

9871--A

I N A S S E M B L Y

April 20, 2016

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

AN ACT to amend the education law, in relation to the computation of foundation aid and addition of credit recovery aid for the Maisto Districts; to amend the local finance law, in relation to calculation of the period of probable usefulness regarding payment for Maisto Districts credit recovery aid; to amend the public authorities law, in relation to contracts between the dormitory authority and the Maisto Districts or the New York state association of small city school districts; and to amend the state finance law, in relation to establishing the credit recovery financing reserve fund

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

1 Section 1. Legislative intent: It is the responsibility of the legis-
2 lature under article XI of the constitution of the state of New York to
3 establish and maintain a system that will provide all children an oppor-
4 tunity to receive a meaningful high school education. As a result of
5 trial in State Supreme Court of MAISTO, ET AL. V STATE OF NEW YORK it is
6 clear that resources sufficient to offer that education in eight small
7 city school districts, known as the Maisto Districts, are not being
8 provided to those districts under current education law. Therefore, it
9 is the intention of the legislature to amend certain provisions of the
10 education law to ensure that the necessary funding is available in those
11 districts to help them provide all their children an opportunity to
12 receive a meaningful high school education and to maintain healthy
13 vibrant educational communities that underpin a thriving state economy.
14 S 2. This legislation shall be known and may be cited as "the Maisto
15 District successful schools act".
16 S 3. Paragraph ff of subdivision 1 of section 3602 of the education
17 law, as added by section 25 of part A of chapter 58 of the laws of 2011,
18 is amended to read as follows:
19 ff. "Preliminary growth amount" shall mean the difference between the
20 statewide total, excluding the apportionments computed pursuant to

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

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1 subdivisions four, OTHER THAN SUCH APPORTIONMENTS FOR MAISTO DISTRICTS,
2 and seventeen of section thirty-six hundred two of the education law, of
3 the apportionments due and owing during the current school year,
4 commencing with the two thousand twelve--two thousand thirteen school
5 year, to school districts and boards of cooperative educational services
6 from the general support for public schools as computed based on an
7 electronic data file used to produce the school aid computer listing
8 produced by the commissioner in support of the enacted budget for the
9 current year, less the statewide total of such apportionments, excluding
10 the apportionments computed pursuant to subdivisions four, OTHER THAN
11 SUCH APPORTIONMENTS FOR MAISTO DISTRICTS, and seventeen of section thir-
12 ty-six hundred two of the education law, due and owing during the base
13 school year to school districts and boards of cooperative educational
14 services from the general support for public schools as computed based
15 on an electronic data file used to produce the school aid computer list-
16 ing produced by the commissioner in support of the enacted budget for
17 the current year.

18 S 4. Subdivision 1 of section 3602 of the education law is amended by
19 adding two new paragraphs hh and ii to read as follows:

20 HH. "NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS" SHALL
21 MEAN THE ASSOCIATION OF DISTRICTS IN CITIES WITH POPULATIONS FEWER THAN
22 ONE HUNDRED TWENTY-FIVE THOUSAND PERSONS IN THE MOST RECENT CENSUS.

23 II. "MAISTO DISTRICTS" SHALL MEAN THE SMALL CITY SCHOOL DISTRICTS OF
24 JAMESTOWN, KINGSTON, MOUNT VERNON, NEWBURGH, NIAGARA FALLS, PORT JERVIS,
25 POUGHKEEPSIE AND UTICA.

26 S 5. Subdivision 18 of section 3602 of the education law, as added by
27 section 37 of part A of chapter 58 of the laws of 2011, is amended to
28 read as follows:

29 18. Allocable growth amount apportionment. Such amount shall be appor-
30 tioned for a school year pursuant to a chapter of the laws of New York
31 enacted for the state fiscal year in which such school year commences,
32 and shall be allocated to purposes including but not limited to compet-
33 itive grant awards made pursuant to subdivisions five and six of section
34 thirty-six hundred forty-one of this article, the foundation aid phase-
35 in amount or other foundation aid increase allocated pursuant to subdivi-
36 sion four of this section and the gap elimination adjustment restora-
37 tion amount apportioned pursuant to subdivision seventeen of this
38 section. In the event that a chapter of the laws of New York enacted for
39 the state fiscal year in which such school year commences is not
40 enacted, the allocations in support of subdivisions five and six of
41 section thirty-six hundred forty-one of this article shall equal the
42 allocations in support of such awards in the base year, and the appor-
43 tionments pursuant to subdivisions four and seventeen of this section
44 for the current year shall equal the apportionments for such subdivi-
45 sions four and seventeen for the base year EXCEPT THAT THE APPORTION-
46 MENTS OF THE FOUNDATION AID PHASE-IN AMOUNT FOR THE MAISTO DISTRICTS AND
47 MAISTO DISTRICT CREDIT RECOVERY AID SHALL BE THE AMOUNT COMPUTED IN THE
48 CURRENT YEAR.

49 S 6. The opening paragraph and paragraphs a and b of subdivision 4 of
50 section 3602 of the education law, as amended by section 5-a of part A
51 of chapter 56 of the laws of 2015, are amended to read as follows:

52 In addition to any other apportionment pursuant to this chapter, a
53 school district, other than a special act school district as defined in
54 subdivision eight of section four thousand one of this chapter, shall be
55 eligible for total foundation aid equal to the product of total aidable
56 foundation pupil units multiplied by the district's selected foundation

1 aid, which shall be the greater of five hundred dollars (\$500) or foun-
2 dation formula aid, provided, however that for the two thousand seven--
3 two thousand eight through two thousand eight--two thousand nine school
4 years, no school district shall receive total foundation aid in excess
5 of the sum of the total foundation aid base for aid payable in the two
6 thousand seven--two thousand eight school year computed pursuant to
7 subparagraph (i) of paragraph j of subdivision one of this section, plus
8 the phase-in foundation increase computed pursuant to paragraph b of
9 this subdivision, and provided further that for the two thousand twelve-
10 -two thousand thirteen school year, no school district shall receive
11 total foundation aid in excess of the sum of the total foundation aid
12 base for aid payable in the two thousand eleven--two thousand twelve
13 school year computed pursuant to paragraph j of subdivision one of this
14 section, plus the phase-in foundation increase computed pursuant to
15 paragraph b of this subdivision, and provided further that for the two
16 thousand thirteen--two thousand fourteen school year and thereafter, no
17 school district shall receive total foundation aid in excess of the sum
18 of the total foundation aid base computed pursuant to paragraph j of
19 subdivision one of this section, plus the phase-in foundation increase
20 computed pursuant to paragraph b of this subdivision and provided
21 further that total foundation aid shall not be less than the product of
22 the total foundation aid base computed pursuant to paragraph j of subdi-
23 vision one of this section and the due-minimum percent which shall be,
24 for the two thousand twelve--two thousand thirteen school year, one
25 hundred and six-tenths percent (1.006) and for the two thousand thir-
26 teen--two thousand fourteen school year for city school districts of
27 those cities having populations in excess of one hundred twenty-five
28 thousand and less than one million inhabitants one hundred and one and
29 one hundred and seventy-six thousandths percent (1.01176), and for all
30 other districts one hundred and three-tenths percent (1.003), and for
31 the two thousand fourteen--two thousand fifteen school year one hundred
32 and eighty-five hundredths percent (1.0085), and for the two thousand
33 fifteen--two thousand sixteen school year, one hundred thirty-seven
34 hundredths percent (1.0037), subject to allocation pursuant to the
35 provisions of subdivision eighteen of this section and any provisions of
36 a chapter of the laws of New York as described therein, nor more than
37 the product of such total foundation aid base and one hundred fifteen
38 percent, EXCEPT FOR MAISTO DISTRICTS WHICH SHALL BE ONE HUNDRED TWENTY-
39 FIVE PERCENT, and provided further that for the two thousand nine--two
40 thousand ten through two thousand eleven--two thousand twelve school
41 years, each school district shall receive total foundation aid in an
42 amount equal to the amount apportioned to such school district for the
43 two thousand eight--two thousand nine school year pursuant to this
44 subdivision. Total aidable foundation pupil units shall be calculated
45 pursuant to paragraph g of subdivision two of this section. For the
46 purposes of calculating aid pursuant to this subdivision, aid for the
47 city school district of the city of New York shall be calculated on a
48 citywide basis.

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

54 (1) The foundation amount shall reflect the average per pupil cost of
55 general education instruction in successful school districts, as deter-
56 mined by a statistical analysis of the costs of special education and

1 general education in successful school districts, provided that the
2 foundation amount shall be adjusted annually to reflect the percentage
3 increase in the consumer price index as computed pursuant to section two
4 thousand twenty-two of this chapter, provided that for the two thousand
5 eight--two thousand nine school year, for the purpose of such adjust-
6 ment, the percentage increase in the consumer price index shall be
7 deemed to be two and nine-tenths percent (0.029), and provided further
8 that the foundation amount for the two thousand seven--two thousand
9 eight school year shall be five thousand two hundred fifty-eight
10 dollars, and provided further that for the two thousand seven--two thou-
11 sand eight through two thousand fifteen--two thousand sixteen school
12 years, AND FOR THE MAISTO DISTRICTS FOR THE TWO THOUSAND SEVENTEEN--TWO
13 THOUSAND EIGHTEEN THROUGH TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE
14 SCHOOL YEARS, the foundation amount shall be further adjusted by the
15 phase-in foundation percent established pursuant to paragraph b of this
16 subdivision.

17 (2) The regional cost index shall reflect an analysis of labor market
18 costs based on median salaries in professional occupations that require
19 similar credentials to those of positions in the education field, but
20 not including those occupations in the education field, provided that
21 the regional cost indices for the two thousand seven--two thousand eight
22 school year and thereafter shall be as follows:

23	Labor Force Region	Index
24	Capital District	1.124
25	Southern Tier	1.045
26	Western New York	1.091
27	Hudson Valley	1.314
28	Long Island/NYC	1.425
29	Finger Lakes	1.141
30	Central New York	1.103
31	Mohawk Valley	1.000
32	North Country	1.000

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

38 (4) The expected minimum local contribution shall equal the lesser of
39 (i) the product of (A) the quotient arrived at when the selected actual
40 valuation is divided by total wealth foundation pupil units, multiplied
41 by (B) the product of the local tax factor, multiplied by the income
42 wealth index, or (ii) the product of (A) the product of the foundation
43 amount, the regional cost index, and the pupil need index, multiplied by
44 (B) the positive difference, if any, of one minus the state sharing
45 ratio for total foundation aid. The local tax factor shall be estab-
46 lished by May first of each year by determining the product, computed to
47 four decimal places without rounding, of ninety percent multiplied by
48 the quotient of the sum of the statewide average tax rate as computed by
49 the commissioner for the current year in accordance with the provisions
50 of paragraph e of subdivision one of section thirty-six hundred nine-e
51 of this part plus the statewide average tax rate computed by the commis-
52 sioner for the base year in accordance with such provisions plus the
53 statewide average tax rate computed by the commissioner for the year
54 prior to the base year in accordance with such provisions, divided by
55 three, provided however that for the two thousand seven--two thousand
56 eight school year, such local tax factor shall be sixteen thousandths

1 (0.016), and provided further that for the two thousand eight--two thou-
2 sand nine school year, such local tax factor shall be one hundred
3 fifty-four ten thousandths (0.0154). The income wealth index shall be
4 calculated pursuant to paragraph d of subdivision three of this section,
5 provided, however, that for the purposes of computing the expected mini-
6 mum local contribution the income wealth index shall not be less than
7 sixty-five percent (0.65) and shall not be more than two hundred percent
8 (2.0) and provided however that such income wealth index shall not be
9 more than ninety-five percent (0.95) for the two thousand eight--two
10 thousand nine school year, and provided further that such income wealth
11 index shall not be less than zero for the two thousand thirteen--two
12 thousand fourteen school year. The selected actual valuation shall be
13 calculated pursuant to paragraph c of subdivision one of this section.
14 Total wealth foundation pupil units shall be calculated pursuant to
15 paragraph h of subdivision two of this section.

16 b. Phase-in foundation increase. (1) The phase-in foundation increase
17 shall equal the product of the phase-in foundation increase factor
18 multiplied by the positive difference, if any, of (i) the product of the
19 total aidable foundation pupil units multiplied by the district's
20 selected foundation aid less (ii) the total foundation aid base computed
21 pursuant to paragraph j of subdivision one of this section.

22 (2) (i) Phase-in foundation percent. The phase-in foundation percent
23 shall equal one hundred thirteen and fourteen one hundredths percent
24 (1.1314) for the two thousand eleven--two thousand twelve school year,
25 one hundred ten and thirty-eight hundredths percent (1.1038) for the two
26 thousand twelve--two thousand thirteen school year, one hundred seven
27 and sixty-eight hundredths percent (1.0768) for the two thousand thir-
28 teen--two thousand fourteen school year, one hundred five and six
29 hundredths percent (1.0506) for the two thousand fourteen--two thousand
30 fifteen school year, and one hundred two and five tenths percent
31 (1.0250) for the two thousand fifteen--two thousand sixteen school year
32 AND FOR THE MAISTO DISTRICTS ONE HUNDRED TEN AND THIRTY-EIGHT HUNDREDTHS
33 PERCENT (1.1038) FOR THE TWO THOUSAND SEVENTEEN--TWO THOUSAND EIGHTEEN
34 SCHOOL YEAR, ONE HUNDRED SEVEN AND SIXTY-EIGHT HUNDREDTHS PERCENT
35 (1.0768) FOR THE TWO THOUSAND EIGHTEEN--TWO THOUSAND NINETEEN SCHOOL
36 YEAR, ONE HUNDRED FIVE AND SIX HUNDREDTHS PERCENT (1.0506) FOR THE TWO
37 THOUSAND NINETEEN--TWO THOUSAND TWENTY SCHOOL YEAR, AND ONE HUNDRED TWO
38 AND FIVE TENTHS PERCENT (1.0250) FOR THE TWO THOUSAND TWENTY--TWO THOU-
39 SAND TWENTY-ONE SCHOOL YEAR.

40 (ii) Phase-in foundation increase factor. For the two thousand
41 eleven--two thousand twelve school year, the phase-in foundation
42 increase factor shall equal thirty-seven and one-half percent (0.375)
43 and the phase-in due minimum percent shall equal nineteen and forty-one
44 hundredths percent (0.1941), for the two thousand twelve--two thousand
45 thirteen school year the phase-in foundation increase factor shall equal
46 one and seven-tenths percent (0.017), for the two thousand thirteen--two
47 thousand fourteen school year the phase-in foundation increase factor
48 shall equal (1) for a city school district in a city having a population
49 of one million or more, five and twenty-three hundredths percent
50 (0.0523) or (2) for all other school districts zero percent, for the two
51 thousand fourteen--two thousand fifteen school year the phase-in founda-
52 tion increase factor shall equal (1) for a city school district of a
53 city having a population of one million or more, four and thirty-two
54 hundredths percent (0.0432) or (2) for a school district other than a
55 city school district having a population of one million or more for
56 which (A) the quotient of the positive difference of the foundation

1 formula aid minus the foundation aid base computed pursuant to paragraph
2 j of subdivision one of this section divided by the foundation formula
3 aid is greater than twenty-two percent (0.22) and (B) a combined wealth
4 ratio less than thirty-five hundredths (0.35), seven percent (0.07) or
5 (3) for all other school districts, four and thirty-one hundredths
6 percent (0.0431), and for the two thousand fifteen--two thousand sixteen
7 school year the phase-in foundation increase factor shall equal: (1) for
8 a city school district of a city having a population of one million or
9 more, thirteen and two hundred seventy-four thousandths percent
10 (0.13274); or (2) for districts where the quotient arrived at when
11 dividing (A) the product of the total aidable foundation pupil units
12 multiplied by the district's selected foundation aid less the total
13 foundation aid base computed pursuant to paragraph j of subdivision one
14 of this section divided by (B) the product of the total aidable founda-
15 tion pupil units multiplied by the district's selected foundation aid is
16 greater than nineteen percent (0.19), and where the district's combined
17 wealth ratio is less than thirty-three hundredths (0.33), seven and
18 seventy-five hundredths percent (0.0775); or (3) for any other district
19 designated as high need pursuant to clause (c) of subparagraph two of
20 paragraph c of subdivision six of this section for the school aid
21 computer listing produced by the commissioner in support of the enacted
22 budget for the two thousand seven--two thousand eight school year and
23 entitled "SA0708", four percent (0.04); or (4) for a city school
24 district in a city having a population of one hundred twenty-five thou-
25 sand or more but less than one million, fourteen percent (0.14); or (5)
26 for school districts that were designated as small city school districts
27 or central school districts whose boundaries include a portion of a
28 small city for the school aid computer listing produced by the commis-
29 sioner in support of the enacted budget for the two thousand fourteen--
30 two thousand fifteen school year and entitled "SA1415", four and seven
31 hundred fifty- one thousandths percent (0.04751); or (6) for all other
32 districts one percent (0.01), and for the two thousand sixteen--two
33 thousand seventeen school year and thereafter the commissioner shall
34 annually determine the phase-in foundation increase factor subject to
35 allocation pursuant to the provisions of subdivision eighteen of this
36 section and any provisions of a chapter of the laws of New York as
37 described therein, EXCEPT THAT FOR MAISTO DISTRICTS IN THE TWO THOUSAND
38 SEVENTEEN--TWO THOUSAND EIGHTEEN SCHOOL YEAR TWENTY-FIVE HUNDREDTHS
39 PERCENT (0.0025), IN THE TWO THOUSAND EIGHTEEN--TWO THOUSAND NINETEEN
40 SCHOOL YEAR FIVE HUNDREDTHS PERCENT (0.0050), IN THE TWO THOUSAND NINE-
41 TEEN--TWO THOUSAND TWENTY SCHOOL YEAR SEVENTY-FIVE HUNDREDTHS PERCENT
42 (0.0075) AND IN THE TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE SCHOOL
43 YEAR AND THEREAFTER ONE HUNDRED HUNDREDTHS PERCENT (0.0100).

44 S 6-a. The opening paragraph, subparagraph 1 of paragraph a, and
45 clause (ii) of subparagraph 2 of paragraph b of subdivision 4 of section
46 3602 of the education law, as amended by section 7 of part A of chapter
47 54 of the laws of 2016, are amended to read as follows:

48 In addition to any other apportionment pursuant to this chapter, a
49 school district, other than a special act school district as defined in
50 subdivision eight of section four thousand one of this chapter, shall be
51 eligible for total foundation aid equal to the product of total aidable
52 foundation pupil units multiplied by the district's selected foundation
53 aid, which shall be the greater of five hundred dollars (\$500) or foun-
54 dation formula aid, provided, however that for the two thousand seven--
55 two thousand eight through two thousand eight--two thousand nine school
56 years, no school district shall receive total foundation aid in excess

1 of the sum of the total foundation aid base for aid payable in the two
2 thousand seven--two thousand eight school year computed pursuant to
3 subparagraph (i) of paragraph j of subdivision one of this section, plus
4 the phase-in foundation increase computed pursuant to paragraph b of
5 this subdivision, and provided further that for the two thousand twelve-
6 -two thousand thirteen school year, no school district shall receive
7 total foundation aid in excess of the sum of the total foundation aid
8 base for aid payable in the two thousand eleven--two thousand twelve
9 school year computed pursuant to subparagraph (ii) of paragraph j of
10 subdivision one of this section, plus the phase-in foundation increase
11 computed pursuant to paragraph b of this subdivision, and provided
12 further that for the two thousand thirteen--two thousand fourteen school
13 year and thereafter, no school district shall receive total foundation
14 aid in excess of the sum of the total foundation aid base computed
15 pursuant to subparagraph (ii) of paragraph j of subdivision one of this
16 section, plus the phase-in foundation increase computed pursuant to
17 paragraph b of this subdivision, and provided further that for the two
18 thousand sixteen--two thousand seventeen school year, no eligible school
19 districts shall receive total foundation aid in excess of the sum of the
20 total foundation aid base computed pursuant to subparagraph (ii) of
21 paragraph j of subdivision one of this section plus the sum of (A) the
22 phase-in foundation increase, (B) the executive foundation increase with
23 a minimum increase pursuant to paragraph b-2 of this subdivision, and
24 (C) an amount equal to "COMMUNITY SCHOOLS AID" in the computer listing
25 produced by the commissioner in support of the executive budget request
26 for the two thousand sixteen--two thousand seventeen school year and
27 entitled "BT161-7", where (1) "eligible school district" shall be
28 defined as a district with (a) an unrestricted aid increase of less than
29 seven percent (0.07) and (b) a three year average free and reduced price
30 lunch percent greater than fifteen percent (0.15), and (2) "unrestricted
31 aid increase" shall mean the quotient arrived at when dividing (a) the
32 sum of the executive foundation aid increase plus the gap elimination
33 adjustment for the base year, by (b) the difference of foundation aid
34 for the base year less the gap elimination adjustment for the base year,
35 and (3) "executive foundation increase" shall mean the difference of (a)
36 the amounts set forth for each school district as "FOUNDATION AID" under
37 the heading "2016-17 ESTIMATED AIDS" in the school aid computer listing
38 produced by the commissioner in support of the executive budget request
39 for the two thousand sixteen--two thousand seventeen school year and
40 entitled "BT161-7" less (b) the amounts set forth for each school
41 district as "FOUNDATION AID" under the heading "2015-16 BASE YEAR AIDS"
42 in such computer listing and provided further that total foundation aid
43 shall not be less than the product of the total foundation aid base
44 computed pursuant to paragraph j of subdivision one of this section and
45 the due-minimum percent which shall be, for the two thousand twelve--two
46 thousand thirteen school year, one hundred and six-tenths percent
47 (1.006) and for the two thousand thirteen--two thousand fourteen school
48 year for city school districts of those cities having populations in
49 excess of one hundred twenty-five thousand and less than one million
50 inhabitants one hundred and one and one hundred and seventy-six thou-
51 sandths percent (1.01176), and for all other districts one hundred and
52 three-tenths percent (1.003), and for the two thousand fourteen--two
53 thousand fifteen school year one hundred and eighty-five hundredths
54 percent (1.0085), and for the two thousand fifteen--two thousand sixteen
55 school year, one hundred thirty-seven hundredths percent (1.0037),
56 subject to allocation pursuant to the provisions of subdivision eighteen

1 of this section and any provisions of a chapter of the laws of New York
2 as described therein, nor more than the product of such total foundation
3 aid base and one hundred fifteen percent, provided, however, that for
4 the two thousand sixteen--two thousand seventeen school year such maxi-
5 mum shall be no more than the sum of (i) the product of such total foun-
6 dation aid base and one hundred fifteen percent plus (ii) the executive
7 foundation increase and plus (iii) "COMMUNITY SCHOOLS AID" in the
8 computer listing produced by the commissioner in support of the execu-
9 tive budget request for the two thousand sixteen--two thousand seventeen
10 school year and entitled "BT161-7", EXCEPT FOR MAISTO DISTRICTS WHICH
11 SHALL BE ONE HUNDRED TWENTY-FIVE PERCENT, and provided further that for
12 the two thousand nine--two thousand ten through two thousand eleven--two
13 thousand twelve school years, each school district shall receive total
14 foundation aid in an amount equal to the amount apportioned to such
15 school district for the two thousand eight--two thousand nine school
16 year pursuant to this subdivision. Total aidable foundation pupil units
17 shall be calculated pursuant to paragraph g of subdivision two of this
18 section. For the purposes of calculating aid pursuant to this subdivi-
19 sion, aid for the city school district of the city of New York shall be
20 calculated on a citywide basis.

21 (1) The foundation amount shall reflect the average per pupil cost of
22 general education instruction in successful school districts, as deter-
23 mined by a statistical analysis of the costs of special education and
24 general education in successful school districts, provided that the
25 foundation amount shall be adjusted annually to reflect the percentage
26 increase in the consumer price index as computed pursuant to section two
27 thousand twenty-two of this chapter, provided that for the two thousand
28 eight--two thousand nine school year, for the purpose of such adjust-
29 ment, the percentage increase in the consumer price index shall be
30 deemed to be two and nine-tenths percent (0.029), and provided further
31 that the foundation amount for the two thousand seven--two thousand
32 eight school year shall be five thousand two hundred fifty-eight
33 dollars, and provided further that for the two thousand seven--two thou-
34 sand eight through two thousand sixteen--two thousand seventeen school
35 years, AND FOR THE MAISTO DISTRICTS FOR THE TWO THOUSAND SEVENTEEN--TWO
36 THOUSAND EIGHTEEN THROUGH TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE
37 SCHOOL YEARS, the foundation amount shall be further adjusted by the
38 phase-in foundation percent established pursuant to paragraph b of this
39 subdivision.

40 (ii) Phase-in foundation increase factor. For the two thousand
41 eleven--two thousand twelve school year, the phase-in foundation
42 increase factor shall equal thirty-seven and one-half percent (0.375)
43 and the phase-in due minimum percent shall equal nineteen and forty-one
44 hundredths percent (0.1941), for the two thousand twelve--two thousand
45 thirteen school year the phase-in foundation increase factor shall equal
46 one and seven-tenths percent (0.017), for the two thousand thirteen--two
47 thousand fourteen school year the phase-in foundation increase factor
48 shall equal (1) for a city school district in a city having a population
49 of one million or more, five and twenty-three hundredths percent
50 (0.0523) or (2) for all other school districts zero percent, for the two
51 thousand fourteen--two thousand fifteen school year the phase-in founda-
52 tion increase factor shall equal (1) for a city school district of a
53 city having a population of one million or more, four and thirty-two
54 hundredths percent (0.0432) or (2) for a school district other than a
55 city school district having a population of one million or more for
56 which (A) the quotient of the positive difference of the foundation

1 formula aid minus the foundation aid base computed pursuant to paragraph
2 j of subdivision one of this section divided by the foundation formula
3 aid is greater than twenty-two percent (0.22) and (B) a combined wealth
4 ratio less than thirty-five hundredths (0.35), seven percent (0.07) or
5 (3) for all other school districts, four and thirty-one hundredths
6 percent (0.0431), and for the two thousand fifteen--two thousand sixteen
7 school year the phase-in foundation increase factor shall equal: (1) for
8 a city school district of a city having a population of one million or
9 more, thirteen and two hundred seventy-four thousandths percent
10 (0.13274); or (2) for districts where the quotient arrived at when
11 dividing (A) the product of the total aidable foundation pupil units
12 multiplied by the district's selected foundation aid less the total
13 foundation aid base computed pursuant to paragraph j of subdivision one
14 of this section divided by (B) the product of the total aidable founda-
15 tion pupil units multiplied by the district's selected foundation aid is
16 greater than nineteen percent (0.19), and where the district's combined
17 wealth ratio is less than thirty-three hundredths PERCENT (0.33), seven
18 and seventy-five hundredths percent (0.0775); or (3) for any other
19 district designated as high need pursuant to clause (c) of subparagraph
20 two of paragraph c of subdivision six of this section for the school aid
21 computer listing produced by the commissioner in support of the enacted
22 budget for the two thousand seven--two thousand eight school year and
23 entitled "SA0708", four percent (0.04); or (4) for a city school
24 district in a city having a population of one hundred twenty-five thou-
25 sand or more but less than one million, fourteen percent (0.14); or (5)
26 for school districts that were designated as small city school districts
27 or central school districts whose boundaries include a portion of a
28 small city for the school aid computer listing produced by the commis-
29 sioner in support of the enacted budget for the two thousand fourteen--
30 two thousand fifteen school year and entitled "SA1415", four and seven
31 hundred fifty-one thousandths percent (0.04751); or (6) for all other
32 districts one percent (0.01), and for the two thousand sixteen--two
33 thousand seventeen school year shall equal for an eligible school
34 district the greater of: (1) for a city school district in a city with a
35 population of one million or more, seven and seven hundred eighty four
36 thousandths percent (0.07784); or (2) for a city school district in a
37 city with a population of more than two hundred fifty thousand but less
38 than one million as of the most recent federal decennial census, seven
39 and three hundredths percent (0.0703); or (3) for a city school district
40 in a city with a population of more than two hundred thousand but less
41 than two hundred fifty thousand as of the most recent federal decennial
42 census, six and seventy-two hundredths percent (0.0672); or (4) for a
43 city school district in a city with a population of more than one
44 hundred fifty thousand but less than two hundred thousand as of the most
45 recent federal decennial census, six and seventy-four hundredths percent
46 (0.0674); or (5) for a city school district in a city with a population
47 of more than one hundred twenty-five thousand but less than one hundred
48 fifty thousand as of the most recent federal decennial census, nine and
49 fifty-five hundredths percent (0.0955); or (6) for school districts that
50 were designated as small city school districts or central school
51 districts whose boundaries include a portion of a small city for the
52 school aid computer listing produced by the commissioner in support of
53 the enacted budget for the two thousand fourteen--two thousand fifteen
54 school year and entitled "SA141-5" with a combined wealth ratio less
55 than one and four tenths (1.4), nine percent (0.09), provided, however,
56 that for such districts that are also districts designated as high need

1 urban-suburban pursuant to clause (c) of subparagraph two of paragraph c
2 of subdivision six of this section for the school aid computer listing
3 produced by the commissioner in support of the enacted budget for the
4 two thousand seven--two thousand eight school year and entitled
5 "SA0708", nine and seven hundred and nineteen thousandths percent
6 (0.09719); or (7) for school districts designated as high need rural
7 pursuant to clause (c) of subparagraph two of paragraph c of subdivision
8 six of this section for the school aid computer listing produced by the
9 commissioner in support of the enacted budget for the two thousand
10 seven--two thousand eight school year and entitled "SA0708", thirteen
11 and six tenths percent (0.136); or (8) for school districts designated
12 as high need urban-suburban pursuant to clause (c) of subparagraph two
13 of paragraph c of subdivision six of this section for the school aid
14 computer listing produced by the commissioner in support of the enacted
15 budget for the two thousand seven--two thousand eight school year and
16 entitled "SA0708", seven hundred nineteen thousandths percent (0.00719);
17 or (9) for all other eligible school districts, forty-seven hundredths
18 percent (0.0047) and for the two thousand seventeen--two thousand eigh-
19 teen school year and thereafter the commissioner shall annually deter-
20 mine the phase-in foundation increase factor subject to allocation
21 pursuant to the provisions of subdivision eighteen of this section and
22 any provisions of a chapter of the laws of New York as described
23 therein, EXCEPT THAT FOR MAISTO DISTRICTS IN THE TWO THOUSAND SEVEN-
24 TEEN--TWO THOUSAND EIGHTEEN SCHOOL YEAR TWENTY-FIVE HUNDREDTHS PERCENT
25 (0.0025), IN THE TWO THOUSAND EIGHTEEN--TWO THOUSAND NINETEEN SCHOOL
26 YEAR FIVE HUNDREDTHS PERCENT (0.0050), IN THE TWO THOUSAND NINETEEN--TWO
27 THOUSAND TWENTY SCHOOL YEAR SEVENTY-FIVE HUNDREDTHS PERCENT (0.0075) AND
28 IN THE TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE SCHOOL YEAR AND
29 THEREAFTER ONE HUNDRED HUNDREDTHS PERCENT (0.0100).

30 S 7. Section 3602 of the education law is amended by adding a new
31 subdivision 42 to read as follows:

32 42. MAISTO DISTRICT CREDIT RECOVERY AID. COMMENCING WITH AID PAYABLE
33 IN THE TWO THOUSAND SEVENTEEN--TWO THOUSAND EIGHTEEN SCHOOL YEAR THROUGH
34 THE TWO THOUSAND TWENTY--TWO THOUSAND TWENTY-ONE SCHOOL YEAR MAISTO
35 DISTRICTS SHALL BE ELIGIBLE FOR AN ADDITIONAL APPORTIONMENT AS PROVIDED
36 FOR IN THIS SUBDIVISION. SUCH DISTRICTS SHALL BE ELIGIBLE FOR AN ADDI-
37 TIONAL APPORTIONMENT IN AN AMOUNT EQUAL TO THE PRODUCT OF THE TOTAL
38 NUMBER OF STUDENTS IN THE TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN,
39 TWO THOUSAND FIFTEEN AND TWO THOUSAND SIXTEEN COHORTS MULTIPLIED BY ONE
40 MINUS THE FOUR YEAR GRADUATION RATE FOR THE YEAR PRIOR TO THE BASE YEAR
41 AND TWO THOUSAND FIVE HUNDRED (\$2,500) DOLLARS TO BE USED FOR PROGRAMS
42 WITH RESPECT TO SUCH STUDENTS APPROVED BY THE COMMISSIONER FOR THE
43 FOLLOWING PURPOSES:

- 44 A. CREDIT RECOVERY PROGRAMS;
- 45 B. ACADEMIC INTERVENTION SERVICES;
- 46 C. RESPONSE TO INTERVENTION SERVICES;
- 47 D. DROP OUT PREVENTION;
- 48 E. INCARCERATED YOUTH SERVICES;
- 49 F. PARENT INVOLVEMENT PROGRAMS;
- 50 G. EXTENDED DAY AND EXTENDED YEAR PROGRAMS; AND
- 51 H. PSYCHO-SOCIAL TESTING.

52 S 8. Section 2530 of the education law, as amended by chapter 171 of
53 the laws of 1996, is amended to read as follows:

54 S 2530. Power to contract indebtedness. Each city school district
55 shall be authorized to expend money for any of the objects or purposes
56 which it is authorized to accomplish by law and may contract indebt-

edness in its name pursuant to the local finance law, INCLUDING BUT NOT LIMITED TO THE ISSUANCE OF BONDS OF THE DISTRICT OR OF THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, ITS AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF TO BE REPAID BY REVENUES FROM MAISTO DISTRICT CREDIT RECOVERY AID PURSUANT TO SUBDIVISION FORTY-TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THIS CHAPTER. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, EACH DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF SHALL HAVE THE POWER TO PLEDGE, ASSIGN OR OTHERWISE MAKE AVAILABLE AS SECURITY FOR SUCH INDEBTEDNESS WITHOUT CONSIDERATION, REVENUES FROM STATE AID UNDER SUBDIVISION FORTY-TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THIS CHAPTER AND BONDS OR OTHER INDEBTEDNESS IN CONNECTION WITH SUCH SUBDIVISION FORTY-TWO SHALL NOT REQUIRE VOTER APPROVAL. The provisions of section four hundred sixteen of this chapter shall be applicable to such districts.

S 9. Paragraph a of section 11.00 of the local finance law is amended by adding a new subparagraph 108 to read as follows:

108. PAYMENT BY SMALL CITY SCHOOL DISTRICTS FOR OBJECTS AND PURPOSES SET FORTH IN SUBDIVISION FORTY-TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW AND AUTHORIZED UNDER SECTION TWENTY-FIVE HUNDRED THIRTY OF THE EDUCATION LAW, TEN YEARS.

S 10. Paragraph (b) of subdivision 2 of section 1676 of the public authorities law is amended by adding a new undesignated paragraph to read as follows:

MAISTO DISTRICTS AS DEFINED BY PARAGRAPH II OF SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW AND THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS AS DEFINED BY PARAGRAPH HH OF SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF.

S 11. Subdivision 1 of section 1680 of the public authorities law is amended by adding a new undesignated paragraph to read as follows:

MAISTO DISTRICTS AS DEFINED BY PARAGRAPH II OF SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW AND THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS AS DEFINED BY PARAGRAPH HH OF SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF.

S 12. Section 1680 of the public authorities law is amended by adding a new subdivision 41 to read as follows:

41. A. THE DORMITORY AUTHORITY MAY ENTER CONTRACTS TO LOAN TO OR OTHER AGREEMENTS WITH THE MAISTO DISTRICTS, THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF FOR THE FINANCING OF PROGRAMS AS SPECIFIED IN SUBDIVISION FORTY-TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW INCLUDING:

- (1) CREDIT RECOVERY PROGRAMS;
- (2) ACADEMIC INTERVENTION SERVICES;
- (3) RESPONSE TO INTERVENTION SERVICES;
- (4) DROP OUT PREVENTION;
- (5) INCARCERATED YOUTH SERVICES;
- (6) PARENT INVOLVEMENT PROGRAMS;
- (7) EXTENDED DAY AND EXTENDED YEAR PROGRAMS; AND
- (8) PSYCHO-SOCIAL TESTING.

SUCH PROGRAMS SHALL BE SUBJECT TO THE APPROVAL OF THE COMMISSIONER OF EDUCATION.

B. EACH MAISTO DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF

1 SHALL, NOTWITHSTANDING ANY OTHER PROVISION OF LAW, HAVE THE POWER TO
2 PLEDGE, ASSIGN OR OTHERWISE MAKE AVAILABLE TO THE DORMITORY AUTHORITY
3 WITHOUT CONSIDERATION, REVENUES FROM STATE AID UNDER SUBDIVISION FORTY-
4 TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW SATISFACTORY
5 TO THE DORMITORY AUTHORITY.

6 C. IN ADDITION TO PROVIDING FOR ALL OTHER MATTERS DEEMED NECESSARY AND
7 PROPER, SUCH CONTRACTS TO LOAN OR OTHER AGREEMENTS SHALL: (1) REQUIRE
8 PAYMENT TO THE DORMITORY AUTHORITY THE AMOUNT REQUIRED TO PAY THE PRIN-
9 CIPAL OF AND INTEREST ON OBLIGATIONS OF THE DORMITORY AUTHORITY ISSUED
10 IN RELATION TO PROVIDING SUCH FINANCING AND ALL INCIDENTAL EXPENSES OF
11 THE DORMITORY AUTHORITY INCURRED IN RELATION THERETO; (2) REQUIRE
12 PAYMENT SUFFICIENT TO MEET OBLIGATIONS UNDER SUCH CONTRACTS TO LOAN OR
13 OTHER AGREEMENTS; (3) PROVIDE THAT THE AID PAYABLE UNDER SUBDIVISION
14 FORTY-TWO OF SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW SHALL
15 BE THE SOLE SECURITY FOR SUCH FINANCING AND ALL INCIDENTAL EXPENSES; AND
16 (4) NOT BE EXECUTED UNTIL SUCH PROGRAMS ARE APPROVED BY THE COMMISSIONER
17 OF EDUCATION.

18 D. (1) IN THE EVENT THAT THE MAISTO DISTRICTS, THE NEW YORK STATE
19 ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES
20 OR SUBDIVISIONS THEREOF FAIL TO MAKE ANY PAYMENT OF PRINCIPAL OR INTER-
21 EST ON ITS OBLIGATIONS, THE DORMITORY AUTHORITY SHALL CERTIFY TO THE
22 COMPTROLLER OF SUCH FAILURE. SUCH CERTIFICATE SHALL BE IN SUCH FORM AS
23 THE AUTHORITY DEEMS DESIRABLE, BUT SHALL INCLUDE THE EXACT AMOUNT OF
24 INTEREST AND PRINCIPAL REQUIRED TO SATISFY THE OBLIGATIONS TO THE
25 AUTHORITY.

26 (2) THE COMPTROLLER, UPON RECEIPT OF SUCH CERTIFICATE FROM THE AUTHOR-
27 ITY, SHALL WITHHOLD FROM THE MAISTO DISTRICTS, THE NEW YORK STATE ASSO-
28 CIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR
29 SUBDIVISIONS THEREOF ANY STATE AID PAYABLE TO SUCH ENTITY TO THE EXTENT
30 NECESSARY TO MEET THE CERTIFIED AMOUNT OF INTEREST OR PRINCIPAL AND
31 SHALL IMMEDIATELY PAY OVER TO THE CREDIT RECOVERY FINANCING RESERVE FUND
32 THE AMOUNT SO WITHHELD.

33 (3) PENDING PAYMENT TO THE AUTHORITY FROM THE COMPTROLLER OF ANY SUCH
34 STATE AID WITHHELD, THE AUTHORITY SHALL, IF PAYMENTS OF INTEREST OR
35 PRINCIPAL ARE DUE ON THE AUTHORITY'S BONDS, WITHDRAW AN AMOUNT SUFFI-
36 CIENT TO MEET SUCH AMOUNTS WITHHELD FROM THE DEBT SERVICE RESERVE FUND
37 SECURING SUCH BONDS. ANY SUCH AMOUNT WITHDRAWN FROM SUCH DEBT SERVICE
38 RESERVE FUND SHALL BE PAID INTO SUCH DEBT SERVICE RESERVE FUND UPON
39 RECEIPT BY THE AGENCY FROM THE COMPTROLLER OF ANY STATE AID WITHHELD.
40 ANY AMOUNT SO PAID TO THE AUTHORITY FROM SUCH STATE AID SHALL NOT OBLI-
41 GATE THE STATE TO MAKE, NOR ENTITLE THE MAISTO DISTRICTS, THE NEW YORK
42 STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFILIATES,
43 SUBSIDIARIES OR SUBDIVISIONS THEREOF TO RECEIVE, ANY ADDITIONAL AMOUNTS
44 OF STATE AID.

45 E. ON OR BEFORE NOVEMBER FIFTEENTH OF EACH YEAR, THE DORMITORY AUTHOR-
46 ITY SHALL SUBMIT, AND THEREAFTER MAY RESUBMIT, TO THE DIRECTOR OF THE
47 BUDGET, THE STATE COMPTROLLER, THE CHAIRMAN OF THE SENATE FINANCE
48 COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY WAYS AND MEANS COMMITTEE A
49 REPORT SETTING FORTH THE AMOUNTS, IF ANY, OF ALL AMOUNTS ESTIMATED TO
50 BECOME DUE IN THE SUCCEEDING STATE FISCAL YEAR TO THE DORMITORY AUTHORI-
51 TY FROM EACH MAISTO DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL
52 CITY SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS
53 THEREOF PURSUANT TO SUCH CONTRACTS TO LOAN OR OTHER AGREEMENTS. THE
54 STATE COMPTROLLER SHALL PAY OVER TO THE DORMITORY AUTHORITY, PURSUANT TO
55 APPROPRIATIONS THEREFOR AND SOLELY FROM MONEYS AVAILABLE IN THE CREDIT
56 RECOVERY FINANCING RESERVE FUND ESTABLISHED BY SECTION NINETY-NINE-Z OF

1 THE STATE FINANCE LAW, THE AMOUNT SET FORTH IN SUCH REPORT AT THE TIMES
2 AND IN THE AMOUNTS SET FORTH IN THE CERTIFICATE FILED WITH THE COMP-
3 TROLLER BY THE DORMITORY AUTHORITY.

4 F. EACH MAISTO DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL CITY
5 SCHOOL DISTRICTS, AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF
6 WHICH ELECTS TO AVAIL ITSELF OF THE PROVISIONS OF THIS SECTION SHALL
7 HAVE ESTABLISHED WITH THE STATE COMPTROLLER A CREDIT RECOVERY FINANCING
8 RESERVE ACCOUNT WHICH SHALL BE USED TO PAY TO THE DORMITORY AUTHORITY
9 THE ANNUAL AMOUNTS PAYABLE TO THE DORMITORY AUTHORITY UNDER SUCH
10 CONTRACTS TO LOAN OR OTHER AGREEMENTS PURSUANT TO THE PROVISIONS OF THIS
11 SECTION AND SECTION NINETY-NINE-Z OF THE STATE FINANCE LAW. THE DORMITO-
12 RY AUTHORITY SHALL IDENTIFY TO THE STATE COMPTROLLER AND TO THE COMMIS-
13 SIONER OF EDUCATION WITH RESPECT TO SUCH FINANCING, EACH MAISTO
14 DISTRICT, THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS,
15 AND AFFILIATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF WITH WHICH IT HAS
16 SUCH CONTRACTS TO LOAN OR OTHER AGREEMENTS PURSUANT TO THIS SECTION AND
17 SHALL ANNUALLY CERTIFY THE AMOUNTS REQUIRED TO BE PAID PURSUANT TO SUCH
18 CONTRACTS TO LOAN OR OTHER AGREEMENTS.

19 G. ALL STATE AND LOCAL OFFICIALS ARE AUTHORIZED AND REQUIRED TO TAKE
20 WHATEVER ACTIONS ARE NECESSARY TO CARRY OUT THE PROVISIONS OF THIS
21 SECTION AND THE PROVISIONS OF ANY CONTRACT TO LOAN OR OTHER AGREEMENTS
22 ENTERED INTO PURSUANT TO THIS SECTION, INCLUDING MAKING THE REQUIRED
23 PAYMENTS TO THE DORMITORY AUTHORITY.

24 S 13. The state finance law is amended by adding a new section 99-z to
25 read as follows:

26 S 99-Z. CREDIT RECOVERY FINANCING RESERVE FUND. 1. THERE IS HEREBY
27 ESTABLISHED IN THE CUSTODY OF THE STATE COMPTROLLER A SPECIAL FUND TO BE
28 KNOWN AS THE CREDIT RECOVERY FINANCING RESERVE FUND. WITHIN SUCH FUND,
29 THERE IS HEREBY ESTABLISHED A SPECIAL ACCOUNT FOR EACH MAISTO DISTRICT,
30 THE NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND EACH
31 AFFILIATE, SUBSIDIARY OR SUBDIVISION THEREOF WHICH ENTERS INTO A
32 CONTRACT TO LOAN OR OTHER AGREEMENT WITH THE DORMITORY AUTHORITY PURSU-
33 ANT TO THIS SECTION.

34 2. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, SUCH FUND SHALL
35 CONSIST OF AID PAYABLE UNDER SUBDIVISION FORTY-TWO OF SECTION THIRTY-SIX
36 HUNDRED TWO OF THE EDUCATION LAW. THE COMPTROLLER SHALL MAINTAIN SUFFI-
37 CIENT AMOUNTS IN THE FUND IN ORDER TO PAY WHEN DUE AMOUNTS DUE TO THE
38 DORMITORY AUTHORITY PURSUANT TO ANY CONTRACT TO LOAN OR OTHER AGREEMENT
39 ENTERED INTO PURSUANT TO THE PROVISIONS OF THIS SECTION. THE DORMITORY
40 AUTHORITY SHALL CERTIFY TO THE STATE COMPTROLLER THE DATES AND AMOUNT OF
41 SUCH ANNUAL PAYMENTS AS SCHEDULED IN ITS CONTRACTS TO LOAN OR OTHER
42 AGREEMENTS. THE COMMISSIONER OF EDUCATION SHALL CERTIFY THE AMOUNT OF
43 PAYMENTS DUE THE FUND FROM AID PAYABLE UNDER SUBDIVISION FORTY-TWO OF
44 SECTION THIRTY-SIX HUNDRED TWO OF THE EDUCATION LAW.

45 3. REVENUES IN ANY SPECIAL ACCOUNT IN THE CREDIT RECOVERY FINANCING
46 RESERVE FUND MAY BE COMMINGLED WITH ANY OTHER MONIES IN SUCH FUND. ALL
47 DEPOSITS OF SUCH REVENUES WITH BANKS AND TRUST COMPANIES SHALL BE
48 SECURED BY OBLIGATIONS OF THE UNITED STATES OR OF THE STATE OF NEW YORK
49 OR ITS POLITICAL SUBDIVISIONS. SUCH OBLIGATIONS SHALL HAVE A MARKET
50 VALUE AT LEAST EQUAL AT ALL TIMES TO, BUT NOT LESS THAN, ONE HUNDRED
51 FIVE PERCENT OF THE AMOUNT OF SUCH DEPOSITS. ALL BANKS AND TRUST COMPA-
52 NIES ARE AUTHORIZED TO GIVE SECURITY FOR SUCH DEPOSITS. ANY SUCH REVEN-
53 UES IN SUCH FUND MAY, IN THE DISCRETION OF THE COMPTROLLER, BE INVESTED
54 IN OBLIGATIONS OF THE UNITED STATES OR THE STATE OR OBLIGATIONS THE
55 PRINCIPAL OF AND INTEREST ON WHICH ARE GUARANTEED BY THE UNITED STATES
56 OR BY THE STATE. ANY INTEREST EARNED SHALL BE CREDITED TO SUCH FUND.

1 4. UPON RECEIPT BY THE COMPTROLLER OF A CERTIFICATE OR CERTIFICATES
2 FROM THE DORMITORY AUTHORITY THAT IT REQUIRES A PAYMENT OR PAYMENTS FROM
3 THE APPROPRIATE SPECIAL ACCOUNT IN ORDER FOR ANY MAISTO DISTRICT, THE
4 NEW YORK STATE ASSOCIATION OF SMALL CITY SCHOOL DISTRICTS, AND AFFIL-
5 IATES, SUBSIDIARIES OR SUBDIVISIONS THEREOF TO COMPLY WITH SUCH CONTRACT
6 TO LOAN OR OTHER AGREEMENT PURSUANT TO THIS SECTION, EACH OF WHICH
7 CERTIFICATES SHALL SPECIFY THE REQUIRED PAYMENT OR PAYMENTS AND THE DATE
8 WHEN THE PAYMENT OR PAYMENTS IS REQUIRED, THE COMPTROLLER SHALL PAY FROM
9 SUCH SPECIAL ACCOUNT ON OR BEFORE THE SPECIFIED DATE OR WITHIN THIRTY
10 DAYS AFTER RECEIPT OF SUCH CERTIFICATE OR CERTIFICATES, WHICHEVER IS
11 LATER, TO THE PAYING AGENT DESIGNATED BY THE DORMITORY AUTHORITY IN ANY
12 SUCH CERTIFICATE, THE AMOUNT OR AMOUNTS SO CERTIFIED.

13 5. ALL PAYMENTS OF MONEY FROM THE CREDIT RECOVERY FINANCING RESERVE
14 FUND SHALL BE MADE ON THE AUDIT AND WARRANT OF THE STATE COMPTROLLER.

15 S 14. This act shall take effect July 1, 2016; provided, however,
16 that:

17 a. section six of this act shall take effect July 1, 2017; and

18 b. the amendments to the opening paragraph, subparagraph 1 of para-
19 graph a and clause (ii) of subparagraph 2 of paragraph b made by section
20 six-a of this act shall take effect on the same date and in the same
21 manner as section 7 of part A of chapter 54 of the laws of 2016, takes
22 effect.