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

7134

I N S E N A T E

March 15, 2010

Introduced by Sen. OPPENHEIMER -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law, in relation to establishing the special education short-term revolving loan fund, and in relation to authorizing the state comptroller to provide special education short-term revolving loans to certain special act school districts or approved special education providers

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

Section 1. The state finance law is amended by adding a new section 99-t to read as follows:

S 99-T. SPECIAL EDUCATION SHORT-TERM REVOLVING LOAN FUND. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE A FUND TO BE KNOWN AS THE SPECIAL EDUCATION SHORT-TERM REVOLVING LOAN FUND. SUCH FUND SHALL CONSIST OF MONEYS MADE AVAILABLE PURSUANT TO APPROPRIATION AND ANY OTHER SOURCES IN ORDER TO PROVIDE SUPPORT FOR PROMPT CONTRACTING WITH AND PAYMENT OF NOT-FOR-PROFIT ORGANIZATIONS.

2. MONEYS OF THE FUND MAY BE EXPENDED PURSUANT TO SECTION ONE HUNDRED SEVENTY-NINE-FF OF THIS CHAPTER. MONEYS SHALL BE PAID OUT OF THE FUND ON THE AUDIT AND WARRANT OF THE STATE COMPTROLLER PURSUANT TO SUCH SECTION.

S 2. The state finance law is amended by adding a new section 179-ff to read as follows:

S 179-FF. SPECIAL EDUCATION SHORT-TERM REVOLVING LOANS. 1. THE COMPTROLLER IS AUTHORIZED TO PROVIDE LOANS FROM THE SPECIAL EDUCATION SHORT-TERM REVOLVING LOAN FUND ESTABLISHED BY SECTION NINETY-NINE-T OF THIS CHAPTER TO ANY SPECIAL ACT SCHOOL DISTRICT OR APPROVED SPECIAL EDUCATION PROVIDER SEEKING SHORT-TERM FINANCING FOR OPERATIONS, PENDING TUITION PAYMENTS AS AUTHORIZED UNDER SECTION FORTY-FOUR HUNDRED FIVE OF THE EDUCATION LAW. THE COMPTROLLER MAY PROVIDE SUCH A LOAN TO A SPECIAL ACT SCHOOL DISTRICT OR APPROVED SPECIAL EDUCATION PROVIDER UPON RECEIPT OF A WRITTEN AGREEMENT BETWEEN THE SCHOOL DISTRICT OR PROVIDER AND THE STATE EDUCATION DEPARTMENT OUTLINING THE NEED FOR SUCH LOAN AND THE ANTICIPATED TUITION PAYMENT OR TUITION RECONCILIATION THAT WILL PROVIDE

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

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REASONABLE ASSURANCES OF REPAYMENT THAT IS SATISFACTORY TO THE COMPTROLLER. SUCH LOAN SHALL NOT BEAR INTEREST AND REPAYMENT OF SUCH LOAN MAY BE MADE UPON RECEIPT OF TUITION PAYMENTS AND RECONCILIATIONS, PURSUANT TO THE WRITTEN AGREEMENT.

2. THE COMPTROLLER SHALL PROMULGATE RULES AND REGULATIONS WITHIN NINETY DAYS OF THE EFFECTIVE DATE OF THIS SECTION FOR THE OPERATION OF THE SPECIAL EDUCATION SHORT-TERM REVOLVING LOAN FUND WHICH SHALL INCLUDE, BUT NOT BE LIMITED TO, THE CRITERIA TO BE USED IN DETERMINING SCHOOLS AND SCHOOL DISTRICTS ELIGIBLE FOR ASSISTANCE; A PROCEDURE AND ANY NECESSARY INFORMATION THAT SCHOOLS AND SCHOOL DISTRICTS NEED TO SUBMIT APPLICATIONS FOR A LOAN FROM THIS FUND; A SCHEDULE FOR REVIEWING SUCH APPLICATIONS, NOT TO EXCEED THIRTY DAYS, AND NOTIFICATION TO AN APPLICANT OF APPROVAL OR DISAPPROVAL OF SUCH APPLICATION FOR INTERIM FUNDING; AND ANY OTHER REQUIREMENTS DEEMED NECESSARY BY THE COMPTROLLER.

S 3. This act shall take effect immediately.