A) the extent to which the eligible charter
school entity, local educational agency, public li-
brary, or community learning center involved
lacks the fiscal capacity, including the ability to
raise funds through the full use of such agen-
cy’s bonding capacity and otherwise, to under-
take the project for which the loan would be used without the loan;

(B) in the case of a local educational agency, the threat that the condition of the physical plant in the project poses to the safety and well-being of students;

(C) the demonstrated need for the construction, reconstruction, or renovation based on the condition of the facility in the project;

(D) the age of such facility; and

(E) demonstrated need to connect and improve broadband services in the local community.

(e) QUALIFYING PROJECTS.—

(1) IN GENERAL.—Subject to subsection (a)(1), a project is eligible for a loan from an infrastructure bank if it is a project that consists of—

(A) the construction of new elementary or secondary schools to meet the needs imposed by enrollment growth;

(B) the repair, rebuilding, or upgrading of classrooms or structures related to academic learning, including the repair of leaking roofs, crumbling walls, inadequate plumbing, poor
ventilation equipment, and inadequate heating or light equipment;

(C) an activity to increase physical safety at the educational facility involved;

(D) an activity to enhance the educational facility involved to provide access for students, teachers, and other individuals with disabilities;

(E) an activity to address environmental or health hazards at the educational facility involved, such as poor ventilation, indoor air quality, or lighting;

(F) the provision of basic infrastructure that facilitates educational technology, such as communications outlets, electrical systems, power outlets, or a communication closet;

(G) work that will bring an educational facility into conformity with the requirements of—

(i) environmental protection or health and safety programs mandated by Federal, State, or local law if such requirements were not in effect when the facility was initially constructed; and

(ii) hazardous waste disposal, treatment, and storage requirements mandated
by the Resource Conservation and Recovery Act of 1976 or similar State laws;

(H) work that will enable efficient use of available energy resources;

(I) work that will reduce reliance on fossil fuels and expand use of solar power, wind power, and other renewable energy resources;

(J) work to detect, remove, or otherwise contain asbestos hazards in educational facilities;

(K) work to construct new public library facilities or repair or upgrade existing public library facilities;

(L) work to connect entities described in subsection (a)(1) to broadband services, and to improve such connections for such entities;

(M) measures designed to reduce or eliminate human exposure to classroom noise and environmental noise pollution; or

(N) the repair, replacement, or upgrade of kitchen equipment, kitchen appliances, and kitchen facilities.

(2) DAVIS-BACON.—The wage requirements of the Act of March 3, 1931 (referred to as the “Davis-Bacon Act”, 40 U.S.C. 276a et seq.) shall apply
with respect to individuals employed on the projects described in paragraph (1).

(3) GREEN PRACTICES.—An entity using a loan under this section to fund a new construction or renovation project described in paragraph (1) shall ensure that the project is certified, verified, or consistent with State laws, regulations, and any applicable provisions of—

(A) the LEED Green Building Rating System;

(B) Living Building Challenge;

(C) the CHPS green building rating program developed by the Collaborative for High Performance Schools; or

(D) a program that—

(i) has equivalent or more stringent standards;

(ii) is adopted by the State or another jurisdiction with authority over the entity; and

(iii) includes a verifiable method to demonstrate compliance with such program.
(f) **SUPPLEMENTATION.**—Any loan made by an infrastructure bank shall be used to supplement and not supplant other Federal, State, and local funds available.

(g) **LIMITATION ON REPAYMENTS.**—Notwithstanding any other provision of law, the repayment of a loan from an infrastructure bank under this section may not be credited towards the non-Federal share of the cost of any project.

(h) **SECRETARIAL REQUIREMENTS.**—In administering this section, the Secretary of the Treasury shall specify procedures and guidelines for establishing, operating, and providing assistance from an infrastructure bank.

(i) **UNITED STATES NOT OBLIGATED.**—The contribution of Federal funds into an infrastructure bank established under this section shall not be construed as a commitment, guarantee, or obligation on the part of the United States to any third party, nor shall any third party have any right against the United States for payment solely by virtue of the contribution. Any security or debt financing instrument issued by the infrastructure bank shall expressly state that the security or instrument does not constitute a commitment, guarantee, or obligation of the United States.
(j) **Management of Federal Funds.**—Sections 3335 and 6503 of title 31, United States Code, shall not apply to funds contributed under this section.

(k) **Program Administration.**—For each of fiscal years 2015 through 2019, a State may expend not to exceed 2 percent of the Federal funds contributed to an infrastructure bank established by the State under this section to pay the reasonable costs of administering the bank.

(l) **Secretarial Review.**—The Secretary of the Treasury shall review the financial condition of each infrastructure bank established under this section and transmit to Congress a report on the results of such review not later than 90 days after the completion of the review.

(m) **Authorization of Appropriations.**—For grants to States for the initial capitalization of infrastructure banks there are authorized to be appropriated $500,000,000 for fiscal year 2015 and for each of the 4 succeeding fiscal years.

(n) **Definitions.**—For purposes of this section:

(1) **Community Learning Center.**—The term “community learning center” has the meaning given such term in section 4201(b)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7171(b)(1)).
(2) **Educational Service Agency.**—The term “educational service agency” means a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies.

(3) **Eligible Charter School Entity.**—The term “eligible charter school entity” means—

(A) a charter school (as defined in section 5210 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7221i)); or

(B) a developer (as so defined) that has applied to an authorized public chartering agency (as so defined) to operate a charter school.

(4) **Local Educational Agency.**—(A) The term “local educational agency” means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools.
(B) The term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(C) The term includes an elementary or secondary school funded by the Bureau of Indian Affairs but only to the extent that such inclusion makes such school eligible for programs for which specific eligibility is not provided to such school in another provision of law and such school does not have a student population that is smaller than the student population of the local educational agency receiving assistance under this section with the smallest student population, except that such school shall not be subject to the jurisdiction of any State educational agency other than the Bureau of Indian Affairs.

(5) OUTLYING AREA.—The term “outlying area” means the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(6) PUBLIC LIBRARY.—The term “public library” means a library that serves free of charge all residents of a community, district, or region, and re-
ceives its financial support in whole or in part from public funds. Such term also includes a research library, which, for the purposes of this sentence, means a library that—

(A) makes its services available to the public free of charge;

(B) has extensive collections of books, manuscripts, and other materials suitable for scholarly research which are not available to the public through public libraries;

(C) engages in the dissemination of humanistic knowledge through services to readers, fellowships, educational and cultural programs, publication of significant research, and other activities; and

(D) is not an integral part of an institution of higher education.

(7) State.—The term “State” means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.