

7264--A

Cal. No. 1035

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 -- reported favorably from said committee, ordered to first report, amended on first report, ordered to a second report and ordered reprinted, retaining its place in the order of second report

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 21 to read as follows:

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

LBD10183-06-4

1 21. (A) TO REQUIRE SPECIAL ACT SCHOOL DISTRICTS LISTED IN CHAPTER FIVE
2 HUNDRED SIXTY-SIX OF THE LAWS OF NINETEEN HUNDRED SIXTY-SEVEN, AS
3 AMENDED, TO PROVIDE, ON AN ANNUAL BASIS OR MORE FREQUENTLY, AS NEEDED,
4 ENROLLMENT REPORTS, INCLUDING CURRENT AND PROJECTED ENROLLMENTS,
5 PROPOSED BUDGETS AND ANY FINANCIAL INFORMATION THE COMMISSIONER DEEMS
6 APPROPRIATE, WHICH SHALL INCLUDE, BUT NOT BE LIMITED TO, OUTSTANDING
7 REVENUE ANTICIPATION NOTES AS DEFINED IN PARAGRAPH (A) OF SUBDIVISION
8 ONE OF SECTION FIFTY-FIVE OF THE STATE FINANCE LAW, BALANCE OWED TO
9 EMPLOYEE BENEFIT SYSTEMS, OUTSTANDING BONDS, LEASE COSTS, AND ANY OTHER
10 DEBTS TO MONITOR THE FISCAL STABILITY OF SPECIAL ACT SCHOOL DISTRICTS.

11 (B) UPON RECEIVING THE INFORMATION IDENTIFIED IN PARAGRAPH (A) OF THIS
12 SUBDIVISION, THE DEPARTMENT SHALL DETERMINE IF ANY SPECIAL ACT DISTRICT
13 IS IN NEED OF FINANCIAL GUIDANCE AND ASSISTANCE UPON A COMPREHENSIVE
14 REVIEW OF SUCH INFORMATION PROVIDED. UPON A DETERMINATION THAT A SPECIAL
15 ACT DISTRICT IS IN NEED OF FINANCIAL GUIDANCE AND ASSISTANCE, THE
16 DEPARTMENT SHALL, AS SOON AS PRACTICABLE, PROVIDE THE DISTRICT WITH
17 SPECIFIC RECOMMENDATIONS TO IMPROVE THE SPECIAL ACT DISTRICT'S FINANCIAL
18 STANDING IN THE SHORT AND LONG-TERM.

19 S 3. This act shall take effect immediately.