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I N   S E N A T E

May 11, 2016

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Introduced by Sen. GRIFFO -- read twice and ordered printed, and when printed to be committed 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 that underpin a thriving state economy.  
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.

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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 PROGRAMS  
41 WITH RESPECT TO SUCH STUDENTS APPROVED BY THE COMMISSIONER FOR THE  
42 FOLLOWING PURPOSES:

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

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

53 S 2530. Power to contract indebtedness. Each city school district  
54 shall be authorized to expend money for any of the objects or purposes  
55 which it is authorized to accomplish by law and may contract indebt-  
56 edness in its name pursuant to the local finance law, INCLUDING BUT NOT

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

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

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

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

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

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

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

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

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

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

52 SUCH PROGRAMS SHALL BE SUBJECT TO THE APPROVAL OF THE COMMISSIONER OF  
53 EDUCATION.

54 B. EACH MAISTO DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL CITY  
55 SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF  
56 SHALL, NOTWITHSTANDING ANY OTHER PROVISION OF LAW, HAVE THE POWER TO

1 PLEDGE, ASSIGN OR OTHERWISE MAKE AVAILABLE TO THE DORMITORY AUTHORITY  
2 WITHOUT CONSIDERATION, REVENUES FROM STATE AID UNDER SUBDIVISION FORTY-  
3 TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW SATISFACTORY  
4 TO THE DORMITORY AUTHORITY.

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

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

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

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

44 E. ON OR BEFORE NOVEMBER FIFTEENTH OF EACH YEAR, THE DORMITORY AUTHOR-  
45 ITY SHALL SUBMIT, AND THEREAFTER MAY RESUBMIT, TO THE DIRECTOR OF THE  
46 BUDGET, THE STATE COMPTROLLER, THE CHAIRMAN OF THE SENATE FINANCE  
47 COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY WAYS AND MEANS COMMITTEE A  
48 REPORT SETTING FORTH THE AMOUNTS, IF ANY, OF ALL AMOUNTS ESTIMATED TO  
49 BECOME DUE IN THE SUCCEEDING STATE FISCAL YEAR TO THE DORMITORY AUTHORI-  
50 TY FROM EACH MAISTO DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL  
51 CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS  
52 THEREOF PURSUANT TO SUCH CONTRACTS TO LOAN OR OTHER AGREEMENTS. THE  
53 STATE COMPTROLLER SHALL PAY OVER TO THE DORMITORY AUTHORITY, PURSUANT TO  
54 APPROPRIATIONS THEREFOR AND SOLELY FROM MONEYS AVAILABLE IN THE CREDIT  
55 RECOVERY FINANCING RESERVE FUND ESTABLISHED BY SECTION NINETY-NINE-Z OF  
56 THE STATE FINANCE LAW, THE AMOUNT SET FORTH IN SUCH REPORT AT THE TIMES

1 AND IN THE AMOUNTS SET FORTH IN THE CERTIFICATE FILED WITH THE COMP-  
2 TROLLER BY THE DORMITORY AUTHORITY.

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

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

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

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

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

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

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

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

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

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

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