STATE OF NEW YORK

2622

2017-2018 Regular Sessions

IN SENATE

January 13, 2017

Introduced by Sens. LAVALLE, FUNKE, SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Higher Education

AN ACT to amend the education law, in relation to financing of community colleges

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Paragraph c of subdivision 1 of section 6304 of the education law, as amended by chapter 295 of the laws of 1995 and the closing paragraph as added by chapter 492 of the laws of 2010, is amended to read as follows:

c. The local sponsor or sponsors shall provide [~~one-half~~] **twenty-five percent** of the amount of the **costs of alterations and improvements to existing facilities for capital critical maintenance, or so much as may be necessary, and forty percent of all other** capital costs, or so much as may be necessary, and one-third or, in the case of a college implementing a program of full opportunity for local residents, four-fifteenths of the operating costs, or so much as may be necessary, by appropriations from general revenues or from funds derived from special tax levies earmarked in part or whole for such purposes, by the use of gifts of money or, with the consent of the state university trustees, by the use of property, gifts of property or by the furnishing of services or, where a community college region is the local sponsor, in the manner provided by section sixty-three hundred ten of this [~~chapter~~] **article**. Where the local sponsor or sponsors provide all or a portion of its or their share of capital or operating costs in real or personal property or in services, the valuation of such property and services for the purpose of determining the amount of state aid shall be made by the state university trustees with the approval of the director of the budget. Local sponsors and, in the case of community college regions, any county, city or school district which has appointed members to a commu-

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

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nity college regional board of trustees may authorize the issuance of bonds or notes pursuant to the provisions of the local finance law to provide any portion or all of its requisite share of such costs for which a period of probable usefulness has been established in the local finance law. Where a county or city is the local sponsor of a community college, or appoints members to a community college regional board of trustees, the expenditures of the county or city for the college, or community college region, shall be a purpose of the county or city provided, however, that taxes to pay the local sponsor's share of operating costs, or the operating shares of the community college region charged to the county, may be charged back to the cities and towns in the county in proportion to the number of students attending the community college each term who were residents of each such city or town at the beginning of such term.

Notwithstanding any provision of law to the contrary, in the case of community college regions, a community college regional board of trustees as finance board of the region may authorize the issuance of bonds, notes or other evidence of indebtedness or the effectuation of a financing transaction by the community college region with the dormitory authority pursuant to the provisions of [~~article eight of title four~~] **title four of article eight** of the public authorities law to provide all or any portion of such costs for which a period of possible usefulness has been established in the local finance law. Notwithstanding any other provision of law, the community college region shall itself have the power to borrow money for specific objects or purposes or a class or classes of objects or purposes described in section 11.00 of the local finance law by adoption, by two-thirds of the voting strength of the regional board of trustees thereof, of a bond resolution as described in section 32.00 of the local finance law and shall include the recitation described in section 80.00 of the local finance law. Said bond resolution shall include the power to enter into financing transactions with the dormitory authority in accordance with the provisions of [~~article eight of title four~~] **title four of article eight** of the public authorities law. Upon adoption and receipt of the approvals described in subdivision ten of section sixty-three hundred ten of this article, the community college region shall publish a legal notice of estoppel as described in section 81.00 of the local finance law, which shall be applicable to said bond resolution. A community college region is hereby authorized to pledge any revenues or other monies to the payment of any obligations issued, or any financing agreement entered into with the dormitory authority.

§ 2. Subparagraphs (ii) and (iii) of paragraph (a) of subdivision 8 of section 6304 of the education law, as amended by chapter 552 of the laws of 1984, are amended to read as follows:

(ii) to the local sponsor of each community college where the local sponsor has entered into an agreement with the dormitory authority to finance and construct a community college facility, an amount equal to [~~one-half~~] **seventy-five percent in the case of alterations and improvements to existing facilities for capital critical maintenance, or as much as may be necessary, and sixty percent** of all rentals and all payments due and payable to the dormitory authority pursuant to any lease, sublease, or other agreement entered into between the dormitory authority and such local sponsor, whether or not such local sponsor shall be liable therefor, for each twelve-month period beginning on the next succeeding July first, provided, however, if such a local sponsor shall thereafter agree to finance the costs of providing all or part of a community college facility the state shall, instead, annually appropriate and pay to such local sponsor an amount equal to that portion of all rentals and all payments due and payable to the dormitory authority during the twelve-month period beginning on the next succeeding July first pursuant to any lease, sublease or other agreement providing for such financing which portion represents the state's share [~~(one-half)~~] **(seventy-five percent in the case of alterations and improvements to existing facilities for capital critical maintenance, or as much as may be necessary, and sixty percent)** of [~~the cost~~] **all costs** of each facility being financed, whether or not the local sponsor shall be liable to pay such rentals and payments, and

(iii) to the local sponsor of each community college which has financed the entire capital cost of constructing a community college facility, an amount equal to [~~one-half~~] **sixty percent** of the annual debt service on obligations issued by such local sponsor for the purpose of constructing such facility**, except that for the cost of alterations and improvements to existing facilities for capital critical maintenance, such amount shall be equal to seventy-five percent**. No local sponsor of a community college shall be eligible for assistance pursuant to the provisions of this paragraph unless: (a) a first instance appropriation has been enacted into state law prior to the commencement of construction; and (b) the state comptroller has approved the interest rate of any and all obligations issued by such local sponsor after July twenty-fourth, nineteen hundred seventy-six to finance the cost of such facility prior to the issuance of such obligations; and (c) all contracts for the construction of such facility entered into by such local sponsor after July twenty-fourth, nineteen hundred seventy-six have been approved by the director of the budget prior to the awarding of such contracts.

§ 3. This act shall take effect April 1, 2018.