

9871

I N A S S E M B L Y

April 20, 2016

Introduced by M. of A. BRINDISI -- read once and referred to the Committee on Education

AN ACT to amend the education law, in relation to the computation of foundation aid and addition of credit recovery aid for the Maisto Districts; to amend the local finance law, in relation to calculation of the period of probable usefulness regarding payment for Maisto Districts credit recovery aid; to amend the public authorities law, in relation to contracts between the dormitory authority and the Maisto Districts or the New York state association of small city school districts; and to amend the state finance law, in relation to establishing the credit recovery financing reserve fund

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Legislative intent: It is the responsibility of the legis-
2 lature under article XI of the constitution of the state of New York to
3 establish and maintain a system that will provide all children an oppor-
4 tunity to receive a meaningful high school education. As a result of
5 trial in State Supreme Court of MAISTO, ET AL. V STATE OF NEW YORK it is
6 clear that resources sufficient to offer that education in eight small
7 city school districts, known as the Maisto Districts, are not being
8 provided to those districts under current education law. Therefore, it
9 is the intention of the legislature to amend certain provisions of the
10 education law to ensure that the necessary funding is available in those
11 districts to help them provide all their children an opportunity to
12 receive a meaningful high school education and to maintain healthy
13 vibrant educational communities.

14 S 2. This legislation shall be known and may be cited as "the Maisto
15 District successful schools act".

16 S 3. Paragraph ff of subdivision 1 of section 3602 of the education
17 law, as added by section 25 of part A of chapter 58 of the laws of 2011,
18 is amended to read as follows:

19 ff. "Preliminary growth amount" shall mean the difference between the
20 statewide total, excluding the apportionments computed pursuant to
21 subdivisions four, OTHER THAN SUCH APPORTIONMENTS FOR MAISTO DISTRICTS,

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD14924-02-6

1 and seventeen of section thirty-six hundred two of the education law, of
2 the apportionments due and owing during the current school year,
3 commencing with the two thousand twelve--two thousand thirteen school
4 year, to school districts and boards of cooperative educational services
5 from the general support for public schools as computed based on an
6 electronic data file used to produce the school aid computer listing
7 produced by the commissioner in support of the enacted budget for the
8 current year, less the statewide total of such apportionments, excluding
9 the apportionments computed pursuant to subdivisions four, OTHER THAN
10 SUCH APPORTIONMENTS FOR MAISTO DISTRICTS, and seventeen of section thir-
11 ty-six hundred two of the education law, due and owing during the base
12 school year to school districts and boards of cooperative educational
13 services from the general support for public schools as computed based
14 on an electronic data file used to produce the school aid computer list-
15 ing produced by the commissioner in support of the enacted budget for
16 the current year.

17 S 4. Subdivision 1 of section 3602 of the education law is amended by
18 adding two new paragraphs hh and ii to read as follows:

19 HH. "NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS" SHALL
20 MEAN THE ASSOCIATION OF DISTRICTS IN CITIES WITH POPULATIONS FEWER THAN
21 ONE HUNDRED TWENTY-FIVE THOUSAND PERSONS IN THE MOST RECENT CENSUS.

22 II. "MAISTO DISTRICTS" SHALL MEAN THE SMALL CITY SCHOOL DISTRICTS OF
23 JAMESTOWN, KINGSTON, MOUNT VERNON, NEWBURGH, NIAGARA FALLS, PORT JERVIS,
24 POUGHKEEPSIE AND UTICA.

25 S 5. Subdivision 18 of section 3602 of the education law, as added by
26 section 37 of part A of chapter 58 of the laws of 2011, is amended to
27 read as follows:

28 18. Allocable growth amount apportionment. Such amount shall be appor-
29 tioned for a school year pursuant to a chapter of the laws of New York
30 enacted for the state fiscal year in which such school year commences,
31 and shall be allocated to purposes including but not limited to compet-
32 itive grant awards made pursuant to subdivisions five and six of section
33 thirty-six hundred forty-one of this article, the foundation aid phase-
34 in amount or other foundation aid increase allocated pursuant to subdivi-
35 sion four of this section and the gap elimination adjustment restora-
36 tion amount apportioned pursuant to subdivision seventeen of this
37 section. In the event that a chapter of the laws of New York enacted for
38 the state fiscal year in which such school year commences is not
39 enacted, the allocations in support of subdivisions five and six of
40 section thirty-six hundred forty-one of this article shall equal the
41 allocations in support of such awards in the base year, and the appor-
42 tionments pursuant to subdivisions four and seventeen of this section
43 for the current year shall equal the apportionments for such subdivi-
44 sions four and seventeen for the base year EXCEPT THAT THE APPORTION-
45 MENTS OF THE FOUNDATION AID PHASE-IN AMOUNT FOR THE MAISTO DISTRICTS AND
46 MAISTO DISTRICT CREDIT RECOVERY AID SHALL BE THE AMOUNT COMPUTED IN THE
47 CURRENT YEAR.

48 S 6. The opening paragraph and paragraphs a and b of subdivision 4 of
49 section 3602 of the education law, as amended by section 5-a of part A
50 of chapter 56 of the laws of 2015, are amended to read as follows:

51 In addition to any other apportionment pursuant to this chapter, a
52 school district, other than a special act school district as defined in
53 subdivision eight of section four thousand one of this chapter, shall be
54 eligible for total foundation aid equal to the product of total aidable
55 foundation pupil units multiplied by the district's selected foundation
56 aid, which shall be the greater of five hundred dollars (\$500) or foun-

1 dation formula aid, provided, however that for the two thousand seven--
2 two thousand eight through two thousand eight--two thousand nine school
3 years, no school district shall receive total foundation aid in excess
4 of the sum of the total foundation aid base for aid payable in the two
5 thousand seven--two thousand eight school year computed pursuant to
6 subparagraph (i) of paragraph j of subdivision one of this section, plus
7 the phase-in foundation increase computed pursuant to paragraph b of
8 this subdivision, and provided further that for the two thousand twelve--
9 two thousand thirteen school year, no school district shall receive
10 total foundation aid in excess of the sum of the total foundation aid
11 base for aid payable in the two thousand eleven--two thousand twelve
12 school year computed pursuant to paragraph j of subdivision one of this
13 section, plus the phase-in foundation increase computed pursuant to
14 paragraph b of this subdivision, and provided further that for the two
15 thousand thirteen--two thousand fourteen school year and thereafter, no
16 school district shall receive total foundation aid in excess of the sum
17 of the total foundation aid base computed pursuant to paragraph j of
18 subdivision one of this section, plus the phase-in foundation increase
19 computed pursuant to paragraph b of this subdivision and provided
20 further that total foundation aid shall not be less than the product of
21 the total foundation aid base computed pursuant to paragraph j of subdi-
22 vision one of this section and the due-minimum percent which shall be,
23 for the two thousand twelve--two thousand thirteen school year, one
24 hundred and six-tenths percent (1.006) and for the two thousand thir-
25 teen--two thousand fourteen school year for city school districts of
26 those cities having populations in excess of one hundred twenty-five
27 thousand and less than one million inhabitants one hundred and one and
28 one hundred and seventy-six thousandths percent (1.01176), and for all
29 other districts one hundred and three-tenths percent (1.003), and for
30 the two thousand fourteen--two thousand fifteen school year one hundred
31 and eighty-five hundredths percent (1.0085), and for the two thousand
32 fifteen--two thousand sixteen school year, one hundred thirty-seven
33 hundredths percent (1.0037), subject to allocation pursuant to the
34 provisions of subdivision eighteen of this section and any provisions of
35 a chapter of the laws of New York as described therein, nor more than
36 the product of such total foundation aid base and one hundred fifteen
37 percent, EXCEPT FOR MAISTO DISTRICTS WHICH SHALL BE ONE HUNDRED TWENTY-
38 FIVE PERCENT, and provided further that for the two thousand nine--two
39 thousand ten through two thousand eleven--two thousand twelve school
40 years, each school district shall receive total foundation aid in an
41 amount equal to the amount apportioned to such school district for the
42 two thousand eight--two thousand nine school year pursuant to this
43 subdivision. Total aidable foundation pupil units shall be calculated
44 pursuant to paragraph g of subdivision two of this section. For the
45 purposes of calculating aid pursuant to this subdivision, aid for the
46 city school district of the city of New York shall be calculated on a
47 citywide basis.

48 a. Foundation formula aid. Foundation formula aid shall equal the
49 remainder when the expected minimum local contribution is subtracted
50 from the product of the foundation amount, the regional cost index, and
51 the pupil need index, or: (foundation amount x regional cost index x
52 pupil need index)- expected minimum local contribution.

53 (1) The foundation amount shall reflect the average per pupil cost of
54 general education instruction in successful school districts, as deter-
55 mined by a statistical analysis of the costs of special education and
56 general education in successful school districts, provided that the

1 foundation amount shall be adjusted annually to reflect the percentage
2 increase in the consumer price index as computed pursuant to section two
3 thousand twenty-two of this chapter, provided that for the two thousand
4 eight--two thousand nine school year, for the purpose of such adjust-
5 ment, the percentage increase in the consumer price index shall be
6 deemed to be two and nine-tenths percent (0.029), and provided further
7 that the foundation amount for the two thousand seven--two thousand
8 eight school year shall be five thousand two hundred fifty-eight
9 dollars, and provided further that for the two thousand seven--two thou-
10 sand eight through two thousand fifteen--two thousand sixteen school
11 years, AND FOR THE MAISTO DISTRICTS FOR THE TWO THOUSAND SEVENTEEN--TWO
12 THOUSAND EIGHTEEN THROUGH TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE
13 SCHOOL YEARS, the foundation amount shall be further adjusted by the
14 phase-in foundation percent established pursuant to paragraph b of this
15 subdivision.

16 (2) The regional cost index shall reflect an analysis of labor market
17 costs based on median salaries in professional occupations that require
18 similar credentials to those of positions in the education field, but
19 not including those occupations in the education field, provided that
20 the regional cost indices for the two thousand seven--two thousand eight
21 school year and thereafter shall be as follows:

22	Labor Force Region	Index
23	Capital District	1.124
24	Southern Tier	1.045
25	Western New York	1.091
26	Hudson Valley	1.314
27	Long Island/NYC	1.425
28	Finger Lakes	1.141
29	Central New York	1.103
30	Mohawk Valley	1.000
31	North Country	1.000

32 (3) The pupil need index shall equal the sum of one plus the extraor-
33 dinary needs percent, provided, however, that the pupil need index shall
34 not be less than one nor more than two. The extraordinary needs percent
35 shall be calculated pursuant to paragraph w of subdivision one of this
36 section.

37 (4) The expected minimum local contribution shall equal the lesser of
38 (i) the product of (A) the quotient arrived at when the selected actual
39 valuation is divided by total wealth foundation pupil units, multiplied
40 by (B) the product of the local tax factor, multiplied by the income
41 wealth index, or (ii) the product of (A) the product of the foundation
42 amount, the regional cost index, and the pupil need index, multiplied by
43 (B) the positive difference, if any, of one minus the state sharing
44 ratio for total foundation aid. The local tax factor shall be estab-
45 lished by May first of each year by determining the product, computed to
46 four decimal places without rounding, of ninety percent multiplied by
47 the quotient of the sum of the statewide average tax rate as computed by
48 the commissioner for the current year in accordance with the provisions
49 of paragraph e of subdivision one of section thirty-six hundred nine-e
50 of this part plus the statewide average tax rate computed by the commis-
51 sioner for the base year in accordance with such provisions plus the
52 statewide average tax rate computed by the commissioner for the year
53 prior to the base year in accordance with such provisions, divided by
54 three, provided however that for the two thousand seven--two thousand
55 eight school year, such local tax factor shall be sixteen thousandths
56 (0.016), and provided further that for the two thousand eight--two thou-

1 sand nine school year, such local tax factor shall be one hundred
2 fifty-four ten thousandths (0.0154). The income wealth index shall be
3 calculated pursuant to paragraph d of subdivision three of this section,
4 provided, however, that for the purposes of computing the expected mini-
5 mum local contribution the income wealth index shall not be less than
6 sixty-five percent (0.65) and shall not be more than two hundred percent
7 (2.0) and provided however that such income wealth index shall not be
8 more than ninety-five percent (0.95) for the two thousand eight--two
9 thousand nine school year, and provided further that such income wealth
10 index shall not be less than zero for the two thousand thirteen--two
11 thousand fourteen school year. The selected actual valuation shall be
12 calculated pursuant to paragraph c of subdivision one of this section.
13 Total wealth foundation pupil units shall be calculated pursuant to
14 paragraph h of subdivision two of this section.

15 b. Phase-in foundation increase. (1) The phase-in foundation increase
16 shall equal the product of the phase-in foundation increase factor
17 multiplied by the positive difference, if any, of (i) the product of the
18 total aidable foundation pupil units multiplied by the district's
19 selected foundation aid less (ii) the total foundation aid base computed
20 pursuant to paragraph j of subdivision one of this section.

21 (2) (i) Phase-in foundation percent. The phase-in foundation percent
22 shall equal one hundred thirteen and fourteen one hundredths percent
23 (1.1314) for the two thousand eleven--two thousand twelve school year,
24 one hundred ten and thirty-eight hundredths percent (1.1038) for the two
25 thousand twelve--two thousand thirteen school year, one hundred seven
26 and sixty-eight hundredths percent (1.0768) for the two thousand thir-
27 teen--two thousand fourteen school year, one hundred five and six
28 hundredths percent (1.0506) for the two thousand fourteen--two thousand
29 fifteen school year, and one hundred two and five tenths percent
30 (1.0250) for the two thousand fifteen--two thousand sixteen school year
31 AND FOR THE MAISTO DISTRICTS ONE HUNDRED TEN AND THIRTY-EIGHT HUNDREDTHS
32 PERCENT (1.1038) FOR THE TWO THOUSAND SEVENTEEN--TWO THOUSAND EIGHTEEN
33 SCHOOL YEAR, ONE HUNDRED SEVEN AND SIXTY-EIGHT HUNDREDTHS PERCENT
34 (1.0768) FOR THE TWO THOUSAND EIGHTEEN--TWO THOUSAND NINETEEN SCHOOL
35 YEAR, ONE HUNDRED FIVE AND SIX HUNDREDTHS PERCENT (1.0506) FOR THE TWO
36 THOUSAND NINETEEN--TWO THOUSAND TWENTY SCHOOL YEAR, AND ONE HUNDRED TWO
37 AND FIVE TENTHS PERCENT (1.0250) FOR THE TWO THOUSAND TWENTY--TWO THOU-
38 SAND TWENTY-ONE SCHOOL YEAR.

39 (ii) Phase-in foundation increase factor. For the two thousand
40 eleven--two thousand twelve school year, the phase-in foundation
41 increase factor shall equal thirty-seven and one-half percent (0.375)
42 and the phase-in due minimum percent shall equal nineteen and forty-one
43 hundredths percent (0.1941), for the two thousand twelve--two thousand
44 thirteen school year the phase-in foundation increase factor shall equal
45 one and seven-tenths percent (0.017), for the two thousand thirteen--two
46 thousand fourteen school year the phase-in foundation increase factor
47 shall equal (1) for a city school district in a city having a population
48 of one million or more, five and twenty-three hundredths percent
49 (0.0523) or (2) for all other school districts zero percent, for the two
50 thousand fourteen--two thousand fifteen school year the phase-in founda-
51 tion increase factor shall equal (1) for a city school district of a
52 city having a population of one million or more, four and thirty-two
53 hundredths percent (0.0432) or (2) for a school district other than a
54 city school district having a population of one million or more for
55 which (A) the quotient of the positive difference of the foundation
56 formula aid minus the foundation aid base computed pursuant to paragraph

1 j of subdivision one of this section divided by the foundation formula
2 aid is greater than twenty-two percent (0.22) and (B) a combined wealth
3 ratio less than thirty-five hundredths (0.35), seven percent (0.07) or
4 (3) for all other school districts, four and thirty-one hundredths
5 percent (0.0431), and for the two thousand fifteen--two thousand sixteen
6 school year the phase-in foundation increase factor shall equal: (1) for
7 a city school district of a city having a population of one million or
8 more, thirteen and two hundred seventy-four thousandths percent
9 (0.13274); or (2) for districts where the quotient arrived at when
10 dividing (A) the product of the total aidable foundation pupil units
11 multiplied by the district's selected foundation aid less the total
12 foundation aid base computed pursuant to paragraph j of subdivision one
13 of this section divided by (B) the product of the total aidable founda-
14 tion pupil units multiplied by the district's selected foundation aid is
15 greater than nineteen percent (0.19), and where the district's combined
16 wealth ratio is less than thirty-three hundredths (0.33), seven and
17 seventy-five hundredths percent (0.0775); or (3) for any other district
18 designated as high need pursuant to clause (c) of subparagraph two of
19 paragraph c of subdivision six of this section for the school aid
20 computer listing produced by the commissioner in support of the enacted
21 budget for the two thousand seven--two thousand eight school year and
22 entitled "SA0708", four percent (0.04); or (4) for a city school
23 district in a city having a population of one hundred twenty-five thou-
24 sand or more but less than one million, fourteen percent (0.14); or (5)
25 for school districts that were designated as small city school districts
26 or central school districts whose boundaries include a portion of a
27 small city for the school aid computer listing produced by the commis-
28 sioner in support of the enacted budget for the two thousand fourteen--
29 two thousand fifteen school year and entitled "SA1415", four and seven
30 hundred fifty- one thousandths percent (0.04751); or (6) for all other
31 districts one percent (0.01), and for the two thousand sixteen--two
32 thousand seventeen school year and thereafter the commissioner shall
33 annually determine the phase-in foundation increase factor subject to
34 allocation pursuant to the provisions of subdivision eighteen of this
35 section and any provisions of a chapter of the laws of New York as
36 described therein, EXCEPT THAT FOR MAISTO DISTRICTS IN THE TWO THOUSAND
37 SEVENTEEN--TWO THOUSAND EIGHTEEN SCHOOL YEAR TWENTY-FIVE HUNDREDTHS
38 PERCENT (0.0025), IN THE TWO THOUSAND EIGHTEEN--TWO THOUSAND NINETEEN
39 SCHOOL YEAR FIVE HUNDREDTHS PERCENT (0.0050), IN THE TWO THOUSAND NINE-
40 TEEN--TWO THOUSAND TWENTY SCHOOL YEAR SEVENTY-FIVE HUNDREDTHS PERCENT
41 (0.0075) AND IN THE TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE SCHOOL
42 YEAR AND THEREAFTER ONE HUNDRED HUNDREDTHS PERCENT (0.0100).

43 S 6-a. The opening paragraph, subparagraph 1 of paragraph a, and
44 clause (ii) of subparagraph 2 of paragraph b of subdivision 4 of section
45 3602 of the education law, as amended by section 7 of part A of chapter
46 54 of the laws of 2016, are amended to read as follows:

47 In addition to any other apportionment pursuant to this chapter, a
48 school district, other than a special act school district as defined in
49 subdivision eight of section four thousand one of this chapter, shall be
50 eligible for total foundation aid equal to the product of total aidable
51 foundation pupil units multiplied by the district's selected foundation
52 aid, which shall be the greater of five hundred dollars (\$500) or foun-
53 dation formula aid, provided, however that for the two thousand seven--
54 two thousand eight through two thousand eight--two thousand nine school
55 years, no school district shall receive total foundation aid in excess
56 of the sum of the total foundation aid base for aid payable in the two

1 thousand seven--two thousand eight school year computed pursuant to
2 subparagraph (i) of paragraph j of subdivision one of this section, plus
3 the phase-in foundation increase computed pursuant to paragraph b of
4 this subdivision, and provided further that for the two thousand twelve-
5 -two thousand thirteen school year, no school district shall receive
6 total foundation aid in excess of the sum of the total foundation aid
7 base for aid payable in the two thousand eleven--two thousand twelve
8 school year computed pursuant to subparagraph (ii) of paragraph j of
9 subdivision one of this section, plus the phase-in foundation increase
10 computed pursuant to paragraph b of this subdivision, and provided
11 further that for the two thousand thirteen--two thousand fourteen school
12 year and thereafter, no school district shall receive total foundation
13 aid in excess of the sum of the total foundation aid base computed
14 pursuant to subparagraph (ii) of paragraph j of subdivision one of this
15 section, plus the phase-in foundation increase computed pursuant to
16 paragraph b of this subdivision, and provided further that for the two
17 thousand sixteen--two thousand seventeen school year, no eligible school
18 districts shall receive total foundation aid in excess of the sum of the
19 total foundation aid base computed pursuant to subparagraph (ii) of
20 paragraph j of subdivision one of this section plus the sum of (A) the
21 phase-in foundation increase, (B) the executive foundation increase with
22 a minimum increase pursuant to paragraph b-2 of this subdivision, and
23 (C) an amount equal to "COMMUNITY SCHOOLS AID" in the computer listing
24 produced by the commissioner in support of the executive budget request
25 for the two thousand sixteen--two thousand seventeen school year and
26 entitled "BT161-7", where (1) "eligible school district" shall be
27 defined as a district with (a) an unrestricted aid increase of less than
28 seven percent (0.07) and (b) a three year average free and reduced price
29 lunch percent greater than fifteen percent (0.15), and (2) "unrestricted
30 aid increase" shall mean the quotient arrived at when dividing (a) the
31 sum of the executive foundation aid increase plus the gap elimination
32 adjustment for the base year, by (b) the difference of foundation aid
33 for the base year less the gap elimination adjustment for the base year,
34 and (3) "executive foundation increase" shall mean the difference of (a)
35 the amounts set forth for each school district as "FOUNDATION AID" under
36 the heading "2016-17 ESTIMATED AIDS" in the school aid computer listing
37 produced by the commissioner in support of the executive budget request
38 for the two thousand sixteen--two thousand seventeen school year and
39 entitled "BT161-7" less (b) the amounts set forth for each school
40 district as "FOUNDATION AID" under the heading "2015-16 BASE YEAR AIDS"
41 in such computer listing and provided further that total foundation aid
42 shall not be less than the product of the total foundation aid base
43 computed pursuant to paragraph j of subdivision one of this section and
44 the due-minimum percent which shall be, for the two thousand twelve--two
45 thousand thirteen school year, one hundred and six-tenths percent
46 (1.006) and for the two thousand thirteen--two thousand fourteen school
47 year for city school districts of those cities having populations in
48 excess of one hundred twenty-five thousand and less than one million
49 inhabitants one hundred and one and one hundred and seventy-six thou-
50 sandths percent (1.01176), and for all other districts one hundred and
51 three-tenths percent (1.003), and for the two thousand fourteen--two
52 thousand fifteen school year one hundred and eighty-five hundredths
53 percent (1.0085), and for the two thousand fifteen--two thousand sixteen
54 school year, one hundred thirty-seven hundredths percent (1.0037),
55 subject to allocation pursuant to the provisions of subdivision eighteen
56 of this section and any provisions of a chapter of the laws of New York

1 as described therein, nor more than the product of such total foundation
2 aid base and one hundred fifteen percent, provided, however, that for
3 the two thousand sixteen--two thousand seventeen school year such maxi-
4 mum shall be no more than the sum of (i) the product of such total foun-
5 dation aid base and one hundred fifteen percent plus (ii) the executive
6 foundation increase and plus (iii) "COMMUNITY SCHOOLS AID" in the
7 computer listing produced by the commissioner in support of the execu-
8 tive budget request for the two thousand sixteen--two thousand seventeen
9 school year and entitled "BT161-7", EXCEPT FOR MAISTO DISTRICTS WHICH
10 SHALL BE ONE HUNDRED TWENTY-FIVE PERCENT, and provided further that for
11 the two thousand nine--two thousand ten through two thousand eleven--two
12 thousand twelve school years, each school district shall receive total
13 foundation aid in an amount equal to the amount apportioned to such
14 school district for the two thousand eight--two thousand nine school
15 year pursuant to this subdivision. Total aidable foundation pupil units
16 shall be calculated pursuant to paragraph g of subdivision two of this
17 section. For the purposes of calculating aid pursuant to this subdivi-
18 sion, aid for the city school district of the city of New York shall be
19 calculated on a citywide basis.

20 (1) The foundation amount shall reflect the average per pupil cost of
21 general education instruction in successful school districts, as deter-
22 mined by a statistical analysis of the costs of special education and
23 general education in successful school districts, provided that the
24 foundation amount shall be adjusted annually to reflect the percentage
25 increase in the consumer price index as computed pursuant to section two
26 thousand twenty-two of this chapter, provided that for the two thousand
27 eight--two thousand nine school year, for the purpose of such adjust-
28 ment, the percentage increase in the consumer price index shall be
29 deemed to be two and nine-tenths percent (0.029), and provided further
30 that the foundation amount for the two thousand seven--two thousand
31 eight school year shall be five thousand two hundred fifty-eight
32 dollars, and provided further that for the two thousand seven--two thou-
33 sand eight through two thousand sixteen--two thousand seventeen school
34 years, AND FOR THE MAISTO DISTRICTS FOR THE TWO THOUSAND SEVENTEEN--TWO
35 THOUSAND EIGHTEEN THROUGH TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE
36 SCHOOL YEARS, the foundation amount shall be further adjusted by the
37 phase-in foundation percent established pursuant to paragraph b of this
38 subdivision.

39 (ii) Phase-in foundation increase factor. For the two thousand
40 eleven--two thousand twelve school year, the phase-in foundation
41 increase factor shall equal thirty-seven and one-half percent (0.375)
42 and the phase-in due minimum percent shall equal nineteen and forty-one
43 hundredths percent (0.1941), for the two thousand twelve--two thousand
44 thirteen school year the phase-in foundation increase factor shall equal
45 one and seven-tenths percent (0.017), for the two thousand thirteen--two
46 thousand fourteen school year the phase-in foundation increase factor
47 shall equal (1) for a city school district in a city having a population
48 of one million or more, five and twenty-three hundredths percent
49 (0.0523) or (2) for all other school districts zero percent, for the two
50 thousand fourteen--two thousand fifteen school year the phase-in founda-
51 tion increase factor shall equal (1) for a city school district of a
52 city having a population of one million or more, four and thirty-two
53 hundredths percent (0.0432) or (2) for a school district other than a
54 city school district having a population of one million or more for
55 which (A) the quotient of the positive difference of the foundation
56 formula aid minus the foundation aid base computed pursuant to paragraph

1 j of subdivision one of this section divided by the foundation formula
2 aid is greater than twenty-two percent (0.22) and (B) a combined wealth
3 ratio less than thirty-five hundredths (0.35), seven percent (0.07) or
4 (3) for all other school districts, four and thirty-one hundredths
5 percent (0.0431), and for the two thousand fifteen--two thousand sixteen
6 school year the phase-in foundation increase factor shall equal: (1) for
7 a city school district of a city having a population of one million or
8 more, thirteen and two hundred seventy-four thousandths percent
9 (0.13274); or (2) for districts where the quotient arrived at when
10 dividing (A) the product of the total aidable foundation pupil units
11 multiplied by the district's selected foundation aid less the total
12 foundation aid base computed pursuant to paragraph j of subdivision one
13 of this section divided by (B) the product of the total aidable founda-
14 tion pupil units multiplied by the district's selected foundation aid is
15 greater than nineteen percent (0.19), and where the district's combined
16 wealth ratio is less than thirty-three hundredths PERCENT (0.33), seven
17 and seventy-five hundredths percent (0.0775); or (3) for any other
18 district designated as high need pursuant to clause (c) of subparagraph
19 two of paragraph c of subdivision six of this section for the school aid
20 computer listing produced by the commissioner in support of the enacted
21 budget for the two thousand seven--two thousand eight school year and
22 entitled "SA0708", four percent (0.04); or (4) for a city school
23 district in a city having a population of one hundred twenty-five thou-
24 sand or more but less than one million, fourteen percent (0.14); or (5)
25 for school districts that were designated as small city school districts
26 or central school districts whose boundaries include a portion of a
27 small city for the school aid computer listing produced by the commis-
28 sioner in support of the enacted budget for the two thousand fourteen--
29 two thousand fifteen school year and entitled "SA1415", four and seven
30 hundred fifty-one thousandths percent (0.04751); or (6) for all other
31 districts one percent (0.01), and for the two thousand sixteen--two
32 thousand seventeen school year shall equal for an eligible school
33 district the greater of: (1) for a city school district in a city with a
34 population of one million or more, seven and seven hundred eighty four
35 thousandths percent (0.07784); or (2) for a city school district in a
36 city with a population of more than two hundred fifty thousand but less
37 than one million as of the most recent federal decennial census, seven
38 and three hundredths percent (0.0703); or (3) for a city school district
39 in a city with a population of more than two hundred thousand but less
40 than two hundred fifty thousand as of the most recent federal decennial
41 census, six and seventy-two hundredths percent (0.0672); or (4) for a
42 city school district in a city with a population of more than one
43 hundred fifty thousand but less than two hundred thousand as of the most
44 recent federal decennial census, six and seventy-four hundredths percent
45 (0.0674); or (5) for a city school district in a city with a population
46 of more than one hundred twenty-five thousand but less than one hundred
47 fifty thousand as of the most recent federal decennial census, nine and
48 fifty-five hundredths percent (0.0955); or (6) for school districts that
49 were designated as small city school districts or central school
50 districts whose boundaries include a portion of a small city for the
51 school aid computer listing produced by the commissioner in support of
52 the enacted budget for the two thousand fourteen--two thousand fifteen
53 school year and entitled "SA141-5" with a combined wealth ratio less
54 than one and four tenths (1.4), nine percent (0.09), provided, however,
55 that for such districts that are also districts designated as high need
56 urban-suburban pursuant to clause (c) of subparagraph two of paragraph c

1 of subdivision six of this section for the school aid computer listing
2 produced by the commissioner in support of the enacted budget for the
3 two thousand seven--two thousand eight school year and entitled
4 "SA0708", nine and seven hundred and nineteen thousandths percent
5 (0.09719); or (7) for school districts designated as high need rural
6 pursuant to clause (c) of subparagraph two of paragraph c of subdivision
7 six of this section for the school aid computer listing produced by the
8 commissioner in support of the enacted budget for the two thousand
9 seven--two thousand eight school year and entitled "SA0708", thirteen
10 and six tenths percent (0.136); or (8) for school districts designated
11 as high need urban-suburban pursuant to clause (c) of subparagraph two
12 of paragraph c of subdivision six of this section for the school aid
13 computer listing produced by the commissioner in support of the enacted
14 budget for the two thousand seven--two thousand eight school year and
15 entitled "SA0708", seven hundred nineteen thousandths percent (0.00719);
16 or (9) for all other eligible school districts, forty-seven hundredths
17 percent (0.0047) and for the two thousand seventeen--two thousand eigh-
18 teen school year and thereafter the commissioner shall annually deter-
19 mine the phase-in foundation increase factor subject to allocation
20 pursuant to the provisions of subdivision eighteen of this section and
21 any provisions of a chapter of the laws of New York as described
22 therein, EXCEPT THAT FOR MAISTO DISTRICTS IN THE TWO THOUSAND SEVEN-
23 TEEN--TWO THOUSAND EIGHTEEN SCHOOL YEAR TWENTY-FIVE HUNDREDTHS PERCENT
24 (0.0025), IN THE TWO THOUSAND EIGHTEEN--TWO THOUSAND NINETEEN SCHOOL
25 YEAR FIVE HUNDREDTHS PERCENT (0.0050), IN THE TWO THOUSAND NINETEEN--TWO
26 THOUSAND TWENTY SCHOOL YEAR SEVENTY-FIVE HUNDREDTHS PERCENT (0.0075) AND
27 IN THE TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE SCHOOL YEAR AND
28 THEREAFTER ONE HUNDRED HUNDREDTHS PERCENT (0.0100).

29 S 7. Section 3602 of the education law is amended by adding a new
30 subdivision 42 to read as follows:

31 42. MAISTO DISTRICT CREDIT RECOVERY AID. COMMENCING WITH AID PAYABLE
32 IN THE TWO THOUSAND SEVENTEEN--TWO THOUSAND EIGHTEEN SCHOOL YEAR THROUGH
33 THE TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE SCHOOL YEAR MAISTO
34 DISTRICTS SHALL BE ELIGIBLE FOR AN ADDITIONAL APPORTIONMENT AS PROVIDED
35 FOR IN THIS SUBDIVISION. SUCH DISTRICTS SHALL BE ELIGIBLE FOR AN ADDI-
36 TIONAL APPORTIONMENT IN AN AMOUNT EQUAL TO THE PRODUCT OF THE TOTAL
37 NUMBER OF STUDENTS IN THE TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN,
38 TWO THOUSAND FIFTEEN AND TWO THOUSAND SIXTEEN COHORTS MULTIPLIED BY ONE
39 MINUS THE FOUR YEAR GRADUATION RATE FOR THE YEAR PRIOR TO THE BASE YEAR
40 AND TWO THOUSAND FIVE HUNDRED (\$2,500) DOLLARS TO BE USED FOR NEW
41 PROGRAMS OR EXPANDED PROGRAMS WITH RESPECT TO SUCH STUDENTS FIRST BEGUN
42 OR EXPANDED IN THE TWO THOUSAND SEVENTEEN--TWO THOUSAND EIGHTEEN SCHOOL
43 YEAR AND THEREAFTER APPROVED BY THE COMMISSIONER FOR THE FOLLOWING
44 PURPOSES:

- 45 A. CREDIT RECOVERY PROGRAMS;
- 46 B. ACADEMIC INTERVENTION SERVICES;
- 47 C. RESPONSE TO INTERVENTION SERVICES;
- 48 D. DROP OUT PREVENTION;
- 49 E. INCARCERATED YOUTH SERVICES;
- 50 F. PARENT INVOLVEMENT PROGRAMS;
- 51 G. EXTENDED DAY AND EXTENDED YEAR PROGRAMS; AND
- 52 H. PSYCHO-SOCIAL TESTING.

53 S 8. Section 2530 of the education law, as amended by chapter 171 of
54 the laws of 1996, is amended to read as follows:

55 S 2530. Power to contract indebtedness. Each city school district
56 shall be authorized to expend money for any of the objects or purposes

1 which it is authorized to accomplish by law and may contract indebt-
2 edness in its name pursuant to the local finance law, INCLUDING BUT NOT
3 LIMITED TO THE ISSUANCE OF BONDS OF THE DISTRICT OR OF THE NEW YORK
4 STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, ITS AFFILIATES,
5 SUBSIDIARIES OR SUBDIVISIONS THEREOF TO BE REPAID BY REVENUES FROM MAIS-
6 TO DISTRICT CREDIT RECOVERY AID PURSUANT TO SUBDIVISION FORTY-TWO OF
7 SECTION THIRTY-SIX HUNDRED TWO OF THIS CHAPTER. NOTWITHSTANDING ANY
8 OTHER PROVISION OF LAW TO THE CONTRARY, EACH DISTRICT, THE NEW YORK
9 STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES,
10 SUBSIDIARIES OR SUBDIVISIONS THEREOF SHALL HAVE THE POWER TO PLEDGE,
11 ASSIGN OR OTHERWISE MAKE AVAILABLE AS SECURITY FOR SUCH INDEBTEDNESS
12 WITHOUT CONSIDERATION, REVENUES FROM STATE AID UNDER SUBDIVISION FORTY-
13 TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THIS CHAPTER AND BONDS OR OTHER
14 INDEBTEDNESS IN CONNECTION WITH SUCH SUBDIVISION FORTY-TWO SHALL NOT
15 REQUIRE VOTER APPROVAL. The provisions of section four hundred sixteen
16 of this chapter shall be applicable to such districts.

17 S 9. Paragraph a of section 11.00 of the local finance law is amended
18 by adding a new subparagraph 108 to read as follows:

19 108. PAYMENT BY SMALL CITY SCHOOL DISTRICTS FOR OBJECTS AND PURPOSES
20 SET FORTH IN SUBDIVISION FORTY-TWO OF SECTION THIRTY-SIX HUNDRED TWO OF
21 THE EDUCATION LAW AND AUTHORIZED UNDER SECTION TWENTY-FIVE HUNDRED THIR-
22 TY OF THE EDUCATION LAW, TEN YEARS.

23 S 10. Paragraph (b) of subdivision 2 of section 1676 of the public
24 authorities law is amended by adding a new undesignated paragraph to
25 read as follows:

26 MAISTO DISTRICTS AS DEFINED BY PARAGRAPH II OF SUBDIVISION ONE OF
27 SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW AND THE NEW YORK
28 STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS AS DEFINED BY PARAGRAPH
29 HH OF SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION
30 LAW, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF.

31 S 11. Subdivision 1 of section 1680 of the public authorities law is
32 amended by adding a new undesignated paragraph to read as follows:

33 MAISTO DISTRICTS AS DEFINED BY PARAGRAPH II OF SUBDIVISION ONE OF
34 SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW AND THE NEW YORK
35 STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS AS DEFINED BY PARAGRAPH
36 HH OF SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION
37 LAW, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF.

38 S 12. Section 1680 of the public authorities law is amended by adding
39 a new subdivision 41 to read as follows:

40 41. A. THE DORMITORY AUTHORITY MAY ENTER CONTRACTS TO LOAN TO OR OTHER
41 AGREEMENTS WITH THE MAISTO DISTRICTS, THE NEW YORK STATE ASSOCIATION OF
42 SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVI-
43 SIONS THEREOF FOR THE FINANCING OF NEW PROGRAMS AND EXPANDED PROGRAMS AS
44 SPECIFIED IN SUBDIVISION FORTY-TWO OF SECTION THIRTY-SIX HUNDRED TWO OF
45 THE EDUCATION LAW INCLUDING:

- 46 (1) CREDIT RECOVERY PROGRAMS;
- 47 (2) ACADEMIC INTERVENTION SERVICES;
- 48 (3) RESPONSE TO INTERVENTION SERVICES;
- 49 (4) DROP OUT PREVENTION;
- 50 (5) INCARCERATED YOUTH SERVICES;
- 51 (6) PARENT INVOLVEMENT PROGRAMS;
- 52 (7) EXTENDED DAY AND EXTENDED YEAR PROGRAMS; AND
- 53 (8) PSYCHO-SOCIAL TESTING.

54 SUCH PROGRAMS SHALL BE SUBJECT TO THE APPROVAL OF THE COMMISSIONER OF
55 EDUCATION.

1 B. EACH MAISTO DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL CITY
2 SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF
3 SHALL, NOTWITHSTANDING ANY OTHER PROVISION OF LAW, HAVE THE POWER TO
4 PLEDGE, ASSIGN OR OTHERWISE MAKE AVAILABLE TO THE DORMITORY AUTHORITY
5 WITHOUT CONSIDERATION, REVENUES FROM STATE AID UNDER SUBDIVISION FORTY-
6 TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW SATISFACTORY
7 TO THE DORMITORY AUTHORITY.

8 C. IN ADDITION TO PROVIDING FOR ALL OTHER MATTERS DEEMED NECESSARY AND
9 PROPER, SUCH CONTRACTS TO LOAN OR OTHER AGREEMENTS SHALL: (1) REQUIRE
10 PAYMENT TO THE DORMITORY AUTHORITY THE AMOUNT REQUIRED TO PAY THE PRIN-
11 CIPAL OF AND INTEREST ON OBLIGATIONS OF THE DORMITORY AUTHORITY ISSUED
12 IN RELATION TO PROVIDING SUCH FINANCING AND ALL INCIDENTAL EXPENSES OF
13 THE DORMITORY AUTHORITY INCURRED IN RELATION THERETO; (2) REQUIRE
14 PAYMENT SUFFICIENT TO MEET OBLIGATIONS UNDER SUCH CONTRACTS TO LOAN OR
15 OTHER AGREEMENTS; (3) PROVIDE THAT THE AID PAYABLE UNDER SUBDIVISION
16 FORTY-TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW SHALL
17 BE THE SOLE SECURITY FOR SUCH FINANCING AND ALL INCIDENTAL EXPENSES; AND
18 (4) NOT BE EXECUTED UNTIL SUCH PROGRAMS ARE APPROVED BY THE COMMISSIONER
19 OF EDUCATION.

20 D. (1) IN THE EVENT THAT THE MAISTO DISTRICTS, THE NEW YORK STATE
21 ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES
22 OR SUBDIVISIONS THEREOF FAIL TO MAKE ANY PAYMENT OF PRINCIPAL OR INTER-
23 EST ON ITS OBLIGATIONS, THE DORMITORY AUTHORITY SHALL CERTIFY TO THE
24 COMPTROLLER OF SUCH FAILURE. SUCH CERTIFICATE SHALL BE IN SUCH FORM AS
25 THE AUTHORITY DEEMS DESIRABLE, BUT SHALL INCLUDE THE EXACT AMOUNT OF
26 INTEREST AND PRINCIPAL REQUIRED TO SATISFY THE OBLIGATIONS TO THE
27 AUTHORITY.

28 (2) THE COMPTROLLER, UPON RECEIPT OF SUCH CERTIFICATE FROM THE AUTHOR-
29 ITY, SHALL WITHHOLD FROM THE MAISTO DISTRICTS, THE NEW YORK STATE ASSO-
30 CIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR
31 SUBDIVISIONS THEREOF ANY STATE AID PAYABLE TO SUCH ENTITY TO THE EXTENT
32 NECESSARY TO MEET THE CERTIFIED AMOUNT OF INTEREST OR PRINCIPAL AND
33 SHALL IMMEDIATELY PAY OVER TO THE CREDIT RECOVERY FINANCING RESERVE FUND
34 THE AMOUNT SO WITHHELD.

35 (3) PENDING PAYMENT TO THE AUTHORITY FROM THE COMPTROLLER OF ANY SUCH
36 STATE AID WITHHELD, THE AUTHORITY SHALL, IF PAYMENTS OF INTEREST OR
37 PRINCIPAL ARE DUE ON THE AUTHORITY'S BONDS, WITHDRAW AN AMOUNT SUFFI-
38 CIENT TO MEET SUCH AMOUNTS WITHHELD FROM THE DEBT SERVICE RESERVE FUND
39 SECURING SUCH BONDS. ANY SUCH AMOUNT WITHDRAWN FROM SUCH DEBT SERVICE
40 RESERVE FUND SHALL BE PAID INTO SUCH DEBT SERVICE RESERVE FUND UPON
41 RECEIPT BY THE AGENCY FROM THE COMPTROLLER OF ANY STATE AID WITHHELD.
42 ANY AMOUNT SO PAID TO THE AUTHORITY FROM SUCH STATE AID SHALL NOT OBLI-
43 GATE THE STATE TO MAKE, NOR ENTITLE THE MAISTO DISTRICTS, THE NEW YORK
44 STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES,
45 SUBSIDIARIES OR SUBDIVISIONS THEREOF TO RECEIVE, ANY ADDITIONAL AMOUNTS
46 OF STATE AID.

47 E. ON OR BEFORE NOVEMBER FIFTEENTH OF EACH YEAR, THE DORMITORY AUTHOR-
48 ITY SHALL SUBMIT, AND THEREAFTER MAY RESUBMIT, TO THE DIRECTOR OF THE
49 BUDGET, THE STATE COMPTROLLER, THE CHAIRMAN OF THE SENATE FINANCE
50 COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY WAYS AND MEANS COMMITTEE A
51 REPORT SETTING FORTH THE AMOUNTS, IF ANY, OF ALL AMOUNTS ESTIMATED TO
52 BECOME DUE IN THE SUCCEEDING STATE FISCAL YEAR TO THE DORMITORY AUTHORI-
53 TY FROM EACH MAISTO DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL
54 CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS
55 THEREOF PURSUANT TO SUCH CONTRACTS TO LOAN OR OTHER AGREEMENTS. THE
56 STATE COMPTROLLER SHALL PAY OVER TO THE DORMITORY AUTHORITY, PURSUANT TO

1 APPROPRIATIONS THEREFOR AND SOLELY FROM MONEYS AVAILABLE IN THE CREDIT
2 RECOVERY FINANCING RESERVE FUND ESTABLISHED BY SECTION NINETY-NINE-Z OF
3 THE STATE FINANCE LAW, THE AMOUNT SET FORTH IN SUCH REPORT AT THE TIMES
4 AND IN THE AMOUNTS SET FORTH IN THE CERTIFICATE FILED WITH THE COMP-
5 TROLLER BY THE DORMITORY AUTHORITY.

6 F. EACH MAISTO DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL CITY
7 SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF
8 WHICH ELECTS TO AVAIL ITSELF OF THE PROVISIONS OF THIS SECTION SHALL
9 HAVE ESTABLISHED WITH THE STATE COMPTROLLER A CREDIT RECOVERY FINANCING
10 RESERVE ACCOUNT WHICH SHALL BE USED TO PAY TO THE DORMITORY AUTHORITY
11 THE ANNUAL AMOUNTS PAYABLE TO THE DORMITORY AUTHORITY UNDER SUCH
12 CONTRACTS TO LOAN OR OTHER AGREEMENTS PURSUANT TO THE PROVISIONS OF THIS
13 SECTION AND SECTION NINETY-NINE-Z OF THE STATE FINANCE LAW. THE DORMITO-
14 RY AUTHORITY SHALL IDENTIFY TO THE STATE COMPTROLLER AND TO THE COMMIS-
15 SIONER OF EDUCATION WITH RESPECT TO SUCH FINANCING, EACH MAISTO
16 DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS,
17 AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF WITH WHICH IT HAS
18 SUCH CONTRACTS TO LOAN OR OTHER AGREEMENTS PURSUANT TO THIS SECTION AND
19 SHALL ANNUALLY CERTIFY THE AMOUNTS REQUIRED TO BE PAID PURSUANT TO SUCH
20 CONTRACTS TO LOAN OR OTHER AGREEMENTS.

21 G. ALL STATE AND LOCAL OFFICIALS ARE AUTHORIZED AND REQUIRED TO TAKE
22 WHATEVER ACTIONS ARE NECESSARY TO CARRY OUT THE PROVISIONS OF THIS
23 SECTION AND THE PROVISIONS OF ANY CONTRACT TO LOAN OR OTHER AGREEMENTS
24 ENTERED INTO PURSUANT TO THIS SECTION, INCLUDING MAKING THE REQUIRED
25 PAYMENTS TO THE DORMITORY AUTHORITY.

26 S 13. The state finance law is amended by adding a new section 99-z to
27 read as follows:

28 S 99-Z. CREDIT RECOVERY FINANCING RESERVE FUND. 1. THERE IS HEREBY
29 ESTABLISHED IN THE CUSTODY OF THE STATE COMPTROLLER A SPECIAL FUND TO BE
30 KNOWN AS THE CREDIT RECOVERY FINANCING RESERVE FUND. WITHIN SUCH FUND,
31 THERE IS HEREBY ESTABLISHED A SPECIAL ACCOUNT FOR EACH MAISTO DISTRICT,
32 THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND EACH
33 AFFILIATE, SUBSIDIARY OR SUBDIVISION THEREOF WHICH ENTERS INTO A
34 CONTRACT TO LOAN OR OTHER AGREEMENT WITH THE DORMITORY AUTHORITY PURSU-
35 ANT TO THIS SECTION.

36 2. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, SUCH FUND SHALL
37 CONSIST OF AID PAYABLE UNDER SUBDIVISION FORTY-TWO OF SECTION THIRTY-SIX
38 HUNDRED TWO OF THE EDUCATION LAW. THE COMPTROLLER SHALL MAINTAIN SUFFI-
39 CIENT AMOUNTS IN THE FUND IN ORDER TO PAY WHEN DUE AMOUNTS DUE TO THE
40 DORMITORY AUTHORITY PURSUANT TO ANY CONTRACT TO LOAN OR OTHER AGREEMENT
41 ENTERED INTO PURSUANT TO THE PROVISIONS OF THIS SECTION. THE DORMITORY
42 AUTHORITY SHALL CERTIFY TO THE STATE COMPTROLLER THE DATES AND AMOUNT OF
43 SUCH ANNUAL PAYMENTS AS SCHEDULED IN ITS CONTRACTS TO LOAN OR OTHER
44 AGREEMENTS. THE COMMISSIONER OF EDUCATION SHALL CERTIFY THE AMOUNT OF
45 PAYMENTS DUE THE FUND FROM AID PAYABLE UNDER SUBDIVISION FORTY-TWO OF
46 SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW.

47 3. REVENUES IN ANY SPECIAL ACCOUNT IN THE CREDIT RECOVERY FINANCING
48 RESERVE FUND MAY BE COMMINGLED WITH ANY OTHER MONIES IN SUCH FUND. ALL
49 DEPOSITS OF SUCH REVENUES WITH BANKS AND TRUST COMPANIES SHALL BE
50 SECURED BY OBLIGATIONS OF THE UNITED STATES OR OF THE STATE OF NEW YORK
51 OR ITS POLITICAL SUBDIVISIONS. SUCH OBLIGATIONS SHALL HAVE A MARKET
52 VALUE AT LEAST EQUAL AT ALL TIMES TO, BUT NOT LESS THAN, ONE HUNDRED
53 FIVE PERCENT OF THE AMOUNT OF SUCH DEPOSITS. ALL BANKS AND TRUST COMPA-
54 NIES ARE AUTHORIZED TO GIVE SECURITY FOR SUCH DEPOSITS. ANY SUCH REVEN-
55 UES IN SUCH FUND MAY, IN THE DISCRETION OF THE COMPTROLLER, BE INVESTED
56 IN OBLIGATIONS OF THE UNITED STATES OR THE STATE OR OBLIGATIONS THE

1 PRINCIPAL OF AND INTEREST ON WHICH ARE GUARANTEED BY THE UNITED STATES
2 OR BY THE STATE. ANY INTEREST EARNED SHALL BE CREDITED TO SUCH FUND.

3 4. UPON RECEIPT BY THE COMPTROLLER OF A CERTIFICATE OR CERTIFICATES
4 FROM THE DORMITORY AUTHORITY THAT IT REQUIRES A PAYMENT OR PAYMENTS FROM
5 THE APPROPRIATE SPECIAL ACCOUNT IN ORDER FOR ANY MAISTO DISTRICT, THE
6 NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFIL-
7 IATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF TO COMPLY WITH SUCH CONTRACT
8 TO LOAN OR OTHER AGREEMENT PURSUANT TO THIS SECTION, EACH OF WHICH
9 CERTIFICATES SHALL SPECIFY THE REQUIRED PAYMENT OR PAYMENTS AND THE DATE
10 WHEN THE PAYMENT OR PAYMENTS IS REQUIRED, THE COMPTROLLER SHALL PAY FROM
11 SUCH SPECIAL ACCOUNT ON OR BEFORE THE SPECIFIED DATE OR WITHIN THIRTY
12 DAYS AFTER RECEIPT OF SUCH CERTIFICATE OR CERTIFICATES, WHICHEVER IS
13 LATER, TO THE PAYING AGENT DESIGNATED BY THE DORMITORY AUTHORITY IN ANY
14 SUCH CERTIFICATE, THE AMOUNT OR AMOUNTS SO CERTIFIED.

15 5. ALL PAYMENTS OF MONEY FROM THE CREDIT RECOVERY FINANCING RESERVE
16 FUND SHALL BE MADE ON THE AUDIT AND WARRANT OF THE STATE COMPTROLLER.

17 S 14. This act shall take effect July 1, 2016; provided, however,
18 that:

19 a. section six of this act shall take effect July 1, 2017; and

20 b. the amendments to the opening paragraph, subparagraph 1 of para-
21 graph a and clause (ii) of subparagraph 2 of paragraph b made by section
22 six-a of this act shall take effect on the same date and in the same
23 manner as section 7 of part A of chapter 54 of the laws of 2016, takes
24 effect.