

107TH CONGRESS  
1ST SESSION

# H. R. 1430

To provide States with funds to support State, regional, and local school construction.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2001

Mrs. BIGGERT introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To provide States with funds to support State, regional, and local school construction.

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 “Building, Renovating,  
5       Improving, and Constructing Kids’ Schools Act”.

6       **SEC. 2. FINDINGS.**

7       Congress makes the following findings:

8               (1) According to a 1999 issue brief prepared by  
9       the National Center for Education Statistics, the av-  
10       erage public school in America is 42 years old, and

1 school buildings begin rapid deterioration after 40  
2 years. In addition, 29 percent of all public schools  
3 are in the oldest condition, meaning that the schools  
4 were built before 1970 and have either never been  
5 renovated or were renovated prior to 1980.

6 (2) According to reports issued by the General  
7 Accounting Office (GAO) in 1995 and 1996, it  
8 would cost \$112,000,000,000 to bring the Nation's  
9 schools into good overall condition, and one-third of  
10 all public schools need extensive repair or replace-  
11 ment.

12 (3) Many schools do not have the appropriate  
13 infrastructure to support computers and other tech-  
14 nologies that are necessary to prepare students for  
15 the jobs of the 21st century.

16 (4) Without impeding on local control, the Fed-  
17 eral Government appropriately can assist State, re-  
18 gional, and local entities in addressing school con-  
19 struction, renovation, and repair needs by providing  
20 low-interest loans for purposes of paying interest on  
21 related bonds and by supporting other State-admin-  
22 istered school construction programs.

23 **SEC. 3. DEFINITIONS.**

24 In this Act:

1           (1) BOND.—The term “bond” includes any ob-  
2           ligation.

3           (2) GOVERNOR.—The term “Governor” in-  
4           cludes the chief executive officer of a State.

5           (3) LOCAL EDUCATIONAL AGENCY.—The term  
6           “local educational agency” has the meaning given to  
7           such term by section 14101 of the Elementary and  
8           Secondary Education Act of 1965 (20 U.S.C. 8801).

9           (4) PUBLIC SCHOOL FACILITY.—The term  
10          “public school facility” shall not include—

11           (A) any stadium or other facility primarily  
12           used for athletic contests or exhibitions, or  
13           other events for which admission is charged to  
14           the general public; or

15           (B) any facility that is not owned by a  
16           State or local government or any agency or in-  
17           strumentality of a State or local government.

18          (5) QUALIFIED SCHOOL CONSTRUCTION  
19          BOND.—The term “qualified school construction  
20          bond” means any bond (or portion of a bond) issued  
21          as part of an issue if—

22           (A) 95 percent or more of the proceeds at-  
23           tributable to such bond (or portion) are to be  
24           used for the construction, rehabilitation, or re-  
25           pair of a public school facility or for the acqui-

1           sition of land on which such a facility is to be  
2           constructed with part of the proceeds;

3           (B) the bond is issued by a State, regional,  
4           or local entity, with bonding authority; and

5           (C) the issuer designates such bond (or  
6           portion) for purposes of this section.

7           (6) STABILIZATION FUND.—The term “sta-  
8           bilization fund” means the stabilization fund estab-  
9           lished under section 5302 of title 31, United States  
10          Code.

11          (7) STATE.—The term “State” means each of  
12          the several States of the United States, the District  
13          of Columbia, the Commonwealth of Puerto Rico, the  
14          United States Virgin Islands, Guam, American  
15          Samoa, the Commonwealth of the Northern Mariana  
16          Islands, the Republic of the Marshall Islands, the  
17          Federated States of Micronesia, and the Republic of  
18          Palau.

19 **SEC. 4. LOANS FOR SCHOOL CONSTRUCTION BOND INTER-**  
20 **EST PAYMENTS AND OTHER SUPPORT.**

21          (a) LOAN AUTHORITY AND OTHER SUPPORT.—

22                  (1) LOANS AND STATE-ADMINISTERED PRO-  
23                  GRAMS.—

24                          (A) IN GENERAL.—Except as provided in  
25                          subparagraph (B), from funds made available

1 to a State under section 5(b) the State, in con-  
2 sultation with the State educational agency—

3 (i) shall use not less than 50 percent  
4 of the funds to make loans to State, re-  
5 gional, or local entities within the State to  
6 enable the entities to make annual interest  
7 payments on qualified school construction  
8 bonds that are issued by the entities not  
9 later than December 31, 2004; and

10 (ii) may use not more than 50 percent  
11 of the funds to support State revolving  
12 fund programs or other State-administered  
13 programs that assist State, regional, and  
14 local entities within the State in paying for  
15 the cost of construction, rehabilitation, re-  
16 pair, or acquisition described in section  
17 3(5)(A).

18 (B) STATES WITH RESTRICTIONS.—If, on  
19 the date of enactment of this Act, a State has  
20 in effect a law that prohibits the State from  
21 making the loans described in subparagraph  
22 (A)(i), the State, in consultation with the State  
23 educational agency, may use the funds de-  
24 scribed in subparagraph (A) to support the pro-  
25 grams described in subparagraph (A)(ii).

1           (2) REQUESTS.—The Governor of each State  
2 desiring assistance under this Act shall submit a re-  
3 quest to the Secretary of the Treasury at such time  
4 and in such manner as the Secretary of the Treas-  
5 ury may require.

6           (3) PRIORITY.—In selecting entities to receive  
7 funds under paragraph (1) for projects involving  
8 construction, rehabilitation, repair, or acquisition of  
9 land for schools, the State shall give priority to enti-  
10 ties with projects for schools with greatest need, as  
11 determined by the State. In determining the schools  
12 with greatest need, the State shall take into consid-  
13 eration whether a school—

14           (A) is among the schools that have the  
15 greatest numbers or percentages of children  
16 whose education imposes a higher than average  
17 cost per child, such as—

18           (i) children living in areas with high  
19 concentrations of low-income families;

20           (ii) children from low-income families;

21           and

22           (iii) children living in sparsely popu-  
23 lated areas;

1           (B) has inadequate school facilities and a  
2           low level of resources to meet the need for  
3           school facilities;

4           (C) is located in an area experiencing high  
5           population growth; or

6           (D) meets such criteria as the State may  
7           determine to be appropriate.

8           (b) REPAYMENT.—

9           (1) IN GENERAL.—Subject to paragraph (2), a  
10          State that uses funds made available under section  
11          5(b) to make a loan or support a State-administered  
12          program under subsection (a)(1) shall repay to the  
13          stabilization fund the amount of the loan or support,  
14          plus interest, at an annual rate of 4.5 percent. A  
15          State shall not be required to begin making such re-  
16          payment until the year immediately following the  
17          15th year for which the State is eligible to receive  
18          annual distributions from the fund (which shall be  
19          the final year for which the State shall be eligible for  
20          such a distribution under this Act). The amount of  
21          such loan or support shall be fully repaid during the  
22          10-year period beginning on the expiration of the eli-  
23          gibility of the State under this Act.

24          (2) EXCEPTIONS.—

1           (A) IN GENERAL.—The interest on the  
2 amount made available to a State under section  
3 5(b) shall not accrue, prior to January 1, 2007,  
4 unless the amount appropriated to carry out  
5 part B of the Individuals with Disabilities Edu-  
6 cation Act (20 U.S.C. 1411 et seq.) for any fis-  
7 cal year prior to fiscal year 2007 is sufficient  
8 to fully fund such part for the fiscal year at the  
9 originally promised level, which promised level  
10 would provide to each State 40 percent of the  
11 average per-pupil expenditure for providing spe-  
12 cial education and related services for each  
13 child with a disability in the State.

14           (B) APPLICABLE INTEREST RATE.—Effec-  
15 tive January 1, 2007, the applicable interest  
16 rate that will apply to an amount made avail-  
17 able to a State under section 5(b) shall be—

18           (i) 0 percent with respect to years in  
19 which the amount appropriated to carry  
20 out part B of the Individuals with Disabil-  
21 ities Education Act (20 U.S.C. 1411 et  
22 seq.) is not sufficient to provide to each  
23 State at least 20 percent of the average  
24 per-pupil expenditure for providing special

1 education and related services for each  
2 child with a disability in the State;

3 (ii) 2.5 percent with respect to years  
4 in which the amount described in clause (i)  
5 is not sufficient to provide to each State at  
6 least 30 percent of such average per-pupil  
7 expenditure;

8 (iii) 3.5 percent with respect to years  
9 in which the amount described in clause (i)  
10 is not sufficient to provide to each State at  
11 least 40 percent of such average per-pupil  
12 expenditure; and

13 (iv) 4.5 percent with respect to years  
14 in which the amount described in clause (i)  
15 is sufficient to provide to each State at  
16 least 40 percent of such average per-pupil  
17 expenditure.

18 (c) FEDERAL RESPONSIBILITIES.—The Secretary of  
19 the Treasury and the Secretary of Education—

20 (1) jointly shall be responsible for ensuring that  
21 funds provided under this Act are properly distrib-  
22 uted;

23 (2) shall ensure that funds provided under this  
24 Act are used only to pay for—

1 (A) the interest on qualified school con-  
2 struction bonds; or

3 (B) a cost described in subsection  
4 (a)(1)(A)(ii); and

5 (3) shall not have authority to approve or dis-  
6 approve school construction plans assisted pursuant  
7 to this Act, except to ensure that funds made avail-  
8 able under this Act are used only to supplement, and  
9 not supplant, the amount of school construction, re-  
10 habilitation, and repair, and acquisition of land for  
11 school facilities, in the State that would have oc-  
12 curred in the absence of such funds.

13 **SEC. 5. AMOUNTS AVAILABLE TO EACH STATE.**

14 (a) RESERVATION FOR INDIANS.—

15 (1) IN GENERAL.—From \$20,000,000,000 of  
16 the funds in the stabilization fund, the Secretary of  
17 the Treasury shall make available \$400,000,000 to  
18 provide assistance to Indian tribes.

19 (2) USE OF FUNDS.—An Indian tribe that re-  
20 ceives assistance under paragraph (1)—

21 (A) shall use not less than 50 percent of  
22 the assistance for a loan to enable the Indian  
23 tribe to make annual interest payments on  
24 qualified school construction bonds, in accord-  
25 ance with the requirements of this Act that the

1 Secretary of the Treasury determines to be ap-  
2 propriate; and

3 (B) may use not more than 50 percent of  
4 the assistance to support tribal revolving fund  
5 programs or other tribal-administered programs  
6 that assist tribal governments in paying for the  
7 cost of construction, rehabilitation, repair, or  
8 acquisition described in section 3(5)(A), in ac-  
9 cordance with the requirements of this Act that  
10 the Secretary of the Treasury determines to be  
11 appropriate.

12 (b) AMOUNTS AVAILABLE.—

13 (1) IN GENERAL.—Subject to paragraph (3)  
14 and from \$20,000,000,000 of the funds in the sta-  
15 bilization fund that are not reserved under sub-  
16 section (a), the Secretary of the Treasury shall make  
17 available to each State submitting a request under  
18 section 4(a)(2) an amount that bears the same rela-  
19 tion to such remainder as the amount the State re-  
20 ceived under part A of title I of the Elementary and  
21 Secondary Education Act of 1965 (20 U.S.C. 6311  
22 et seq.) for fiscal year 2001 bears to the amount re-  
23 ceived by all States under such part for such year.

24 (2) DISBURSAL.—The Secretary of the Treas-  
25 ury shall disburse the amount made available to a

1 State under paragraph (1) or (3), on an annual  
2 basis, during the period beginning on October 1,  
3 2001, and ending September 30, 2018.

4 (c) NOTIFICATION.—The Secretary of the Treasury  
5 and the Secretary of Education jointly shall notify each  
6 State of the amount of funds the State may receive for  
7 loans and other support under this Act.

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