S T A T E O F N E W Y O R K

S. 2 A. 2

Third Extraordinary Session

S E N A T E - A S S E M B L Y

November 29, 2010

IN SENATE -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the education law, in relation to a contract for excellence; to amend the education law, in relation to education mandates; to amend the education law, in relation to identifying school districts with high rates of identification of students with disabilities; to amend chapter 756 of the laws of 1992 relating to funding a program for work force education conducted by the consortium for worker education in New York city, in relation to apportionment and reimbursement and in relation to the effectiveness of such provisions; to amend chapter 425 of the laws of 2002, amending the education law relating to the provision of supplemental educational services, attendance at a safe public school and the suspension of pupils who bring a firearm to or possess a firearm at a school, in relation to the effectiveness of such chapter; to amend chapter 101 of the laws of 2003, amending the education law relating to implementation of the No Child Left Behind Act of 2001, in relation to the effectiveness thereof; to amend chapter 147 of the laws of 2001, amending the education law relating to conditional appointment of school district, charter school or BOCES employees, in relation to the effectiveness thereof; to amend chapter 57 of the laws of 2008 amending the education law relating to the universal pre-kindergarten program, in relation to extending the provisions thereof; to amend chapter 386 of the laws of 1996, amending the education law relating to providing for a waiver allowing state aid in certain circumstances, in relation to extending its effectiveness; to amend chapter 57 of the laws of 2004, relating to support of education, in relation to extending the provisions thereof; to amend chapter 169 of the laws of 1994 relating to certain provisions related to the 1994-95 state operations, aid to localities, capital projects and debt service budgets, in relation to the effec-

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

LBD12334-02-0

tiveness thereof; and to amend chapter 82 of the laws of 1995, amending the education law and certain other laws relating to state aid to school districts and the appropriation of funds for the support of government, in relation to the effectiveness thereof (Part A); to amend the education law, in relation to restrictions on eligibility to receive awards and loans; and to repeal certain provisions of such law relating thereto (Part B); to amend the education law, in relation to tuition assistance program awards (Part C); to amend the education law, in relation to the definition of income for purposes of tuition assistance program awards (Part D); to amend chapter 57 of the laws of 2005 amending the education law relating to the New York state nursing faculty loan forgiveness incentive program and the New York state nursing faculty scholarship program, in relation to the effectiveness thereof (Part E); to amend chapter 31 of the laws of 1985, amending the education law relating to regents scholarships in certain professions, in relation to extending the effectiveness of certain provisions thereof (Part F); and to amend the education law, in relation to eligibility requirements for student financial aid (Part G)

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

Section 1. This act enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2010-2011 state fiscal year. Each component is wholly contained within a Part identified as Parts A through G. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

Section 1. Paragraph e of subdivision 1 of section 211-d of the education law, as added by section 2-a of part A of chapter 57 of the laws of 2009, is amended to read as follows:

e. Notwithstanding paragraphs a and b of this subdivision, a school district that submitted a contract for excellence for the two thousand eight--two thousand nine school year shall submit a contract for excellence for the two thousand nine--two thousand ten school year in conformity with the requirements of subparagraph (vi) of paragraph a of subdivision two of this section unless all schools in the district are identified as in good standing AND PROVIDED FURTHER THAT, A SCHOOL DISTRICT THAT SUBMITTED A CONTRACT FOR EXCELLENCE FOR THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL YEAR, UNLESS ALL SCHOOLS IN THE DISTRICT ARE IDENTIFIED AS IN GOOD STANDING, SHALL SUBMIT A CONTRACT FOR EXCELLENCE FOR THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN SCHOOL YEAR WHICH SHALL, NOTWITHSTANDING THE REQUIREMENTS OF SUBPARAGRAPH (VI) OF PARAGRAPH A OF SUBDIVISION TWO OF THIS SECTION, PROVIDE FOR THE EXPENDITURE OF AN AMOUNT WHICH SHALL BE NOT LESS THAN THE PRODUCT OF THE AMOUNT APPROVED BY THE COMMISSIONER IN THE CONTRACT FOR EXCELLENCE FOR THE BASE

YEAR, MULTIPLIED BY THE DISTRICT'S GAP ELIMINATION ADJUSTMENT PERCENTAGE. FOR PURPOSES OF THIS PARAGRAPH, THE "GAP ELIMINATION ADJUSTMENT PERCENTAGE" SHALL BE CALCULATED AS THE SUM OF ONE MINUS THE QUOTIENT OF THE SCHOOL DISTRICT'S NET GAP ELIMINATION ADJUSTMENT AS COMPUTED PURSUANT TO PARAGRAPH E OF SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED NINE-A OF THIS CHAPTER DIVIDED BY THE TOTAL AID FOR ADJUSTMENT COMPUTED PURSUANT TO CHAPTER FIFTY-THREE OF THE LAWS OF TWO THOUSAND TEN. PROVIDED, FURTHER, THAT SUCH AMOUNT SHALL BE EXPENDED TO SUPPORT AND MAINTAIN ALLOWABLE PROGRAMS AND ACTIVITIES APPROVED IN THE BASE YEAR OR TO SUPPORT NEW OR EXPANDED ALLOWABLE PROGRAMS AND ACTIVITIES IN THE CURRENT YEAR.

S 2. Subdivision 12 of section 273 of the education law, as amended by section 4-a of part A of chapter 57 of the laws of 2009, is amended to read as follows:

12. The commissioner is hereby authorized to expend in state fiscal year two thousand six--two thousand seven three million dollars and in state fiscal year two thousand seven--two thousand eight eight million dollars and in state fiscal year two thousand eight--two thousand nine seven million nine hundred forty thousand dollars and in state fiscal year two thousand nine--two thousand ten eight million dollars AND IN STATE FISCAL YEAR TWO THOUSAND TEN--TWO THOUSAND ELEVEN EIGHT MILLION DOLLARS subject to an appropriation for formula grants to public library systems, reference and research library resources systems, and school library systems operating under an approved plan of service. Such formula grants shall be provided for the period commencing July first and ending on June thirtieth next following. Such formula grants will be distributed in the following manner:

a. Each public library system established pursuant to sections two hundred fifty-five and two hundred seventy-two of this part and operating under a plan approved by the commissioner is entitled to receive thirty-nine thousand dollars and an amount equal to ten and ninety-four hundredths percent of the amount of state aid received for the current year by such system under paragraphs a, c, d, e and n of subdivision one of this section for the two thousand [nine] TEN--two thousand [ten] ELEVEN state fiscal year;

b. Each reference and research library resources system established pursuant to section two hundred seventy-two of this part and operating under a plan approved by the commissioner is entitled to receive thirty-nine thousand dollars and an amount equal to ten and ninety-four hundredths percent of the amount of state aid received for the current year under paragraph a of subdivision four of this section for the two thousand [nine] TEN--two thousand [ten] ELEVEN state fiscal year; and

c. Each school library system established pursuant to section two hundred eighty-two of this part and operating under a plan approved by the commissioner is entitled to receive thirty-nine thousand dollars and an amount equal to ten and ninety-four hundredths percent of the amount of state aid received for the current year by such system under paragraphs a, b, c, d, e and f of subdivision one of section two hundred eighty-four of this part for the two thousand [nine] TEN--two thousand [ten] ELEVEN state fiscal year.

S 3. Subdivision 1 of section 1104 of the education law, as amended by chapter 53 of the laws of 1990, is amended to read as follows:

1. The commissioner [of education] in the annual apportionment of public moneys shall apportion therefrom to each county maintaining approved vocational education and extension work, a quota amounting to one-half of the salary paid each teacher, director, assistant, and

supervisor, but not to exceed THE AMOUNT COMPUTED BY THE COMMISSIONER BASED UPON AN ASSUMED ANNUALIZED SALARY EQUAL TO ten thousand five hundred dollars PER SCHOOL YEAR on account of the employment of such teacher, director, assistant or supervisor.

S 4. Section 1104 of the education law is amended by adding a new subdivision 3 to read as follows:

3. FOR THE APPORTIONMENT PAYABLE PURSUANT TO THIS SECTION FOR SCHOOL YEARS COMMENCING PRIOR TO JULY FIRST, TWO THOUSAND NINE, THE COMMISSIONER SHALL CERTIFY NO PAYMENT TO A VOCATIONAL EDUCATION AND EXTENSION BOARD BASED ON A CLAIM SUBMITTED LATER THAN THREE YEARS AFTER THE CLOSE OF THE SCHOOL YEAR IN WHICH SUCH PAYMENT WAS FIRST TO BE MADE. FOR CLAIMS FOR WHICH PAYMENT IS FIRST TO BE MADE IN THE TWO THOUSAND NINE-TWO THOUSAND TEN SCHOOL YEAR AND THEREAFTER, THE COMMISSIONER SHALL CERTIFY NO PAYMENT TO A VOCATIONAL EDUCATION AND EXTENSION BOARD BASED ON A CLAIM SUBMITTED LATER THAN ONE YEAR AFTER THE CLOSE OF SUCH SCHOOL YEAR. PROVIDED, HOWEVER, NO PAYMENTS SHALL BE BARRED OR REDUCED WHERE SUCH PAYMENT IS REQUIRED AS A RESULT OF A FINAL AUDIT OF THE STATE.

S 5. Subdivision 1 of section 2856 of the education law, as amended by chapter 378 of the laws of 2007, paragraph (a) as amended by section 12 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

1. (a) The enrollment of students attending charter schools shall be included in the enrollment, attendance, membership and, if applicable, count of students with disabilities of the school district in which the pupil resides. The charter school shall report all such data to the school districts of residence in a timely manner. Each school district shall report such enrollment, attendance and count of students with disabilities to the department. The school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the school district the charter school basic tuition, which shall be an amount equal to one hundred percent of the amount calculated pursuant to paragraph f of subdivision one of section thirty-six hundred two of this chapter for the school district for the year prior to the base year increased by the percentage change in the state total approved operating expense calculated pursuant to paragraph t of subdivision one of section thirty-six hundred two of this chapter from two years prior to the base year to the base year; provided, however, that for the two thousand nine--two thousand ten AND THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN school [year] YEARS, the charter school basic tuition shall be the amount payable by such district as charter school basic tuition for the two thousand eight--two thousand nine school year.

(b) The school district shall also pay directly to the charter school any federal or state aid attributable to a student with a disability attending charter school in proportion to the level of services for such student with a disability that the charter school provides directly or indirectly. Notwithstanding anything in this section to the contrary, amounts payable pursuant to this subdivision from state or local funds may be reduced pursuant to an agreement between the school and the charter entity set forth in the charter. Payments made pursuant to this subdivision shall be made by the school district in six substantially equal installments each year beginning on the first business day of July and every two months thereafter. Amounts payable under this subdivision shall be determined by the commissioner. Amounts payable to a charter school in its first year of operation shall be based on the projections of initial-year enrollment set forth in the charter until actual enroll-

ment data is reported to the school district by the charter school. Such projections shall be reconciled with the actual enrollment as actual enrollment data is so reported and at the end of the school's first year of operation and each subsequent year based on a final report of actual enrollment by the charter school, and any necessary adjustments resulting from such final report shall be made to payments during the school's following year of operation.

(c) Notwithstanding any other provision of this subdivision to the contrary, payment of the federal aid attributable to a student with a disability attending a charter school shall be made in accordance with the requirements of section 8065-a of title twenty of the United States code and sections 76.785-76.799 and 300.209 of title thirty-four of the code of federal regulations.

S 6. Subdivision 1 of section 2856 of the education law, as separately amended by chapter 4 of the laws of 1998 and section 12 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

1. The enrollment of students attending charter schools shall be included in the enrollment, attendance and, if applicable, count of students with disabilities of the school district in which the pupil resides. The charter school shall report all such data to the school districts of residence in a timely manner. Each school district shall report such enrollment, attendance and count of students with disabilities to the department. The school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the school district an amount equal to one hundred percent of the amount calculated pursuant to paragraph f of subdivision one of section [thirty six] THIRTY-SIX hundred two of this chapter for the school district for the year prior to the base year increased by the percentage change in the state total approved operating expense calculated pursuant to [subdivision eleven] PARAGRAPH T OF SUBDIVISION ONE of section [thirty six] THIRTY-SIX hundred two of this chapter from two years prior to the base year to the base year; provided, however, that for the two thousand nine--two thousand ten AND THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN school [year] YEARS, the charter school basic tuition shall be the amount payable by such district as charter school basic tuition for the two thousand eight--two thousand nine school year. The school district shall also pay directly to the charter school any federal or state aid attributable to a student with a disability attending charter school in proportion to the level of services for such student with a disability that the charter school provides directly or indirectly. Notwithstanding anything in this section to the contrary, amounts payable pursuant to this subdivision may be reduced pursuant to an agreement between the school and the charter entity set forth in the charter. Payments made pursuant to this subdivision shall be made by the school district in six substantially equal installments each year beginning on the first business day of July and every two months thereafter. Amounts payable under this subdivision shall be determined by the commissioner. Amounts payable to a charter school in its first year of operation shall be based on the projections of initial-year enrollment set forth in the charter. Such projections shall be reconciled with the actual enrollment at the end of the school's first year of operation, and any necessary adjustments shall be made to payments during the school's second year of operation.

S 7. Subdivision 4 of section 3602 of the education law, as amended by section 14 of part B of chapter 57 of the laws of 2008, the opening paragraph, subparagraph 1 of paragraph a, paragraph b and paragraph b-1

as amended by section 13 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

4. Total foundation aid. In addition to any other apportionment pursuant to this chapter, a school district, other than a special act school district as defined in subdivision eight of section four thousand one of this chapter, shall be eligible for total foundation aid equal to the product of total aidable foundation pupil units multiplied by the district's selected foundation aid, which shall be the greater of five hundred dollars ($500) or foundation formula aid, provided, however that for the two thousand seven--two thousand eight through two thousand eight--two thousand nine and [two thousand eleven--two thousand twelve through] two thousand twelve--two thousand thirteen THROUGH TWO THOUSAND THIRTEEN--TWO THOUSAND FOURTEEN school years, no school district shall receive total foundation aid in excess of the sum of the total foundation aid base for aid payable in the two thousand seven--two thousand eight school year computed pursuant to subparagraph (i) of paragraph j of subdivision one of this section, plus the phase-in foundation increase computed pursuant to paragraph b of this subdivision, and provided further that total foundation aid shall not be less than the product of the total foundation aid base computed pursuant to paragraph j of subdivision one of this section and one hundred three percent, nor more than the product of such total foundation aid base and one hundred fifteen percent, and provided further that for the two thousand nine--two thousand ten [and two thousand ten--two thousand eleven] THROUGH TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE school years, each school district shall receive total foundation aid in an amount equal to the amount apportioned to such school district for the two thousand eight--two thousand nine school year pursuant to this subdivision. Total aidable foundation pupil units shall be calculated pursuant to paragraph g of subdivision two of this section. For the purposes of calculating aid pursuant to this subdivision, aid for the city school district of the city of New York shall be calculated on a citywide basis.

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

(1) The foundation amount shall reflect the average per pupil cost of general education instruction in successful school districts, as determined by a statistical analysis of the costs of special education and general education in successful school districts, provided that the foundation amount shall be adjusted annually to reflect the percentage increase in the consumer price index as computed pursuant to section two thousand twenty-two of this chapter, provided that for the two thousand eight--two thousand nine school year, for the purpose of such adjustment, the percentage increase in the consumer price index shall be deemed to be two and nine-tenths percent (0.029), and provided further that the foundation amount for the two thousand seven--two thousand eight school year shall be five thousand two hundred fifty-eight dollars, and provided further that for the two thousand seven--two thousand eight through two thousand twelve--two thousand thirteen school years, such foundation amount shall be further adjusted by the phase-in foundation percent established pursuant to paragraph b of this subdivision.

(2) The regional cost index shall reflect an analysis of labor market costs based on median salaries in professional occupations that require

similar credentials to those of positions in the education field, but not including those occupations in the education field, provided that the regional cost indices for the two thousand seven--two thousand eight school year and thereafter shall be as follows:

Labor Force Region	Index
Capital District	1.124
Southern Tier	1.045
Western New York	1.091
Hudson Valley	1.314
Long Island/NYC	1.425
Finger Lakes	1.141
Central New York	1.103
Mohawk Valley	1.000
North Country	1.000

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

(4) The expected minimum local contribution shall equal the lesser of (i) the product of (A) the quotient arrived at when the selected actual valuation is divided by total wealth foundation pupil units, multiplied by (B) the product of the local tax factor, multiplied by the income wealth index, or (ii) the product of (A) the product of the foundation amount, the regional cost index, and the pupil need index, multiplied by (B) the positive difference, if any, of one minus the state sharing ratio for total foundation aid. The local tax factor shall be established by May first of each year by determining the product, computed to four decimal places without rounding, of ninety percent multiplied by the quotient of the sum of the statewide average tax rate as computed by the commissioner for the current year in accordance with the provisions of paragraph e of subdivision one of section thirty-six hundred nine-e of this part plus the statewide average tax rate computed by the commissioner for the base year in accordance with such provisions plus the statewide average tax rate computed by the commissioner for the year prior to the base year in accordance with such provisions, divided by three, provided however that for the two thousand seven--two thousand eight school year, such local tax factor shall be sixteen thousandths (0.016), and provided further that for the two thousand eight--two thousand nine school year, such local tax factor shall be one hundred fifty-four ten thousandths (0.0154). The income wealth index shall be calculated pursuant to paragraph d of subdivision three of this section, provided, however, that for the purposes of computing the expected minimum local contribution the income wealth index shall not be less than sixty-five percent (0.65) and shall not be more than two hundred percent (2.0) and provided however that such income wealth index shall not be more than ninety-five percent (0.95) for the two thousand eight--two thousand nine school year. The selected actual valuation shall be calculated pursuant to paragraph c of subdivision one of this section. Total wealth foundation pupil units shall be calculated pursuant to paragraph h of subdivision two of this section.

b. Phase-in foundation increase. (1) The phase-in foundation increase shall equal the product of the phase-in foundation increase factor multiplied by the greater of (i) the positive difference, if any, of (A) the product of the total aidable foundation pupil units multiplied by the district's selected foundation aid less (B) the total foundation aid

base for aid payable in the two thousand seven--two thousand eight school year computed pursuant to subparagraph (i) of paragraph j of subdivision one of this section or (ii) the product of the phase-in due-minimum percent multiplied by the total foundation aid base for aid payable in the two thousand seven--two thousand eight school year computed pursuant to subparagraph (i) of paragraph j of subdivision one of this section.

(2) For the two thousand seven--two thousand eight school year, the phase-in foundation percent shall equal one hundred seven and sixty-eight hundredths percent (1.0768), the phase-in foundation increase factor shall equal twenty percent (0.20), and the phase-in due-minimum percent shall equal twelve and fifty-five hundredths percent (0.1255);

for the two thousand eight--two thousand nine school year, the phase-in foundation percent shall equal one hundred five and twenty-six hundredths percent (1.0526), the phase-in foundation increase factor shall equal thirty-seven and one-half percent (0.375), and the phase-in due-minimum percent shall equal twelve and fifty-five hundredths percent (0.1255);

for the two thousand nine--two thousand ten school year, the phase-in foundation percent shall equal one hundred two and five tenths percent (1.025), the phase-in foundation increase factor shall equal thirty-seven and one-half percent (0.375), and the phase-in due-minimum percent shall equal twelve and fifty-five hundredths percent (0.1255);

for the two thousand ten--two thousand eleven school year, the phase-in foundation percent shall equal [one hundred seven and sixty-eight hundredths percent (1.0768)] ONE HUNDRED TEN AND THIRTY-EIGHT HUNDREDTHS PERCENT (1.1038), the phase-in foundation increase factor shall equal thirty-seven and one-half percent (0.375), and the phase-in due-minimum percent shall equal twelve and fifty-five hundredths percent (0.1255);

for the two thousand eleven--two thousand twelve school year, the phase-in foundation percent shall equal [one hundred five and six hundredths percent (1.0506)] ONE HUNDRED SEVEN AND SIXTY-EIGHT HUNDREDTHS PERCENT (1.0768), the phase-in foundation increase factor shall equal [fifty-three and one-tenth percent (0.531)] THIRTY-SEVEN AND ONE-HALF PERCENT (0.375), and the phase-in due-minimum percent shall equal twelve and fifty-five hundredths percent (0.1255); [and]

for the two thousand twelve--two thousand thirteen school year, the phase-in foundation percent shall equal [one hundred two and five hundredths percent (1.0250)] ONE HUNDRED FIVE AND SIX HUNDREDTHS PERCENT (1.0506), the phase-in foundation increase factor shall equal [seventy-five percent (0.75)] FIFTY-THREE AND ONE-TENTH PERCENT (0.531), and the phase-in due-minimum percent shall equal twelve and fifty-five hundredths percent (0.1255); AND

FOR THE TWO THOUSAND THIRTEEN--TWO THOUSAND FOURTEEN SCHOOL YEAR, THE PHASE-IN FOUNDATION PERCENT SHALL EQUAL ONE HUNDRED TWO AND FIVE HUNDREDTHS PERCENT (1.0250), THE PHASE-IN FOUNDATION INCREASE FACTOR SHALL EQUAL SEVENTY-FIVE PERCENT (0.75), AND THE PHASE-IN DUE-MINIMUM PERCENT SHALL EQUAL TWELVE AND FIFTY-FIVE HUNDREDTHS PERCENT (0.1255).

b-1. Notwithstanding any other provision of law to the contrary, for the two thousand seven--two thousand eight through [two thousand thirteen--two thousand fourteen] TWO THOUSAND FOURTEEN--TWO THOUSAND FIFTEEN school years, the additional amount payable to each school district pursuant to this subdivision in the current year as total foundation aid, after deducting the total foundation aid base, shall be deemed a state grant in aid identified by the commissioner for general use for

purposes of sections seventeen hundred eighteen and two thousand twenty-three of this chapter.

c. Public excess cost aid setaside. Each school district shall set aside from its total foundation aid computed for the current year pursuant to this subdivision an amount equal to the product of: (i) the difference between the amount the school district was eligible to receive in the two thousand six--two thousand seven school year pursuant to or in lieu of paragraph six of subdivision nineteen of this section as such paragraph existed on June thirtieth, two thousand seven, minus the amount such district was eligible to receive pursuant to or in lieu of paragraph five of subdivision nineteen of this section as such paragraph existed on June thirtieth, two thousand seven, in such school year, and (ii) the sum of one and the percentage increase in the consumer price index for the current year over such consumer price index for the two thousand six--two thousand seven school year, as computed pursuant to section two thousand twenty-two of this chapter. Notwithstanding any other provision of law to the contrary, the public excess cost aid setaside shall be paid pursuant to section thirty-six hundred nine-b of this part.

S 8. Clause (c) of subparagraph 1 of paragraph e of subdivision 6 of section 3602 of the education law, as amended by section 3 of part A-3 of chapter 58 of the laws of 2006, is amended to read as follows:

(c) By the first day of September of the current year the comptroller of the city of New York shall provide to the commissioner an analysis, as prescribed by the commissioner, of the actual average interest rate applied to all capital debt incurred by the city of New York AND THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY for school purposes [(or by the New York city transitional finance authority for school purposes, if no such capital debt is incurred by the city of New York)] during the base year and of the estimated average interest rate applied to all capital debt to be incurred by the city of New York AND THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY for school purposes [(or by the New York city transitional finance authority for school purposes, if no such capital debt is incurred by the city of New York)] during the current year. Upon approval by the commissioner such actual average interest rate shall be established as the interest rate applicable to the base year for the purposes of this subparagraph and subparagraph two of this paragraph, and such estimated average interest rate shall be tentatively established as the interest rate applicable to the current year, except that all apportionments of aid payable during the current year based on such estimated average interest rate shall be recalculated in the following year and adjusted as appropriate based on the appropriate actual average interest rate then established by the commissioner.

S 9. Clause (d) of subparagraph 5 of paragraph e of subdivision 6 of section 3602 of the education law, as added by section 55-a of part A of chapter 57 of the laws of 2009, is amended to read as follows:

(d) Notwithstanding any other law, rule or regulation to the contrary, any interest rate calculated under this subdivision shall take into account any federal subsidy payments made or to be made to the applicable [issuer] SCHOOL DISTRICT OR AN ISSUER ON BEHALF OF THE SCHOOL DISTRICT under the terms of a federally authorized debt instrument which have the effect of reducing the actual interest costs incurred by [such issuer] THE SCHOOL DISTRICT OR AN ISSUER ON BEHALF OF THE SCHOOL DISTRICT over the life of such capital debt, irrespective of any federal government right of set-off.

S 10. Paragraphs d and d-1 of subdivision 14 of section 3602 of the education law, as added by section 17-a of part B of chapter 57 of the laws of 2007, is amended to read as follows:

d. Incentive operating aid for reorganized districts. Notwithstanding the provisions of paragraphs a through c of this subdivision, whenever two or more school districts are scheduled for reorganization pursuant to section three hundred fourteen of this chapter, and whenever after July first, two thousand seven, all such school districts so scheduled do reorganize in accordance with the provisions of such section three hundred fourteen[, as amended by chapter seven hundred forty-five of the laws of nineteen hundred sixty-five], and

(1) whenever such proposed reorganization includes at least two school districts, each of which maintains its own high school, or

(2) where such proposed reorganization includes only one school district maintaining its own high school, whenever in such case such proposed reorganization, in addition to such school district maintaining its own high school, includes at least nine other school districts, or

(3) whenever such proposed reorganization includes at least two central school districts, or

(4) where such proposed reorganization includes at least one school district maintaining its own high school and, in addition thereto, includes at least one school district employing eight or more teachers, or

(5) where such proposed reorganization includes a city school district, and in addition thereto, includes at least seven other school districts, or

(6) where such reorganization includes at least two school districts employing eight or more teachers forming a central high school district pursuant to section nineteen hundred thirteen of this chapter, such reorganized district shall be entitled to an apportionment equal to an additional percent of the [apportionment] SELECTED OPERATING AMOUNT computed in accordance with the provisions of paragraph d-1 of this subdivision; but in no case shall the sum of such apportionment under this paragraph plus the selected operating [aid per pupil] AMOUNT be more than a total of ninety-five per centum of the year prior to the base year approved operating expense; for a period of five years beginning with the first school year of operation as a reorganized district such additional percent shall be forty percent; and thereafter such additional forty percent apportionment to such district shall be reduced by four percentage points each year, beginning with the sixth school year of operation as a reorganized district, and continuing until such additional forty percent apportionment is eliminated; provided, however, that the total apportionment to such reorganized district, beginning with the first school year of operation as a reorganized district, and for a period of fifteen years thereafter, shall be not less than the sum of all apportionments computed in accordance with the provisions of this paragraph plus the apportionment computed in accordance with the provisions of paragraph d-1 of this subdivision that each component school district was entitled to receive and did receive during the last school year preceding such first year of operation. In the event a school district is eligible for incentive operating aid and again reorganizes pursuant to a new plan or reorganization established by the commissioner, and where such new reorganization is again eligible for incentive operating aid, the newly created school district shall be entitled to receive incentive operating aid pursuant to the provisions of this paragraph, based on all school districts included in any such

reorganization, provided, however, that incentive operating aid payments due because of any such former reorganization shall cease.

d-1. For purposes of paragraph d of this subdivision, "selected operating [aid per pupil] AMOUNT" shall mean the [apportionment] PRODUCT computed for the 2006-07 school year, based on data on file with the commissioner as of the date upon which an electronic data file was created for the purposes of compliance with paragraph b of subdivision twenty-one of section three hundred five of this chapter on February fifteenth, [as] OF: the product of (i) the state sharing ratio calculated pursuant to paragraph g of subdivision three of this section and (ii) the sum of $3,900 and the product of (a) the lesser of $8,000 or the expense per pupil as defined in subdivision one of this section minus $3,900 and (b) the greater of the quotient, computed to four decimals without rounding, of .075 divided by the school district combined wealth ratio calculated pursuant to paragraph c of subdivision three of this section or 7.5 percent, but not less than $400[, and the selected apportionment shall mean the product of] MULTIPLIED BY the district's total aidable pupil units calculated pursuant to subdivision two of this section [and the selected operating aid per pupil as calculated pursuant to the provisions contained herein].

S 11. Paragraph a of subdivision 9 of section 3602-e of the education law, as amended by section 21 of part B of chapter 57 of the laws of 2008, is amended to read as follows:

a. Each year, the commissioner shall determine the maximum allocation that each district would be eligible to receive pursuant to this section in the following school year based on pupil data on file with the commissioner on a date prescribed by the commissioner, and applying the formula specified in subdivision ten of this section. No later than April thirtieth of the base year, the commissioner shall notify districts of the maximum allocations they may be eligible for pursuant to this section in the following school year, and such maximum allocations shall be deemed final and not subject to change thereafter, PROVIDED, HOWEVER, THAT FOR THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN SCHOOL YEAR SUCH MAXIMUM ALLOCATION SHALL BE SUBSEQUENTLY ADJUSTED UPWARD TO EQUAL THE GRANT AMOUNT COMPUTED FOR THE DISTRICT FOR THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL YEAR, WHERE SUCH GRANT AWARD IS GREATER THAN THE MAXIMUM ALLOCATION COMPUTED AT THE TIME THE DISTRICT WAS NOTIFIED PURSUANT TO THIS PARAGRAPH.

S 12. The opening paragraph of subdivision 10 of section 3602-e of the education law, as amended by section 21 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

Notwithstanding any provision of law to the contrary, for aid payable in the two thousand eight--two thousand nine school year, the grant to each eligible school district for universal prekindergarten aid shall be computed pursuant to this subdivision, and for the two thousand nine--two thousand ten [and two thousand ten--two thousand eleven school years] SCHOOL YEAR, each school district shall be eligible for a maximum grant equal to the amount computed for such school district for the base year in the electronic data file produced by the commissioner in support of the two thousand nine--two thousand ten education, labor and family assistance budget, provided, however, that in the case of a district implementing programs for the first time or implementing expansion programs in the two thousand eight--two thousand nine school year where such programs operate for a minimum of ninety days in any one school year as provided in section 151-1.4 of the regulations of the commissioner, such school district shall be eligible for a maximum grant equal

to the amount computed pursuant to paragraph a of subdivision nine of this section in the two thousand eight--two thousand nine school year, AND FOR THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN AND TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE SCHOOL YEARS, EACH SCHOOL DISTRICT SHALL BE ELIGIBLE FOR A MAXIMUM GRANT EQUAL TO THE GREATER OF THE AMOUNT COMPUTED FOR SUCH SCHOOL DISTRICT FOR THE BASE YEAR IN THE ELECTRONIC DATE FILE PRODUCED BY THE COMMISSIONER IN SUPPORT OF THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN EDUCATION, LABOR AND FAMILY ASSISTANCE BUDGET, OR THE GRANT AMOUNT COMPUTED FOR THE DISTRICT FOR THE TWO THOUSAND NINE--TWO THOUSAND TEN SCHOOL YEAR, and provided further that the maximum grant shall not exceed the total actual grant expenditures incurred by the school district in the current school year as approved by the commissioner.

S 13. Subdivision 11 of section 3602-e of the education law, as amended by section 19 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

11. Notwithstanding the provisions of subdivision ten of this section, where the district serves fewer children during the current year than [in the base year] THE LESSER OF THE CHILDREN SERVED IN THE TWO THOUSAND EIGHT--TWO THOUSAND NINE SCHOOL YEAR OR ITS BASE AIDABLE PREKINDERGARTEN PUPILS COMPUTED FOR THE TWO THOUSAND SEVEN--TWO THOUSAND EIGHT SCHOOL YEAR, the school district shall have its apportionment reduced in an amount proportional to such deficiency in the current year or in the succeeding school year, as determined by the commissioner, except such reduction shall not apply to school districts which have fully implemented a universal pre-kindergarten program by making such program available to all eligible children. Expenses incurred by the school district in implementing a pre-kindergarten program plan pursuant to this subdivision shall be deemed ordinary contingent expenses.

S 14. Subdivision 1 of section 3609-a of the education law is amended by adding a new paragraph e to read as follows:

E. GAP ELIMINATION ADJUSTMENT FOR TWO THOUSAND TEN--TWO THOUSAND ELEVEN. (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE COMMISSIONER SHALL REDUCE PAYMENTS DUE TO EACH DISTRICT FOR THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN SCHOOL YEAR PURSUANT TO THIS SECTION BY AN AMOUNT EQUAL TO THE GAP ELIMINATION ADJUSTMENT COMPUTED FOR SUCH DISTRICT, AND SUCH AMOUNT SHALL BE DEDUCTED FROM MONEYS APPORTIONED FOR THE PURPOSES OF PAYMENTS MADE PURSUANT TO THIS SECTION AND IF THE REDUCTION IS GREATER THAN THE SUM OF THE AMOUNTS AVAILABLE FOR SUCH DEDUCTIONS, THE REMAINDER OF THE REDUCTION SHALL BE WITHHELD FROM PAYMENTS SCHEDULED TO BE MADE TO THE DISTRICT PURSUANT TO THIS SECTION FOR THE TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE SCHOOL YEAR, AND PROVIDED FURTHER THAT AN AMOUNT EQUAL TO THE AMOUNT OF SUCH DEDUCTION SHALL BE DEEMED TO HAVE BEEN PAID TO THE DISTRICT PURSUANT TO THIS SECTION FOR THE SCHOOL YEAR IN WHICH SUCH DEDUCTION IS MADE. THE COMMISSIONER SHALL COMPUTE SUCH GAP ELIMINATION ADJUSTMENT AND SHALL PROVIDE A SCHEDULE OF SUCH REDUCTION IN PAYMENTS TO THE STATE COMPTROLLER, THE DIRECTOR OF THE BUDGET, THE CHAIR OF THE SENATE FINANCE COMMITTEE AND THE CHAIR OF THE ASSEMBLY WAYS AND MEANS COMMITTEE.

(2) THE GAP ELIMINATION ADJUSTMENT FOR TWO THOUSAND TEN--TWO THOUSAND ELEVEN SCHOOL YEAR SHALL BE COMPUTED AS FOLLOWS, BASED ON DATA USED BY THE COMMISSIONER FOR THE PURPOSES OF PRODUCING A SCHOOL AID COMPUTER LISTING IN SUPPORT OF THE EXECUTIVE BUDGET PROPOSAL FOR THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN SCHOOL YEAR AND ENTITLED "BT101-1".

(I) THE PERCENTAGE REDUCTION SHALL BE THE SUM OF (A) THE PRODUCT OF THE TOTAL AID FOR ADJUSTMENT, MULTIPLIED BY FIVE AND FIVE-TENTHS PERCENT

(0.055), AND (B) THE PRODUCT OF THREE THOUSAND ONE HUNDRED TWENTY-ONE DOLLARS ($3,121.00) MULTIPLIED BY THE REDUCTION FACTOR, MULTIPLIED BY THE PUBLIC SCHOOL DISTRICT ENROLLMENT FOR THE BASE YEAR COMPUTED PURSUANT TO SUBPARAGRAPH TWO OF PARAGRAPH N OF SUBDIVISION ONE OF SUCH SECTION THIRTY-SIX HUNDRED TWO OF THIS PART, PROVIDED, HOWEVER, THAT SUCH PERCENTAGE REDUCTION SHALL NOT BE LESS THAN THE PRODUCT OF EIGHT PERCENT (0.08) MULTIPLIED BY SUCH TOTAL AID FOR ADJUSTMENT, AND NOT MORE THAN THE PRODUCT OF TWENTY-ONE PERCENT (0.21) MULTIPLIED BY SUCH TOTAL AID FOR ADJUSTMENT.

(II) THE TAX EFFORT REDUCTION SHALL BE THE PRODUCT OF THE TOTAL AID FOR ADJUSTMENT, MULTIPLIED BY THE QUOTIENT OF TWENTY-ONE PERCENT (0.21) DIVIDED BY THE QUOTIENT OF THE TAX EFFORT RATIO DIVIDED BY THREE AND FIVE TENTHS PERCENT (0.035), PROVIDED, HOWEVER, THAT SUCH TAX EFFORT REDUCTION SHALL NOT BE LESS THAN THE PRODUCT OF TEN PERCENT (0.1) MULTIPLIED BY SUCH TOTAL AID FOR ADJUSTMENT, AND NOT MORE THAN THE PRODUCT OF TWENTY-ONE PERCENT (0.21) MULTIPLIED BY SUCH TOTAL AID FOR ADJUSTMENT.

(III) THE TGFE CHECK SHALL BE THE PRODUCT OF THE TGFE PERCENTAGE AND THE TOTAL GENERAL FUND EXPENDITURES OF SUCH DISTRICT IN THE BASE YEAR.

(IV) THE ADMINISTRATIVE EFFICIENCY OFFSET SHALL BE THE PRODUCT OF EIGHTY DOLLARS ($80.00), MULTIPLIED BY THE STATE SHARING RATIO, MULTIPLIED BY THE TOTAL AIDABLE FOUNDATION PUPIL UNITS.

THE GAP ELIMINATION ADJUSTMENT FOR A DISTRICT SHALL EQUAL (A) THE DISTRICT'S PERCENTAGE REDUCTION, PROVIDED, HOWEVER, THAT IN THE CASE OF A DISTRICT WITH A TAX EFFORT RATIO GREATER THAN THREE AND ONE-HALF PERCENT (0.035) AND A COMBINED WEALTH RATIO FOR TOTAL FOUNDATION AID THAT IS LESS THAN FOUR (4.0), THE GAP ELIMINATION ADJUSTMENT FOR A DISTRICT SHALL EQUAL THE LESSER OF THE PERCENTAGE REDUCTION AND THE TAX EFFORT REDUCTION, AND FURTHER PROVIDED, (B) IN THE CASE OF A DISTRICT DETERMINED TO BE A HIGH NEED SCHOOL DISTRICT PURSUANT TO CLAUSE (C) OF SUBPARAGRAPH TWO OF PARAGRAPH C OF SUBDIVISION SIX OF SECTION THIRTY-SIX HUNDRED TWO OF THIS PART FOR THE SCHOOL AID COMPUTER LISTING PRODUCED BY THE COMMISSIONER IN SUPPORT OF THE ENACTED BUDGET FOR THE TWO THOUSAND SEVEN--TWO THOUSAND EIGHT SCHOOL YEAR AND ENTITLED "SA0708", THE GAP ELIMINATION ADJUSTMENT FOR A DISTRICT SHALL EQUAL THE LESSER OF THE TGFE CHECK AND THE GAP ELIMINATION ADJUSTMENT SELECTED PURSUANT TO SUBCLAUSE (A) OF THIS CLAUSE, AND FURTHER PROVIDED THAT IN THE CASE OF A SCHOOL DISTRICT, OTHER THAN A CITY SCHOOL DISTRICT OF A CITY HAVING A POPULATION IN EXCESS OF ONE HUNDRED TWENTY-FIVE THOUSAND, WITH AN ADMINISTRATIVE EFFICIENCY RATIO OF LESS THAN TWO PERCENT (0.02), THE GAP ELIMINATION ADJUSTMENT SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE ADMINISTRATIVE EFFICIENCY OFFSET.

(3) THE NET GAP ELIMINATION ADJUSTMENT FOR A DISTRICT SHALL EQUAL THE PRODUCT OF THE GAP ELIMINATION ADJUSTMENT COMPUTED PURSUANT TO SUBPARAGRAPH TWO OF THIS PARAGRAPH, MULTIPLIED BY SIXTY-SIX AND FOUR HUNDRED SEVENTY-NINE TEN-THOUSANDTHS PERCENT (0.660479).

(4) FOR THE PURPOSES OF SUCH COMPUTATION, (I) "TOTAL AID FOR ADJUSTMENT" SHALL MEAN THE SUM OF THE AMOUNTS SET FORTH FOR EACH SCHOOL DISTRICT AS "FOUNDATION AID", "FULL DAY K CONVERSION", "BOCES + SPECIAL SERVICES", "PUBLIC HIGH COST SPECIAL EDN", "PRIVATE SPECIAL EDUCATION", "HARDWARE & TECHNOLOGY", "SOFTWARE, LIBRARY, TEXTBOOK", "TRANSPORTATION INCL SUMMER", "OPERATING REORG INCENTIVE", "CHARTER SCHOOL TRANSITIONAL", "ACADEMIC ENHANCEMENT", "HIGH TAX AID" AND "SUPPLEMENTAL PUB SPECIAL EDN" UNDER THE HEADING "2010-11 ESTIMATED AIDS" IN THE SCHOOL AID COMPUTER LISTING PRODUCED BY THE COMMISSIONER IN SUPPORT OF THE EXECUTIVE BUDGET PROPOSAL FOR THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN SCHOOL YEAR AND ENTITLED "BT101-1", AND

(II) "THREE-YEAR AVERAGE FREE AND REDUCED PRICE LUNCH PERCENT" SHALL MEAN THE QUOTIENT OF (A) THE SUM OF THE NUMBER OF PUPILS IN KINDERGARTEN THROUGH GRADE SIX ATTENDING THE PUBLIC SCHOOLS OF THE DISTRICT WHO HAVE APPLICATIONS ON FILE OR WHO ARE LISTED ON A DIRECT CERTIFICATION LETTER CONFIRMING THEIR ELIGIBILITY FOR PARTICIPATION IN THE STATE AND FEDERALLY FUNDED FREE AND REDUCED PRICE LUNCH PROGRAM ON THE DATE ENROLLMENT WAS COUNTED IN ACCORDANCE WITH THIS SUBDIVISION FOR THE YEAR PRIOR TO THE BASE YEAR, PLUS SUCH NUMBER OF ELIGIBLE APPLICANTS FOR THE FREE AND REDUCED PRICE LUNCH PROGRAM COMPUTED FOR THE YEAR TWO YEARS PRIOR TO THE BASE YEAR, PLUS SUCH NUMBER OF ELIGIBLE APPLICANTS FOR THE FREE AND REDUCED PRICE LUNCH PROGRAM COMPUTED FOR THE YEAR THREE YEARS PRIOR TO THE BASE YEAR, DIVIDED BY (B) THE SUM OF THE NUMBER OF PUPILS IN KINDERGARTEN THROUGH GRADE SIX ON A REGULAR ENROLLMENT REGISTER OF A PUBLIC SCHOOL DISTRICT ON THE DATE ENROLLMENT WAS COUNTED IN ACCORDANCE WITH THIS SUBDIVISION FOR THE YEAR PRIOR TO THE BASE YEAR, PLUS SUCH NUMBER OF PUPILS IN KINDERGARTEN THROUGH GRADE SIX ON A REGULAR ENROLLMENT REGISTER OF A PUBLIC SCHOOL DISTRICT COMPUTED FOR THE YEAR TWO YEARS PRIOR TO THE BASE YEAR, PLUS SUCH NUMBER OF PUPILS IN KINDERGARTEN THROUGH GRADE SIX ON A REGULAR ENROLLMENT REGISTER OF A PUBLIC SCHOOL DISTRICT COMPUTED FOR THE YEAR THREE YEARS PRIOR TO THE BASE YEAR, AND

(III) "TOTAL AIDABLE FOUNDATION PUPIL UNITS" SHALL MEAN THE TOTAL AIDABLE FOUNDATION PUPIL UNITS COMPUTED PURSUANT TO PARAGRAPH G OF SUBDIVISION TWO OF SUCH SECTION THIRTY-SIX HUNDRED TWO OF THIS PART, AND

(IV) "COMBINED WEALTH RATIO FOR TOTAL FOUNDATION AID" SHALL MEAN THE COMBINED WEALTH RATIO FOR TOTAL FOUNDATION AID COMPUTED PURSUANT TO SUBPARAGRAPH TWO OF PARAGRAPH C OF SUBDIVISION THREE OF SECTION THIRTY-SIX HUNDRED TWO OF THIS PART, AND

(V) "THE STATE SHARING RATIO" SHALL MEAN THE STATE SHARING RATIO COMPUTED FOR TOTAL FOUNDATION AID COMPUTED PURSUANT TO PARAGRAPH G OF SUBDIVISION THREE OF SECTION THIRTY-SIX HUNDRED TWO OF THIS PART, BUT NOT LESS THAN TEN PERCENT (0.10), AND

(VI) "TAX EFFORT RATIO" SHALL MEAN THE TAX EFFORT RATIO COMPUTED PURSUANT TO SUBPARAGRAPH THREE OF PARAGRAPH A OF SUBDIVISION SIXTEEN OF SECTION THIRTY-SIX HUNDRED TWO OF THIS PART, AND

(VII) "REDUCTION FACTOR" SHALL MEAN THE PRODUCT OF THE POSITIVE REMAINDER OF ONE LESS THE THREE-YEAR AVERAGE FREE AND REDUCED PRICE LUNCH PERCENT, MULTIPLIED BY THE COMBINED WEALTH RATIO FOR TOTAL FOUNDATION AID, AND

(IX) "ADMINISTRATIVE EFFICIENCY RATIO" SHALL MEAN THE QUOTIENT OF THE SUM OF THE EXPENDITURES RELATED TO THE BOARD OF EDUCATION, INCLUDING EXPENDITURES FOR THE BOARD OF EDUCATION, THE DISTRICT CLERK'S OFFICE, THE DISTRICT MEETING, AUDITING SERVICE, THE TREASURER'S OFFICE, THE TAX COLLECTOR'S OFFICE, LEGAL SERVICES AND THE SCHOOL CENSUS, PLUS EXPENDITURES FOR CENTRAL ADMINISTRATION, INCLUDING EXPENDITURES FOR THE CHIEF SCHOOL OFFICER, THE BUSINESS OFFICE, THE PURCHASING OFFICE, THE PERSONNEL OFFICE, THE RECORDS MANAGEMENT OFFICER, PUBLIC INFORMATION AND SERVICES AND FEES FOR FISCAL AGENTS, DIVIDED BY THE TOTAL EXPENDITURES CHARGED BY A DISTRICT TO THE GENERAL, DEBT SERVICE, AND SPECIAL AID FUNDS, EXCLUDING TRANSFERS FROM THE GENERAL FUND TO THE DEBT SERVICE AND SPECIAL AID FUNDS, BASED ON EXPENDITURES REPORTED BY THE DISTRICT FOR THE SCHOOL YEAR TWO YEARS PRIOR TO THE BASE YEAR BASED ON DATA ON FILE FOR AN ELECTRONIC DATA FILE USED TO PRODUCE THE SCHOOL AID COMPUTER LISTING PRODUCED BY THE COMMISSION IN SUPPORT OF THE EXECUTIVE BUDGET REQUEST, AND

(X) "TGFE PERCENTAGE" SHALL MEAN, FOR A SCHOOL DISTRICT WHICH HAS A THREE-YEAR AVERAGE FREE AND REDUCED PRICE LUNCH PERCENT GREATER THAN

SEVENTY-FIVE PERCENT (0.75) AND WHICH HAS AN ADMINISTRATIVE EFFICIENCY RATIO LESS THAN ONE AND ONE-HALF PERCENT (0.015), THREE AND SIX-TENTHS PERCENT (0.036) AND FOR ALL OTHER SCHOOL DISTRICTS, FIVE PERCENT (0.05).

S 15. Paragraph b of subdivision 2 of section 3612 of the education law, as amended by section 28 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

b. Such grants shall be awarded to school districts, within the limits of funds appropriated therefor, through a competitive process that takes into consideration the magnitude of any shortage of teachers in the school district, the number of teachers employed in the school district who hold temporary licenses to teach in the public schools of the state, the number of provisionally certified teachers, the fiscal capacity and geographic sparsity of the district, the number of new teachers the school district intends to hire in the coming school year and the number of summer in the city student internships proposed by an eligible school district, if applicable. Grants provided pursuant to this section shall be used only for the purposes enumerated in this section. Notwithstanding any other provision of law to the contrary, a city school district in a city having a population of one million or more inhabitants receiving a grant pursuant to this section may use no more than eighty percent of such grant funds for any recruitment, retention and certification costs associated with transitional certification of teacher candidates for the school years two thousand one--two thousand two through [two thousand nine--two thousand ten] TWO THOUSAND TEN--TWO THOUSAND ELEVEN.

S 16. Paragraph b of subdivision 11 of section 3641 of the education law, as amended by chapter 9 of the laws of 2008, is amended to read as follows:

b. To the Roosevelt union free school district FOR THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN AND TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE SCHOOL YEARS there shall be paid [twelve] SIX million dollars [($12,000,000)] ($6,000,000) on an annual basis, AND FOR THE TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN SCHOOL YEAR AND THEREAFTER THERE SHALL BE PAID TWELVE MILLION DOLLARS ($12,000,000) ON AN ANNUAL BASIS. For school years commencing on July first, two thousand seven and thereafter, such special academic improvement grant shall be payable from funds appropriated for such purpose and shall be apportioned to the Roosevelt union free school district in accordance with the payment schedules contained in section three thousand six hundred nine-a of this article, notwithstanding any provision of law to the contrary.

S 17. Subdivision 6 of section 4402 of the education law, as amended by section 34 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

6. Notwithstanding any other law, rule or regulation to the contrary, the board of education of a city school district with a population of one hundred twenty-five thousand or more inhabitants shall be permitted to establish maximum class sizes for special classes for certain students with disabilities in accordance with the provisions of this subdivision. For the purpose of obtaining relief from any adverse fiscal impact from under-utilization of special education resources due to low student attendance in special education classes at the middle and secondary level as determined by the commissioner, such boards of education shall, during the school years nineteen hundred ninety-five--ninety-six through June thirtieth, two thousand [ten] ELEVEN of the [two thousand nine--two thousand ten] TWO THOUSAND TEN--TWO THOUSAND ELEVEN school year, be authorized to increase class sizes in special classes containing students with disabilities whose age ranges are equivalent to

those of students in middle and secondary schools as defined by the commissioner for purposes of this section by up to but not to exceed one and two tenths times the applicable maximum class size specified in regulations of the commissioner rounded up to the nearest whole number, provided that in a city school district having a population of one million or more, classes that have a maximum class size of fifteen may be increased by no more than one student and provided that the projected average class size shall not exceed the maximum specified in the applicable regulation, provided that such authorization shall terminate on June thirtieth, two thousand. Such authorization shall be granted upon filing of a notice by such a board of education with the commissioner stating the board's intention to increase such class sizes and a certification that the board will conduct a study of attendance problems at the secondary level and will implement a corrective action plan to increase the rate of attendance of students in such classes to at least the rate for students attending regular education classes in secondary schools of the district. Such corrective action plan shall be submitted for approval by the commissioner by a date during the school year in which such board increases class sizes as provided pursuant to this subdivision to be prescribed by the commissioner. Upon at least thirty days notice to the board of education, after conclusion of the school year in which such board increases class sizes as provided pursuant to this subdivision, the commissioner shall be authorized to terminate such authorization upon a finding that the board has failed to develop or implement an approved corrective action plan.

S 18. Subparagraph (ii) of paragraph c of subdivision 11 of section 4410 of the education law, as amended by chapter 205 of the laws of 2009, is amended to read as follows:

(ii) Payments made pursuant to this section by a municipality shall, upon conclusion of the July first to June thirtieth school year for which such payment was made, be subject to audit against the actual difference between such audited expenditures and revenues. The municipality shall submit the results of any such audit to the commissioner and the commissioner of [social] THE OFFICE OF CHILDREN AND FAMILY services, if appropriate, for review and, if warranted, adjustment of the tuition and/or maintenance rates. SUCH REVIEW SHALL BE COMPLETED AND A RESPONSE PROVIDED TO THE MUNICIPALITY WITHIN THREE MONTHS OF SUBMISSION OF SUCH AUDIT TO THE APPROPRIATE COMMISSIONER. The municipality is authorized to recover overpayments made to a provider of special services or programs pursuant to this section as determined by the commissioner or the commissioner of [health] THE OFFICE OF CHILDREN AND FAMILY SERVICES based upon their adjustment of a tuition and/or maintenance rate, PROVIDED THAT FOR PURPOSES OF MAKING SUCH ADJUSTMENT AND RECOVERY, THE MUNICIPALITY SHALL BE DEEMED TO HAVE PAID FIFTY PERCENT OF THE DISALLOWED COSTS. Such recovery may be accomplished by withholding such amount from any moneys due the provider in the current year, or by direct reimbursement.

S 19. Section 4403 of the education law is amended by adding two new subdivisions 21 and 22 to read as follows:

21. TO IDENTIFY SCHOOL DISTRICTS WITH HIGH RATES OF IDENTIFICATION OF STUDENTS AS STUDENTS WITH DISABILITIES, SCHOOL DISTRICTS WITH LOW RATES OF DECLASSIFICATION OF STUDENTS WITH DISABILITIES, SCHOOL DISTRICTS WITH HIGH RATES OF PLACEMENT OF STUDENTS WITH DISABILITIES IN SEPARATE SITES AND SCHOOL DISTRICTS WITH SIGNIFICANT DISPROPORTIONALITY BASED ON RACE AND ETHNICITY IN SUCH IDENTIFICATION OR PLACEMENT IN PARTICULAR SETTINGS. TO ENSURE COMPLIANCE WITH THE FEDERAL INDIVIDUALS WITH DISA-

BILITIES EDUCATION ACT, THE DEPARTMENT SHALL WORK WITH THE DISTRICTS TO VERIFY SUCH RATES, DETERMINE THE UNDERLYING CAUSES AND, IF NECESSARY, MAY REQUIRE THE DEVELOPMENT OF A CORRECTIVE ACTION PLAN TO IMPLEMENT POLICIES, PRACTICES AND PROCEDURES TO IMPROVE RESULTS IN THE IDENTIFIED PROBLEM AREA.

22. TO PROVIDE TECHNICAL ASSISTANCE TO SUCH SCHOOL DISTRICTS IN ACCORDANCE WITH SUBDIVISION TWENTY-ONE OF THIS SECTION TO ASSIST THEM IN DEVELOPING EFFECTIVE STRATEGIES TO IMPROVE SUCH RESULTS INCLUDING ALTERNATIVE PLACEMENT MODELS; MODELS FOR EFFECTIVE PREVENTIVE SERVICES; COORDINATED USE OF FINANCIAL RESOURCES; IMPROVED EVALUATION PRACTICES AND APPROPRIATE DECLASSIFICATION PRACTICES. THE DEPARTMENT SHALL SUBMIT A REPORT TO THE GOVERNOR AND THE LEGISLATURE ON ITS ACTIONS TO IMPLEMENT THIS SUBDIVISION IN THE PRIOR SCHOOL YEAR BY DECEMBER FIRST OF EACH YEAR, COMMENCING WITH DECEMBER FIRST, TWO THOUSAND ELEVEN.

S 20. Subdivision b of section 2 of chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, as amended by section 41 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

b. Reimbursement for programs approved in accordance with subdivision a of this section [for the 2006-07 school year shall not exceed 64.7 percent of the lesser of such approvable costs per contact hour or nine dollars and twenty-five cents per contact hour where a contact hour represents sixty minutes of instruction services provided to an eligible adult, reimbursement] for the 2007-08 school year shall not exceed 63.3 percent of the lesser of such approvable costs per contact hour or nine dollars and ninety cents per contact hour where a contact hour represents sixty minutes of instruction services provided to an eligible adult, reimbursement for the 2008-09 school year shall not exceed 62.8 percent of the lesser of such approvable costs per contact hour or ten dollars and sixty-five cents per contact hour where a contact hour represents sixty minutes of instruction services provided to an eligible adult [and], reimbursement for the 2009-10 school year shall not exceed 64.1 percent of the lesser of such approvable costs per contact hour or eleven dollars and fifty cents per contact hour where a contact hour represents sixty minutes of instruction services provided to an eligible adult AND REIMBURSEMENT FOR THE 2010-11 SCHOOL YEAR SHALL NOT EXCEED 62.6 PERCENT OF THE LESSER OF SUCH APPROVABLE COSTS PER CONTACT HOUR OR TWELVE DOLLARS AND FIVE CENTS PER CONTACT HOUR WHERE A CONTACT HOUR REPRESENTS SIXTY MINUTES OF INSTRUCTION SERVICES PROVIDED TO AN ELIGIBLE ADULT. Notwithstanding any other provision of law to the contrary, [for the 2006-07 school year such contact hours shall not exceed one million nine hundred twenty-three thousand seventy-six (1,923,076) hours; whereas] for the 2007-08 school year such contact hours shall not exceed one million eight hundred thirty-seven thousand sixty (1,837,060) hours; whereas for the 2008-09 school year such contact hours shall not exceed one million nine hundred forty-six thousand one hundred seven (1,946,107) hours; whereas for the 2009-10 school year such contact hours shall not exceed one million seven hundred sixty-three thousand nine hundred seven (1,763,907) hours; WHEREAS FOR THE 2010-11 SCHOOL YEAR SUCH CONTACT HOURS SHALL NOT EXCEED ONE MILLION FIVE HUNDRED TWENTY-FIVE THOUSAND ONE HUNDRED NINETY-EIGHT (1,525,198) HOURS.

Notwithstanding any other provision of law to the contrary, the apportionment calculated for the city school district of the city of New York pursuant to subdivision 11 of section 3602 of the education law shall be computed as if such contact hours provided by the consortium for worker

education, not to exceed the contact hours set forth herein, were eligible for aid in accordance with the provisions of such subdivision 11 of section 3602 of the education law.

S 21. Section 4 of chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, is amended by adding a new subdivision p to read as follows:

P. THE PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY AFTER THE COMPLETION OF PAYMENTS FOR THE 2010-2011 SCHOOL YEAR. NOTWITHSTANDING ANY INCONSISTENT PROVISIONS OF LAW, THE COMMISSIONER OF EDUCATION SHALL WITHHOLD A PORTION OF EMPLOYMENT PREPARATION EDUCATION AID DUE TO THE CITY SCHOOL DISTRICT OF THE CITY OF NEW YORK TO SUPPORT A PORTION OF THE COSTS OF THE WORK FORCE EDUCATION PROGRAM. SUCH MONEYS SHALL BE CREDITED TO THE ELEMENTARY AND SECONDARY EDUCATION FUND-LOCAL ASSISTANCE ACCOUNT AND SHALL NOT EXCEED ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS ($11,500,000).

S 22. Section 6 of chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, as amended by section 43 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

S 6. This act shall take effect July 1, 1992, and shall be deemed repealed on June 30, [2010] 2011.

S 23. Section 4 of chapter 425 of the laws of 2002, amending the education law relating to the provision of supplemental educational services, attendance at a safe public school and the suspension of pupils who bring a firearm to or possess a firearm at a school, as amended by chapter 158 of the laws of 2009, is amended to read as follows:

S 4. This act shall take effect July 1, 2002 and shall expire and be deemed repealed June 30, [2010] 2011.

S 24. Section 5 of chapter 101 of the laws of 2003, amending the education law relating to implementation of the No Child Left Behind Act of 2001, as amended by chapter 158 of the laws of 2009, is amended to read as follows:

S 5. This act shall take effect immediately; provided that sections one, two and three of this act shall expire and be deemed repealed on June 30, [2010] 2011.

S 25. Section 12 of chapter 147 of the laws of 2001, amending the education law relating to conditional appointment of school district, charter school or BOCES employees, as amended by chapter 179 of the laws of 2009, is amended to read as follows:

S 12. This act shall take effect on the same date as chapter 180 of the laws of 2000 takes effect, and shall expire July 1, [2010] 2011 when upon such date the provisions of this act shall be deemed repealed.

S 26. Subdivision 4 of section 51 of part B of chapter 57 of the laws of 2008 amending the education law relating to the universal pre-kindergarten program, is amended to read as follows:

4. section 23 of this act shall take effect July 1, 2008 and shall expire and be deemed repealed June 30, [2010] 2012;

S 27. Section 2 of chapter 386 of the laws of 1996, amending the education law relating to providing for a waiver allowing state aid in certain circumstances, as amended by chapter 661 of the laws of 2005, is amended to read as follows:

S 2. This act shall take effect immediately, provided that the provisions of this act shall be deemed to have been in full force and

effect on and after January 1, 1996, and provided, further that this act shall be deemed repealed on and after January 1, [2011] 2015.

S 28. Subdivision 11 of section 94 of part C of chapter 57 of the laws of 2004, relating to support of education, as amended by section 55 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

11. section seventy-one of this act shall expire and be deemed repealed June 30, [2010] 2011;

S 29. Intentionally omitted.

S 30. Subdivision 1 of section 167 of chapter 169 of the laws of 1994 relating to certain provisions related to the 1994-95 state operations, aid to localities, capital projects and debt service budgets, as amended by section 44 of part A of chapter 57 of the laws of 2009, is amended to read as follows:

1. Sections one through seventy of this act shall be deemed to have been in full force and effect as of April 1, 1994 provided, however, that sections one, two, twenty-four, twenty-five and twenty-seven through seventy of this act shall expire and be deemed repealed on March 31, 2000; provided, however, that section twenty of this act shall apply only to hearings commenced prior to September 1, 1994, and provided further that section twenty-six of this act shall expire and be deemed repealed on March 31, 1997; and provided further that sections four through fourteen, sixteen, and eighteen, nineteen and twenty-one through twenty-one-a of this act shall expire and be deemed repealed on March 31, 1997; and provided further that sections three, fifteen, seventeen, twenty, twenty-two and twenty-three of this act shall expire and be deemed repealed on March 31, [2011] 2012.

S 31. Subdivisions 22 and 24 of section 140 of chapter 82 of the laws of 1995, amending the education law and certain other laws relating to state aid to school districts and the appropriation of funds for the support of government, as amended by section 45 of part A of chapter 57 of the laws of 2009, are amended to read as follows:

(22) sections one hundred twelve, one hundred thirteen, one hundred fourteen, one hundred fifteen and one hundred sixteen of this act shall take effect on July 1, 1995; provided, however, that section one hundred thirteen of this act shall remain in full force and effect until July 1, [2010] 2011 at which time it shall be deemed repealed;

(24) sections one hundred eighteen through one hundred thirty of this act shall be deemed to have been in full force and effect on and after July 1, 1995; provided further, however, that the amendments made pursuant to section one hundred nineteen of this act shall be deemed to be repealed on and after July 1, [2010] 2011;

S 32. School bus driver training. In addition to apportionments otherwise provided by section 3602 of the education law, for aid payable in the 2010-2011 school year, the commissioner of education shall allocate school bus driver training grants to school districts and boards of cooperative education services pursuant to sections 3650-a, 3650-b and 3650-c of the education law, or for contracts directly with not-for-profit educational organizations for the purposes of this section. Such payments shall not exceed four hundred thousand dollars ($400,000).

S 33. Support of public libraries. The moneys appropriated for the support of public libraries by the chapter of the laws of 2010 enacting the education, labor and family assistance budget shall be apportioned for 2010--2011 in accordance with the provisions of sections 271, 272, 273, 282, 284, and 285 of the education law as amended by the provisions of this chapter and the provisions of this section, provided that

library construction aid pursuant to section 273-a of the education law shall not be payable from the appropriations for the support of public libraries and provided further that no library, library system or program, as defined by the commissioner of education, shall receive less total system or program aid than it received for the year 2001--2002 except as a result of a reduction adjustment necessary to conform to the appropriations for support of public libraries.

Notwithstanding any other provision of law to the contrary the moneys appropriated for the support of public libraries for the year 2010--2011 by a chapter of the laws of 2010 enacting the education, labor and family assistance budget shall fulfill the state's obligation to provide such aid and, pursuant to a plan developed by the commissioner of education and approved by the director of the budget, the aid payable to libraries and library systems pursuant to such appropriations shall be reduced proportionately to assure that the total amount of aid payable does not exceed the total appropriations for such purpose.

S 34. Special apportionment for salary expenses. a. Notwithstanding any other provision of law, upon application to the commissioner of education, not sooner than the first day of the second full business week of June, 2011 and not later than the last day of the third full business week of June, 2011, a school district eligible for an apportionment pursuant to section 3602 of the education law shall be eligible to receive an apportionment pursuant to this section, for the school year ending June 30, 2011, for salary expenses incurred between April 1 and June 30, 2011, and such apportionment shall not exceed the sum of (i) the deficit reduction assessment of 1990-91 as determined by the commissioner of education, pursuant to paragraph f of subdivision 1 of section 3602 of the education law, as in effect through June 30, 1993, plus (ii) 186 percent of such amount for a city school district in a city with a population in excess of 1,000,000 inhabitants, plus (iii) 209 percent of such amount for a city school district in a city with a population of more than 195,000 inhabitants and less than 219,000 inhabitants according to the latest federal census, plus (iv) the net gap elimination adjustment for 2010--2011, as determined by the commissioner of education pursuant to paragraph e of subdivision 1 of section 3609-a of the education law as in effect through June 30, 2011, and provided further that such apportionment shall not exceed such salary expenses. Such application shall be made by a school district, after the board of education or trustees have adopted a resolution to do so and in the case of a city school district in a city with a population in excess of 125,000 inhabitants, with the approval of the mayor of such city.

b. The claim for an apportionment to be paid to a school district pursuant to subdivision a of this section shall be submitted to the commissioner of education on a form prescribed for such purpose, and shall be payable upon determination by such commissioner that the form has been submitted as prescribed. Such approved amounts shall be payable on the same day in September of the school year following the year in which application was made as funds provided pursuant to subparagraph 4 of paragraph b of subdivision 4 of section 92-c of the state finance law, on the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of education in the manner prescribed by law from moneys in the state lottery fund and from the general fund to the extent that the amount paid to a school district pursuant to this section exceeds the amount, if any, due such school district pursuant to subparagraph 2 of paragraph a of subdivision 1 of

section 3609-a of the education law in the school year following the year in which application was made.

c. Notwithstanding the provisions of section 3609-a of the education law, an amount equal to the amount paid to a school district pursuant to subdivisions a and b of this section shall first be deducted from the following payments due the school district during the school year following the year in which application was made pursuant to subparagraphs 1, 2, 3, 4 and 5 of paragraph a of subdivision 1 of section 3609-a of the education law in the following order: the lottery apportionment payable pursuant to subparagraph 2 of such paragraph followed by the fixed fall payments payable pursuant to subparagraph 4 of such paragraph and then followed by the district's payments to the teachers' retirement system pursuant to subparagraph 1 of such paragraph, and any remainder to be deducted from the individualized payments due the district pursuant to paragraph b of such subdivision shall be deducted on a chronological basis starting with the earliest payment due the district.

S 35. Special apportionment for public pension accruals. a. Notwithstanding any other provision of law, upon application to the commissioner of education, not later than June 30, 2011, a school district eligible for an apportionment pursuant to section 3602 of the education law shall be eligible to receive an apportionment pursuant to this section, for the school year ending June 30, 2011, and such apportionment shall not exceed the additional accruals required to be made by school districts in the 2004-05 and 2005-06 school years associated with changes for such public pension liabilities. The amount of such additional accrual shall be certified to the commissioner of education by the president of the board of education or the trustees or, in the case of a city school district in a city with a population in excess of 125,000 inhabitants, the mayor of such city. Such application shall be made by a school district, after the board of education or trustees have adopted a resolution to do so and in the case of a city school district in a city with a population in excess of 125,000 inhabitants, with the approval of the mayor of such city.

b. The claim for an apportionment to be paid to a school district pursuant to subdivision a of this section shall be submitted to the commissioner of education on a form prescribed for such purpose, and shall be payable upon determination by such commissioner that the form has been submitted as prescribed. Such approved amounts shall be payable on the same day in September of the school year following the year in which application was made as funds provided pursuant to subparagraph 4 of paragraph b of subdivision 4 of section 92-c of the state finance law, on the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of education in the manner prescribed by law from moneys in the state lottery fund and from the general fund to the extent that the amount paid to a school district pursuant to this section exceeds the amount, if any, due such school district pursuant to subparagraph 2 of paragraph a of subdivision 1 of section 3609-a of the education law in the school year following the year in which application was made.

c. Notwithstanding the provisions of section 3609-a of the education law, an amount equal to the amount paid to a school district pursuant to subdivisions a and b of this section shall first be deducted from the following payments due the school district during the school year following the year in which application was made pursuant to subparagraphs 1, 2, 3, 4 and 5 of paragraph a of subdivision 1 of section

3609-a of the education law in the following order: the lottery apportionment payable pursuant to subparagraph 2 of such paragraph followed by the fixed fall payments payable pursuant to subparagraph 4 of such paragraph and then followed by the district's payments to the teachers' retirement system pursuant to subparagraph 1 of such paragraph, and any remainder to be deducted from the individualized payments due the district pursuant to paragraph b of such subdivision shall be deducted on a chronological basis starting with the earliest payment due the district.

S 36. a. Notwithstanding any other law, rule or regulation to the contrary, any moneys appropriated to the state education department may be suballocated to other state departments or agencies, as needed, to accomplish the intent of the specific appropriations contained therein.

b. Notwithstanding any other law, rule or regulation to the contrary, moneys appropriated to the state education department from the general fund/aid to localities, local assistance account-001, shall be for payment of financial assistance, as scheduled, net of disallowances, refunds, reimbursement and credits.

c. Notwithstanding any other law, rule or regulation to the contrary, all moneys appropriated to the state education department for aid to localities shall be available for payment of aid heretofore or hereafter to accrue and may be suballocated to other departments and agencies to accomplish the intent of the specific appropriations contained therein.

d. Notwithstanding any other law, rule or regulation to the contrary, moneys appropriated to the state education department for general support for public schools may be interchanged with any other item of appropriation for general support for public schools within the general fund local assistance account elementary, middle, secondary and continuing education program.

S 37. Notwithstanding the provision of any law, rule, or regulation to the contrary, the city school district of the city of Rochester, upon the consent of the board of cooperative educational services of the supervisory district serving its geographic region may purchase from such board for the 2010-11 school year, as a non-component school district, services required by article 19 of the education law.

S 38. The amounts specified in this section shall be a setaside from the state funds which each such district is receiving from the total foundation aid:

a. for the purpose of the development, maintenance or expansion of magnet schools or magnet school programs for the two thousand ten--two thousand eleven school year. To the city school district of the city of New York there shall be paid forty-eight million one hundred seventy-five thousand dollars ($48,175,000) including five hundred thousand dollars ($500,000) for the Andrew Jackson High School; to the Buffalo city school district, twenty-one million twenty-five thousand dollars ($21,025,000); to the Rochester city school district, fifteen million dollars ($15,000,000); to the Syracuse city school district, thirteen million dollars ($13,000,000); to the Yonkers city school district, forty-nine million five hundred thousand dollars, ($49,500,000); to the Newburgh city school district, four million six hundred forty-five thousand dollars ($4,645,000); to the Poughkeepsie city school district, two million four hundred seventy-five thousand dollars ($2,475,000); to the Mount Vernon city school district, two million dollars ($2,000,000); to the New Rochelle city school district, one million four hundred ten thousand dollars ($1,410,000); to the Schenectady city school district, one million eight hundred thousand dollars ($1,800,000); to the Port

Chester city school district, one million one hundred fifty thousand dollars ($1,150,000); to the White Plains city school district, nine hundred thousand dollars ($900,000); to the Niagara Falls city school district, six hundred thousand dollars ($600,000); to the Albany city school district, three million five hundred fifty thousand dollars ($3,550,000); to the Utica city school district, two million dollars ($2,000,000); to the Beacon city school district, five hundred sixty-six thousand dollars ($566,000); to the Middletown city school district, four hundred thousand dollars ($400,000); to the Freeport union free school district, four hundred thousand dollars ($400,000); to the Greenburgh central school district, three hundred thousand dollars ($300,000); to the Amsterdam city school district, eight hundred thousand dollars ($800,000); to the Peekskill city school district, two hundred thousand dollars ($200,000); and to the Hudson city school district, four hundred thousand dollars ($400,000).

b. notwithstanding the provisions of subdivision a of this section, a school district receiving a grant pursuant to this subdivision may use such grant funds for: (i) any instructional or instructional support costs associated with the operation of a magnet school; or (ii) any instructional or instructional support costs associated with implementation of an alternative approach to reduction of racial isolation and/or enhancement of the instructional program and raising of standards in elementary and secondary schools of school districts having substantial concentrations of minority students. The commissioner of education shall not be authorized to withhold magnet grant funds from a school district that used such funds in accordance with this paragraph, notwithstanding any inconsistency with a request for proposals issued by such commissioner.

c. for the purpose of attendance improvement and dropout prevention for the two thousand ten--two thousand eleven school year, for any city school district in a city having a population of more than one million, the setaside for attendance improvement and dropout prevention shall equal the amount set aside in the base year. For the two thousand ten--two thousand eleven school year, it is further provided that any city school district in a city having a population of more than one million shall allocate at least one-third of any increase from base year levels in funds set aside pursuant to the requirements of this subdivision to community-based organizations. Any increase required pursuant to this subdivision to community-based organizations must be in addition to allocations provided to community-based organizations in the base year.

d. for the purpose of teacher support for the two thousand ten--two thousand eleven school year: to the city school district of the city of New York, sixty-two million seven hundred seven thousand dollars ($62,707,000); to the Buffalo city school district, one million seven hundred forty-one thousand dollars ($1,741,000); to the Rochester city school district, one million seventy-six thousand dollars ($1,076,000); to the Yonkers city school district, one million one hundred forty-seven thousand dollars ($1,147,000); and to the Syracuse city school district, eight hundred nine thousand dollars ($809,000). All funds made available to a school district pursuant to this subdivision shall be distributed among teachers including prekindergarten teachers and teachers of adult vocational and academic subjects in accordance with this subdivision and shall be in addition to salaries heretofore or hereafter negotiated or made available; provided, however, that all funds distributed pursuant to this section for the current year shall be deemed to incorporate all funds distributed pursuant to former subdivision 27 of section 3602 of

the education law for prior years. In school districts where the teachers are represented by certified or recognized employee organizations, all salary increases funded pursuant to this section shall be determined by separate collective negotiations conducted pursuant to the provisions and procedures of article 14 of the civil service law, notwithstanding the existence of a negotiated agreement between a school district and a certified or recognized employee organization.

S 39. Gap elimination adjustment restoration. Notwithstanding any other provision of law to the contrary, apportionments from this section shall be supported from funds appropriated for such purpose from the state fiscal stabilization fund-education fund as funded by the American recovery and reinvestment act of 2009. For the purposes of this section the term "fiscal year", followed by a reference to a year shall mean the period from July first of the preceding year to June thirtieth of the calendar year referenced.

Funds shall be apportioned to each school district in an amount equal to the positive difference of the gap elimination adjustment less the net gap elimination adjustment, both as computed pursuant to paragraph e of subdivision 1 of section 3609-a of the education law.

Each district shall be eligible, pursuant to applicable federal rules, regulations and guidelines, for a payment for the 2010--2011 school year of up to seventy percent (0.7) of such funds on or after the effective date of this act and up to an additional thirty percent (0.3) of such funds on or after April 1, 2011.

S 40. Education Jobs Fund. Notwithstanding any other provision of law to the contrary, funds appropriated from the federal education jobs fund program, as authorized by public law number 111-226, shall be apportioned pursuant to this section. For the purposes of this section the term "fiscal year", followed by a reference to a year shall mean the period from July first of the preceding year to June thirtieth of the calendar year referenced.

Funds shall be apportioned to each school district eligible for an apportionment pursuant to subdivision 4 of section 3602 of the education law in an amount equal to the product of the net gap elimination adjustment computed pursuant to chapter fifty-three of the laws of two thousand ten, multiplied by forty-three and twenty-five thousand nine hundred eighty-nine one-millionths percent (0.43025989).

Each such district shall be eligible, pursuant to applicable federal rules, regulations and guidelines, for a payment for the 2010--2011 school year of up to seventy percent (0.7) of such funds on or before April 1, 2011.

Notwithstanding any other provision of law to the contrary, district expenditures from funds appropriated from the federal education jobs fund program shall be deemed expenditures included in the definition set forth in paragraph t of subdivision 1 of section 3602 of the education law.

S 41. Intentionally omitted.

S 42. Severability. The provisions of this act shall be severable, and if the application of any clause, sentence, paragraph, subdivision, section or part of this act to any person or circumstance shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not necessarily affect, impair or invalidate the application of any such clause, sentence, paragraph, subdivision, section, part of this act or remainder thereof, as the case may be, to any other person or circumstance, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof

directly involved in the controversy in which such judgment shall have been rendered.

S 43. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2010, provided, however, that:

1. sections five, seven, fourteen through seventeen, nineteen, thirty-two, thirty-four, thirty-five, thirty-eight, thirty-nine and forty of this act shall be deemed to have been in full force and effect on and after July 1, 2010.

2. section eleven of this act shall be deemed to have been in full force and effect on and after July 1, 2009.

3. section ten of this act shall be deemed to have been in full force and effect on and after July 1, 2007.

4. the amendments to subdivision 1 of section 2856 of the education law made by section five of this act shall not affect the expiration of such subdivision as provided in chapter 378 of the laws of 2007, as amended, when upon such date the provisions of section six of this act shall take effect;

5. the amendments to subdivision 6 of section 4402 of the education law made by section seventeen of this act shall not affect the repeal of such subdivision and shall be deemed repealed therewith;

6. the amendments to chapter 756 of the laws of 1992 relating to funding a program for work force education conducted by the consortium for worker education in New York city made by sections twenty and twenty-one of this act shall not affect the repeal of such chapter and shall be deemed repealed therewith; and

7. sections three and four of this act shall be deemed to have been in full force and effect on and after July 1, 2006.

PART B

Section 1. Paragraphs b and c of subdivision 6 of section 661 of the education law are REPEALED and two new paragraphs b and c are added to read as follows:

B. A STUDENT WHO IS IN DEFAULT ON A STUDENT LOAN MADE UNDER ANY STATUTORY NEW YORK STATE OR FEDERAL EDUCATION LOAN PROGRAM SHALL BE INELIGIBLE TO RECEIVE ANY AWARD OR LOAN PURSUANT TO THIS ARTICLE UNTIL THE STUDENT CURES THE DEFAULT STATUS PURSUANT TO APPLICABLE LAW AND REGULATION.

C. A STUDENT WHO HAS FAILED TO COMPLY WITH THE TERMS OF ANY SERVICE CONDITION IMPOSED BY AN AWARD MADE PURSUANT TO THIS ARTICLE OR HAS FAILED TO REPAY AN AWARD MADE PURSUANT TO THIS ARTICLE, AS REQUIRED BY PARAGRAPH A OF SUBDIVISION FOUR OF SECTION SIX HUNDRED SIXTY-FIVE OF THIS SUBPART, SHALL BE INELIGIBLE TO RECEIVE ANY AWARD OR LOAN PURSUANT TO THIS ARTICLE SO LONG AS SUCH FAILURE TO COMPLY OR REPAY CONTINUES.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after July 1, 2010; provided further that the provisions of this act shall apply to any student who is in default in the repayment of any student loan or under the terms of any award pursuant to this article.

PART C

Section 1. Subclause 1 of clause (A) of subparagraph (i) of paragraph a of subdivision 3 of section 667 of the education law, as amended by

section 1 of part B of chapter 60 of the laws of 2000, is amended to read as follows:

(1) In the case of students who have not been granted an exclusion of parental income or had a dependent for income tax purposes during the tax year next preceding the academic year for which application is made, EXCEPT FOR THOSE STUDENTS WHO HAVE BEEN GRANTED EXCLUSION OF PARENTAL INCOME WHO HAVE A SPOUSE BUT NO OTHER DEPENDENT:

(a) For students first receiving aid after nineteen hundred ninety-three--nineteen hundred ninety-four and before two thousand--two thousand one, four thousand one hundred twenty-five dollars; or

(b) For students first receiving aid in nineteen hundred ninety-three--nineteen hundred ninety-four or earlier, three thousand five hundred seventy-five dollars; or

(c) For students first receiving aid in [the] two thousand--two thousand one and thereafter, five thousand dollars.

S 2. Subclause 2 of clause (A) of subparagraph (i) of paragraph a of subdivision 3 of section 667 of the education law, as amended by section 1 of part B of chapter 60 of the laws of 2000, is amended to read as follows:

(2) In the case of students receiving awards pursuant to subparagraph (iii) of this paragraph AND THOSE STUDENTS WHO HAVE BEEN GRANTED EXCLUSION OF PARENTAL INCOME WHO HAVE A SPOUSE BUT NO OTHER DEPENDENT.

(a) For students first receiving aid in nineteen hundred ninety-four--nineteen hundred ninety-five and nineteen hundred ninety-five--nineteen hundred ninety-six and thereafter, three thousand twenty-five dollars, or

(b) For students first receiving aid in nineteen hundred ninety-two--nineteen hundred ninety-three and nineteen hundred ninety-three--nineteen hundred ninety-four, two thousand five hundred seventy-five dollars, or

(c) For students first receiving aid in nineteen hundred ninety-one--nineteen hundred ninety-two or earlier, two thousand four hundred fifty dollars; or

S 3. Subparagraph (iii) of paragraph a of subdivision 3 of section 667 of the education law, as amended by section 1 of part B of chapter 60 of the laws of 2000, is amended to read as follows:

(iii) (A) For students who have been granted exclusion of parental income and were single with no dependent for income tax purposes during the tax year next preceding the academic year for which application is made, the base amount, as determined in subparagraph (i) of this paragraph, shall be reduced in relation to income as follows:

Amount of income	Schedule of reduction of base amount
[(A)] (1) Less than three thousand dollars	None
[(B)] (2) Three thousand dollars or more, but not more than ten thousand dollars	Thirty-one per centum of amount in excess of three thousand dollars

(B) FOR THOSE STUDENTS WHO HAVE BEEN GRANTED EXCLUSION OF PARENTAL INCOME WHO HAVE A SPOUSE BUT NO OTHER DEPENDENT, FOR INCOME TAX PURPOSES DURING THE TAX YEAR NEXT PRECEDING THE ACADEMIC YEAR FOR WHICH APPLICATION IS MADE, THE BASE AMOUNT, AS DETERMINED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, SHALL BE REDUCED IN RELATION TO INCOME AS FOLLOWS:

AMOUNT OF INCOME	SCHEDULE OF REDUCTION OF BASE AMOUNT
(1) LESS THAN SEVEN THOUSAND DOLLARS	NONE
(2) SEVEN THOUSAND DOLLARS OR MORE, BUT LESS THAN ELEVEN THOUSAND DOLLARS	SEVEN PER CENTUM OF EXCESS OVER SEVEN THOUSAND DOLLARS
(3) ELEVEN THOUSAND DOLLARS OR MORE, BUT LESS THAN EIGHTEEN THOUSAND DOLLARS	TWO HUNDRED EIGHTY DOLLARS PLUS TEN PER CENTUM OF EXCESS OVER ELEVEN THOUSAND DOLLARS
(4) EIGHTEEN THOUSAND DOLLARS OR MORE, BUT NOT MORE THAN FORTY THOUSAND DOLLARS	NINE HUNDRED EIGHTY DOLLARS PLUS TWELVE PER CENTUM OF EXCESS OVER EIGHTEEN THOUSAND DOLLARS

S 4. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after July 1, 2010.

PART D

Section 1. Subdivision 1 of section 663 of the education law, as amended by section 1 of part F of chapter 57 of the laws of 2009, is amended to read as follows:

1. Income defined. Except as otherwise provided in this section, "income" shall be the total of the combined net taxable income and income from pensions of New York state, local governments [and], the federal government AND ANY PRIVATE EMPLOYER of the applicant, the applicant's spouse, and the applicant's parents, INCLUDING ANY PENSION AND ANNUITY INCOME EXCLUDED FOR PURPOSES OF TAXATION PURSUANT TO PARAGRAPH THREE-A OF SUBSECTION (C) OF SECTION SIX HUNDRED TWELVE OF THE TAX LAW, as reported in New York state income tax returns for the calendar year next preceding the beginning of the school year for which application for assistance is made, except that any amount received by an applicant as a scholarship at an educational institution or as a fellowship grant, including the value of contributed services and accommodations, shall not be included within the definition of "income" for the purposes of this article. The term "parent" shall include birth parents, stepparents, adoptive parents and the spouse of an adoptive parent. Income, if not a whole dollar amount, shall be assumed to be equal to the next lowest whole dollar amount. Any change in the status of an applicant with regard to the persons responsible for the applicant's support occurring after the beginning of any semester shall not be considered to change the applicant's award for that semester.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after July 1, 2010.

PART E

Section 1. Section 3 of part V of chapter 57 of the laws of 2005 amending the education law relating to the New York state nursing faculty loan forgiveness incentive program and the New York state nursing faculty scholarship program, as added by section 4 of part D of chapter 63 of the laws of 2005, is amended to read as follows:

S 3. This act shall take effect on the same date and in the same manner as Part H of [a] THIS chapter [of the laws of 2005 amending the

labor law and other laws relating to implementing the state fiscal plan for the 2005-2006 state fiscal year, as proposed in legislative bill numbers S.3667 and A.6841, takes effect]; provided that section two of this act shall take effect on the same date and in the same manner as Part I of [a] THIS chapter [of the laws of 2005 amending the labor law and other laws relating to implementing the state fiscal plan for the 2005-2006 state fiscal year, as proposed in legislative bill numbers S.3667 and A.6841, takes effect]; and provided further that this act shall expire and be deemed repealed on June 30, [2010] 2015.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after June 30, 2010.

PART F

Section 1. Section 17 of chapter 31 of the laws of 1985, amending the education law relating to regents scholarships in certain professions, as amended by section 1 of part I of chapter 57 of the laws of 2008, is amended to read as follows:

S 17. This act shall take effect immediately; provided, however, that the scholarship and loan forgiveness programs established pursuant to the provisions of this act shall terminate upon the granting of such awards for the 2008-2009 school year PROVIDED, HOWEVER, THAT THE REGENTS PHYSICIAN LOAN FORGIVENESS PROGRAM ESTABLISHED PURSUANT TO THIS ACT SHALL NOT TERMINATE UNTIL THE GRANTING OF SUCH AWARDS FOR THE 2010-11 SCHOOL YEAR, PROVIDED THAT THE FINAL DISBURSEMENT OF ANY MULTI-YEAR AWARDS GRANTED IN SUCH SCHOOL YEAR SHALL BE PAID.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on the same date and in the same manner as part I of chapter 57 of the laws of 2008 takes effect.

PART G

Section 1. Subdivision 4 of section 661 of the education law, as amended by chapter 309 of the laws of 1996, paragraph a as amended by section 1 and paragraph c as amended, paragraphs d and e as added and paragraph f as relettered by section 2 of part E-1 of chapter 57 of the laws of 2007 and paragraph f as added by chapter 332 of the laws of 1998, is amended to read as follows:

4. Attendance in approved courses of study in approved institutions. To be eligible to receive payments from the president a student:

a. Must be matriculated in an approved program, as defined by the commissioner pursuant to article thirteen OF THIS CHAPTER, OR PURSUANT TO PARAGRAPH B OF THIS SUBDIVISION, in an institution situated in the state, which has been approved and operating in this state for at least one year, and has been approved for participation in federal student financial aid programs authorized by Title IV of the Higher Education Act of 1965, as amended. Nothing in this subdivision shall preclude payment of an award to a recipient who receives instruction outside the state, which instruction is conducted by an institution situated in the state, and is part of the student's program of study at such institution; provided, however, that nothing in this subdivision shall preclude the receipt of a loan pursuant to section six hundred eighty of this article; provided, further, that students not attending institutions eligible for participating in federal Title IV financial aid programs on or before July first, two thousand seven: (i) who received their first award under this article before the two thousand six--two thousand seven

academic year shall be eligible for payments until the end of the two thousand nine--two thousand ten academic year; or (ii) who received their first award under this article for the two thousand six--two thousand seven academic year through and including the two thousand nine--two thousand ten academic year shall be eligible for payments until the end of the two thousand fourteen--two thousand fifteen academic year.

b. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY AND THE RULES AND REGULATIONS PROMULGATED PURSUANT THERETO, THE PRESIDENT SHALL MAKE TUITION ASSISTANCE PROGRAM AWARDS AVAILABLE TO FULL-TIME RESIDENT UNDERGRADUATE STUDENTS NOT CURRENTLY ELIGIBLE FOR AWARDS UNDER SUBDIVISION THREE OF SECTION SIX HUNDRED SIXTY-SEVEN OF THIS PART AND WHO ARE ATTENDING AN EDUCATIONAL INSTITUTION IN THIS STATE THAT:

(I) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE; AND

(II) HAS ITS HEADQUARTERS AND MAIN CAMPUS LOCATED WITHIN THE STATE AND IS ELIGIBLE FOR FUNDS UNDER TITLE IV OF THE HIGHER EDUCATION ACT OF 1965, AS AMENDED; AND

(III) IS ACCREDITED BY AN AGENCY RECOGNIZED BY THE UNITED STATES SECRETARY OF EDUCATION, OR BY A SUCCESSOR FEDERAL AGENCY; AND

(IV) ENROLLMENT IN WHICH INSTITUTION WOULD RENDER THE STUDENT ELIGIBLE TO RECEIVE A FEDERAL PELL GRANT IN ACCORDANCE WITH SECTION ONE THOUSAND SEVENTY OF TITLE TWENTY OF THE UNITED STATES CODE, ET. SEQ. AND THE REGULATIONS PROMULGATED THEREUNDER; AND

(V) PROVIDES A PROGRAM OF INSTRUCTION LASTING AT LEAST THREE YEARS, FOR WHICH THE STUDENT IS ENROLLED.

B-1. TUITION ASSISTANCE PROGRAM AWARDS THAT ARE MADE AVAILABLE TO STUDENTS PURSUANT TO PARAGRAPH B OF THIS SUBDIVISION SHALL NOT BE AWARDED IF AN APPLICANT:

(I) DOES NOT MEET THE CITIZENSHIP REQUIREMENTS PURSUANT TO SUBDIVISION THREE OF THIS SECTION;

(II) DOES NOT MEET THE INCOME REQUIREMENTS PURSUANT TO SECTION SIX HUNDRED SIXTY-THREE OF THIS SUBPART;

(III) DOES NOT MAINTAIN GOOD ACADEMIC STANDING PURSUANT TO PARAGRAPH C OF SUBDIVISION SIX OF SECTION SIX HUNDRED SIXTY-FIVE OF THIS SUBPART, AND IF THERE IS NO APPLICABLE EXISTING ACADEMIC STANDARDS SCHEDULE PURSUANT TO SUCH SUBDIVISION, THEN SUCH RECIPIENT SHALL BE PLACED ON THE ACADEMIC STANDARDS SCHEDULE APPLICABLE TO STUDENTS ENROLLED IN A FOUR-YEAR OR FIVE-YEAR UNDERGRADUATE PROGRAM;

(IV) IS IN DEFAULT IN THE REPAYMENT OF ANY STATE OR FEDERAL STUDENT LOAN, HAS FAILED TO COMPLY WITH THE TERMS OF ANY SERVICE CONDITION IMPOSED BY AN ACADEMIC PERFORMANCE AWARD MADE PURSUANT TO THIS ARTICLE, OR HAS FAILED TO MAKE A REFUND OF ANY AWARD; OR

(V) IS INCARCERATED IN ANY FEDERAL, STATE OR OTHER PENAL INSTITUTION.

C. Must be in full-time attendance, as defined by the commissioner, except as otherwise specifically provided in THIS article [fourteen], and, for a student having completed his or her second academic year, must have a cumulative C average or its equivalent. The president may waive the requirement that the student have a cumulative C average or its equivalent for undue hardship based on: (i) the death of a relative of the student; (ii) the personal injury or illness of the student; or (iii) other extenuating circumstances; and

[c.] D. For students who first receive aid pursuant to this chapter in academic year nineteen hundred ninety-six--nineteen hundred ninety-seven to academic year two thousand six--two thousand seven, must have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate; or have achieved a

passing score, as determined by the United States secretary of education, on a federally approved examination which demonstrates that the student can benefit from the education being offered;

[d.] E. For students who first receive aid pursuant to this chapter in academic year two thousand six--two thousand seven, must have a certificate of graduation from a recognized school providing secondary education within the United States, or the recognized equivalent of such certificate, or have been admitted to such institution after receiving a passing score on a federally approved ability to benefit test that has been independently administered and evaluated, as provided by the commissioner;

[e.] F. For students who first receive aid pursuant to this chapter in academic year two thousand seven--two thousand eight or thereafter, must have (i) a certificate of graduation from a school providing secondary education from a state within the United States; or (ii) the recognized equivalent of such certificate; or (iii) received a passing score on a federally approved ability to benefit test that has been identified by the board of regents as satisfying the eligibility requirements of this section and has been independently administered and evaluated as defined by the commissioner[.];

[f. for] G. FOR students who are disabled as defined by the Americans With Disability Act of 1990, 42 USC 12101, the full-time attendance requirement is eliminated. Such disabled students may be in part-time attendance, as defined by the commissioner in order to be eligible to receive payments from the president.

S 2. This act shall take effect immediately and shall apply to academic year 2011-2012 and to all subsequent academic years.

S 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through G of this act shall be as specifically set forth in the last section of such Parts.