

7264

I N S E N A T E

May 8, 2014

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

AN ACT to amend the education law, in relation to special act school districts

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

1 Section 1. Subdivision 4 of section 4405 of the education law is
2 amended by adding a new paragraph j to read as follows:

3 J. (I) IF THE BOARD OF EDUCATION OF A SPECIAL ACT SCHOOL DISTRICT
4 LISTED IN CHAPTER FIVE HUNDRED SIXTY-SIX OF THE LAWS OF NINETEEN HUNDRED
5 SIXTY-SEVEN, AS AMENDED, SEEKS TO CLOSE A SPECIAL ACT SCHOOL DISTRICT,
6 THE BOARD OF EDUCATION OF THE SPECIAL ACT SCHOOL DISTRICT SHALL PROVIDE
7 WRITTEN NOTICE TO THE COMMISSIONER WITH A PLAN FOR CLOSURE OF THE SCHOOL
8 AT LEAST NINETY DAYS PRIOR TO THE CLOSING DATE. SUCH PLAN SHALL INCLUDE
9 PROVISION FOR THE SAFE AND ORDERLY TRANSFER OF EACH STUDENT WITH A DISA-
10 BILITY WHO WAS PUBLICLY PLACED IN THE PROGRAM AND A DETAILED AND ITEM-
11 IZED LIST OF ESTIMATED EXPENSES NECESSARY TO CLOSE DOWN THE SCHOOL AND
12 A DETAILED AND ITEMIZED LIST OF ANY ESTIMATED REVENUES TO BE RECEIVED.

13 (II) DURING THE CLOSE-DOWN PERIOD AND UNTIL ALL NECESSARY FINANCIAL
14 OBLIGATIONS OF THE SCHOOL DISTRICT HAVE BEEN MET PURSUANT TO THIS PARA-
15 GRAPH, THE COMMISSIONER SHALL REQUIRE THE BOARD OF EDUCATION OF THE
16 SCHOOL DISTRICT TO PERIODICALLY SUBMIT, AS REQUIRED BY THE COMMISSIONER,
17 FINANCIAL REPORTS AND FINANCIAL STATEMENTS, DETAILING ANY TUITION,
18 AND/OR CLOSE-DOWN COSTS AND ANY REVENUES GENERATED. IN APPLYING THE
19 REIMBURSEMENT METHODOLOGY TO ANY REMAINING TUITION COSTS AND ANY OTHER
20 REASONABLE AND APPROPRIATE EXPENSES NEEDED TO CLOSE-DOWN THE SPECIAL ACT
21 SCHOOL DISTRICT, THE COMMISSIONER SHALL REJECT ANY CLOSE-DOWN COSTS THAT
22 ARE UNNECESSARY OR UNREASONABLE TO CLOSE-DOWN THE SCHOOL, WHETHER OR NOT
23 THE BOARD OF EDUCATION SUBMITS A CLOSE-DOWN PLAN.

24 S 2. Section 4403 of the education law is amended by adding a new
25 subdivision 20 to read as follows:

26 20. (A) TO REQUIRE SPECIAL ACT SCHOOL DISTRICTS LISTED IN CHAPTER FIVE
27 HUNDRED SIXTY-SIX OF THE LAWS OF NINETEEN HUNDRED SIXTY-SEVEN, AS
28 AMENDED, TO PROVIDE, ON AN ANNUAL BASIS OR MORE FREQUENTLY, AS NEEDED,

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

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1 ENROLLMENT REPORTS, INCLUDING CURRENT AND PROJECTED ENROLLMENTS,
2 PROPOSED BUDGETS AND ANY FINANCIAL INFORMATION THE COMMISSIONER DEEMS
3 APPROPRIATE, WHICH SHALL INCLUDE, BUT NOT BE LIMITED TO, OUTSTANDING
4 REVENUE ANTICIPATION NOTES AS DEFINED IN PARAGRAPH (A) OF SUBDIVISION
5 ONE OF SECTION FIFTY-FIVE OF THE STATE FINANCE LAW, BALANCE OWED TO
6 EMPLOYEE BENEFIT SYSTEMS, OUTSTANDING BONDS, LEASE COSTS, AND ANY OTHER
7 DEBTS TO MONITOR THE FISCAL STABILITY OF SPECIAL ACT SCHOOL DISTRICTS.
8 (B) UPON RECEIVING THE INFORMATION IDENTIFIED IN PARAGRAPH (A) OF THIS
9 SUBDIVISION, THE DEPARTMENT SHALL DETERMINE IF ANY SPECIAL ACT DISTRICT
10 IS IN NEED OF FINANCIAL GUIDANCE AND ASSISTANCE UPON A COMPREHENSIVE
11 REVIEW OF SUCH INFORMATION PROVIDED. UPON A DETERMINATION THAT A SPECIAL
12 ACT DISTRICT IS IN NEED OF FINANCIAL GUIDANCE AND ASSISTANCE, THE
13 DEPARTMENT SHALL, AS SOON AS PRACTICABLE, PROVIDE THE DISTRICT WITH
14 SPECIFIC RECOMMENDATIONS TO IMPROVE THE SPECIAL ACT DISTRICT'S FINANCIAL
15 STANDING IN THE SHORT AND LONG-TERM.
16 S 3. This act shall take effect immediately.