

# STATE OF NEW YORK

9143--A

## IN ASSEMBLY

January 31, 2022

Introduced by M. of A. CYMBROWITZ, BURDICK, BENEDETTO, ABBATE -- read once and referred to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the education law, in relation to creating the New York state private not-for-profit special education schools revolving loan fund; and making an appropriation therefor

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

1 Section 1. The education law is amended by adding a new section 4409  
2 to read as follows:

3 § 4409. Revolving loan fund for private not-for-profit special educa-  
4 tion schools in cities with a population of one million or more. 1.  
5 There is hereby established a fund to be known as the New York state  
6 private not-for-profit special education schools revolving loan fund.  
7 Such fund shall consist of moneys made available pursuant to appropri-  
8 ation and any other sources in order to provide support to private not-  
9 for-profit schools for special education students of school age approved  
10 pursuant to section forty-four hundred four of this article. The fund  
11 shall be administered by the department; provided, however, that the  
12 commissioner may enter into an agreement with a bank or trust company to  
13 administer loans under this section.

14 2. (a) Loans under this section shall be interest free, except as  
15 otherwise provided in this subdivision. A school shall be allowed to  
16 submit one loan request application every two years. The lending period  
17 shall be a maximum of twenty-four months. A school shall submit to the  
18 department a loan repayment schedule detailing how the full amount will  
19 be repaid within the final ninety days of the twenty-four month loan  
20 period and complete all payments as per that schedule. If a school fails  
21 to comply with such schedule it will not receive any new funding until  
22 the loan is fully repaid. An interest rate of six percent per annum  
23 shall be charged for each month that a loan payment is in arrears.

24 (b) All new loan request applications shall be submitted no later than  
25 the last day of the twenty-first month in the twenty-four month loan

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

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1 period. The comptroller shall determine if available funds can satisfy  
 2 the loan requests of all such eligible applications by the first of  
 3 August of that year. If it is determined that available funds cannot  
 4 satisfy all eligible loan request applications, each eligible school  
 5 shall be assigned an amount reduced proportionally. Each school that  
 6 applied shall be notified of their eligibility and the dollar amount  
 7 available to them by August twentieth of that year.

8 3. A private not-for-profit special education school shall meet the  
 9 following requirements to be eligible to be approved for a loan under  
 10 this section:

11 (a) A school shall be incorporated in New York state.

12 (b) A school must have a current enrollment with at least fifty  
 13 percent of students having an individualized education program (IEP) as  
 14 defined in 20 U.S.C. § 1414(d).

15 4. The loan amount to a school shall be limited to a maximum of one  
 16 hundred percent of the total amount of pending tuition payments in the  
 17 prior year pursuant to subdivision four of section forty-four hundred  
 18 four of this article and the total amount of the school district agreed  
 19 tuition settlement offers in the prior year.

20 5. For a pending payment or school district agreed tuition settlement  
 21 offer to qualify for inclusion in the loan amount calculation:

22 (a) the private not-for-profit special education school must have  
 23 accepted the student without collecting any tuition from the parents  
 24 with the intent of seeking a tuition settlement pursuant to section  
 25 forty-four hundred four of this article. A refundable deposit is not  
 26 considered tuition; and

27 (b) the payment must be on behalf of a student with an IEP as defined  
 28 in 20 U.S.C. § 1414(d).

29 6. The school district settlement offer or hearing decision for one  
 30 year of tuition must be for a minimum of forty thousand dollars.

31 § 2. The sum of two hundred million dollars (\$200,000,000), or so much  
 32 thereof as may be necessary, is hereby appropriated to the New York  
 33 state private not-for-profit special education schools revolving loan  
 34 fund and made immediately available, for the purpose of carrying out the  
 35 provisions of this act.

36 § 3. This act shall take effect immediately.