

106<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4032

To establish a loan guarantee program under which the Federal government shall guarantee payment of loans made by lending institutions for capital projects for public charter schools, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2000

Mrs. WILSON (for herself and Mr. SCHAFFER) introduced the following bill;  
which was referred to the Committee on Education and the Workforce

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## A BILL

To establish a loan guarantee program under which the Federal government shall guarantee payment of loans made by lending institutions for capital projects for public charter schools, 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 “Neighborhood Schools  
5 Act”.

1 **SEC. 2. ESTABLISHMENT OF LOAN GUARANTEE PROGRAM**  
2 **FOR PUBLIC CHARTER SCHOOLS.**

3 (a) IN GENERAL.—The Administrator of the Small  
4 Business Administration (hereafter in this Act referred to  
5 as the “Administrator”) shall establish a program under  
6 which the Administrator shall award loan guarantees to  
7 eligible public charter schools to guarantee to lending in-  
8 stitutions payment of principal and interest on loans made  
9 to such schools for capital projects.

10 (b) ELIGIBILITY REQUIREMENTS FOR SCHOOLS.—A  
11 public charter school is eligible to receive a loan guarantee  
12 under the program under this Act if the school submits  
13 to the Administrator (at such time and in such form as  
14 the Administrator may require) an application containing  
15 the following information and assurances:

16 (1) A certification that the school is a public  
17 charter school as defined by the jurisdiction in which  
18 the school is located.

19 (2) A certification that the school does not have  
20 access to funding for the project involved through  
21 the financing methods available to other public  
22 schools in the jurisdiction.

23 (3) Assurances that the school will be unable to  
24 obtain financing for the project at a reasonably af-  
25 fordable rate of interest unless the school is awarded  
26 a loan guarantee under the program.

1           (4) A business plan for the school that includes  
2           reasonable assurances that the school will repay the  
3           loan for which the guarantee will be made.

4 **SEC. 3. LIMITATION ON CUMULATIVE TOTAL OF PRINCIPAL**  
5 **OF OUTSTANDING LOANS.**

6           The cumulative total of the principal of the loans out-  
7           standing at any time for which loan guarantees have been  
8           made under the program under this Act may not exceed  
9           \$9,000,000,000.

10 **SEC. 4. DEFINITIONS.**

11           (a) CAPITAL PROJECT.—(1) In this Act, a “capital  
12           project” for a public charter school means a project for—

13                   (A) the construction, acquisition, moderniza-  
14                   tion, or renovation of facilities for the school; or

15                   (B) the purchase or replacement of equipment  
16                   for the school.

17           (2) For purposes of determining the costs which are  
18           to be incurred in carrying out any capital project for which  
19           a loan guarantee is made under the program under this  
20           Act, the project shall not be treated as a public work or  
21           building.

22           (b) PUBLIC CHARTER SCHOOL.—In this Act, the  
23           term “public charter school” means an institution defined  
24           as a public charter school by the State in which the insti-  
25           tution is located.

1 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

2       There are authorized to be appropriated  
3 \$600,000,000 for the program under this Act for fiscal  
4 year 2001.

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