

STATE OF NEW YORK

5403

2017-2018 Regular Sessions

IN ASSEMBLY

February 8, 2017

Introduced by M. of A. BRINDISI -- read once and referred to the Committee on Education

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 § 2. This legislation shall be known and may be cited as "the Maisto
15 District successful schools act".

16 § 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:

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

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ff. "Preliminary growth amount" shall mean the difference between the statewide total, excluding the apportionments computed pursuant to subdivisions four, other than such apportionments for Maisto Districts, and seventeen of section thirty-six hundred two of the education law, of the apportionments due and owing during the current school year, commencing with the two thousand twelve--two thousand thirteen school year, to school districts and boards of cooperative educational services from the general support for public schools as computed based on an electronic data file used to produce the school aid computer listing produced by the commissioner in support of the enacted budget for the current year, less the statewide total of such apportionments, excluding the apportionments computed pursuant to subdivisions four, other than such apportionments for Maisto Districts, and seventeen of section thirty-six hundred two of the education law, due and owing during the base school year to school districts and boards of cooperative educational services from the general support for public schools as computed based on an electronic data file used to produce the school aid computer listing produced by the commissioner in support of the enacted budget for the current year.

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

hh. "New York state association of small city school districts" shall mean the association of districts in cities with populations fewer than one hundred twenty-five thousand persons in the most recent census.

ii. "Maisto Districts" shall mean the small city school districts of Jamestown, Kingston, Mount Vernon, Newburgh, Niagara Falls, Port Jervis, Poughkeepsie and Utica.

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

18. Allocable growth amount apportionment. Such amount shall be apportioned for a school year pursuant to a chapter of the laws of New York enacted for the state fiscal year in which such school year commences, and shall be allocated to purposes including but not limited to competitive grant awards made pursuant to subdivisions five and six of section thirty-six hundred forty-one of this article, the foundation aid phase-in amount or other foundation aid increase allocated pursuant to subdivision four of this section and the gap elimination adjustment restoration amount apportioned pursuant to subdivision seventeen of this section. In the event that a chapter of the laws of New York enacted for the state fiscal year in which such school year commences is not enacted, the allocations in support of subdivisions five and six of section thirty-six hundred forty-one of this article shall equal the allocations in support of such awards in the base year, and the apportionments pursuant to subdivisions four and seventeen of this section for the current year shall equal the apportionments for such subdivisions four and seventeen for the base year except that the apportionments of the foundation aid phase-in amount for the Maisto Districts and Maisto District credit recovery aid shall be the amount computed in the current year.

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

In addition to any other apportionment pursuant to this chapter, a school district, other than a special act school district as defined in

1 subdivision eight of section four thousand one of this chapter, shall be
2 eligible for total foundation aid equal to the product of total aidable
3 foundation pupil units multiplied by the district's selected foundation
4 aid, which shall be the greater of five hundred dollars (\$500) or foun-
5 dation formula aid, provided, however that for the two thousand seven--
6 two thousand eight through two thousand eight--two thousand nine school
7 years, no school district shall receive total foundation aid in excess
8 of the sum of the total foundation aid base for aid payable in the two
9 thousand seven--two thousand eight school year computed pursuant to
10 subparagraph (i) of paragraph j of subdivision one of this section, plus
11 the phase-in foundation increase computed pursuant to paragraph b of
12 this subdivision, and provided further that for the two thousand twelve-
13 -two thousand thirteen school year, no school district shall receive
14 total foundation aid in excess of the sum of the total foundation aid
15 base for aid payable in the two thousand eleven--two thousand twelve
16 school year computed pursuant to subparagraph (ii) of paragraph j of
17 subdivision one of this section, plus the phase-in foundation increase
18 computed pursuant to paragraph b of this subdivision, and provided
19 further that for the two thousand thirteen--two thousand fourteen school
20 year and thereafter, no school district shall receive total foundation
21 aid in excess of the sum of the total foundation aid base computed
22 pursuant to subparagraph (ii) of paragraph j of subdivision one of this
23 section, plus the phase-in foundation increase computed pursuant to
24 paragraph b of this subdivision, and provided further that for the two
25 thousand sixteen--two thousand seventeen school year, no eligible school
26 districts shall receive total foundation aid in excess of the sum of the
27 total foundation aid base computed pursuant to subparagraph (ii) of
28 paragraph j of subdivision one of this section plus the sum of (A) the
29 phase-in foundation increase, (B) the executive foundation increase with
30 a minimum increase pursuant to paragraph b-2 of this subdivision, and
31 (C) an amount equal to "COMMUNITY SCHOOLS AID" in the computer listing
32 produced by the commissioner in support of the executive budget request
33 for the two thousand sixteen--two thousand seventeen school year and
34 entitled "BT161-7", where (1) "eligible school district" shall be
35 defined as a district with (a) an unrestricted aid increase of less than
36 seven percent (0.07) and (b) a three year average free and reduced price
37 lunch percent greater than fifteen percent (0.15), and (2) "unrestricted
38 aid increase" shall mean the quotient arrived at when dividing (a) the
39 sum of the executive foundation aid increase plus the gap elimination
40 adjustment for the base year, by (b) the difference of foundation aid
41 for the base year less the gap elimination adjustment for the base year,
42 and (3) "executive foundation increase" shall mean the difference of (a)
43 the amounts set forth for each school district as "FOUNDATION AID" under
44 the heading "2016-17 ESTIMATED AIDS" in the school aid computer listing
45 produced by the commissioner in support of the executive budget request
46 for the two thousand sixteen--two thousand seventeen school year and
47 entitled "BT161-7" less (b) the amounts set forth for each school
48 district as "FOUNDATION AID" under the heading "2015-16 BASE YEAR AIDS"
49 in such computer listing and provided further that total foundation aid
50 shall not be less than the product of the total foundation aid base
51 computed pursuant to paragraph j of subdivision one of this section and
52 the due-minimum percent which shall be, for the two thousand twelve--two
53 thousand thirteen school year, one hundred and six-tenths percent
54 (1.006) and for the two thousand thirteen--two thousand fourteen school
55 year for city school districts of those cities having populations in
56 excess of one hundred twenty-five thousand and less than one million

1 inhabitants one hundred and one and one hundred and seventy-six thou-
2 sandths percent (1.01176), and for all other districts one hundred and
3 three-tenths percent (1.003), and for the two thousand fourteen--two
4 thousand fifteen school year one hundred and eighty-five hundredths
5 percent (1.0085), and for the two thousand fifteen--two thousand sixteen
6 school year, one hundred thirty-seven hundredths percent (1.0037),
7 subject to allocation pursuant to the provisions of subdivision eighteen
8 of this section and any provisions of a chapter of the laws of New York
9 as described therein, nor more than the product of such total foundation
10 aid base and one hundred fifteen percent, provided, however, that for
11 the two thousand sixteen--two thousand seventeen school year such maxi-
12 mum shall be no more than the sum of (i) the product of such total foun-
13 dation aid base and one hundred fifteen percent plus (ii) the executive
14 foundation increase and plus (iii) "COMMUNITY SCHOOLS AID" in the
15 computer listing produced by the commissioner in support of the execu-
16 tive budget request for the two thousand sixteen--two thousand seventeen
17 school year and entitled "BT161-7", except for Maisto Districts which
18 shall be one hundred twenty-five percent, and provided further that for
19 the two thousand nine--two thousand ten through two thousand eleven--two
20 thousand twelve school years, each school district shall receive total
21 foundation aid in an amount equal to the amount apportioned to such
22 school district for the two thousand eight--two thousand nine school
23 year pursuant to this subdivision. Total aidable foundation pupil units
24 shall be calculated pursuant to paragraph g of subdivision two of this
25 section. For the purposes of calculating aid pursuant to this subdivi-
26 sion, aid for the city school district of the city of New York shall be
27 calculated on a citywide basis.

28 (1) The foundation amount shall reflect the average per pupil cost of
29 general education instruction in successful school districts, as deter-
30 mined by a statistical analysis of the costs of special education and
31 general education in successful school districts, provided that the
32 foundation amount shall be adjusted annually to reflect the percentage
33 increase in the consumer price index as computed pursuant to section two
34 thousand twenty-two of this chapter, provided that for the two thousand
35 eight--two thousand nine school year, for the purpose of such adjust-
36 ment, the percentage increase in the consumer price index shall be
37 deemed to be two and nine-tenths percent (0.029), and provided further
38 that the foundation amount for the two thousand seven--two thousand
39 eight school year shall be five thousand two hundred fifty-eight
40 dollars, and provided further that for the two thousand seven--two thou-
41 sand eight through two thousand sixteen--two thousand seventeen school
42 years, and for the Maisto Districts for the two thousand eighteen--two
43 thousand nineteen through two thousand twenty-one--two thousand twenty-
44 two school years, the foundation amount shall be further adjusted by the
45 phase-in foundation percent established pursuant to paragraph b of this
46 subdivision.

47 (ii) Phase-in foundation increase factor. For the two thousand
48 eleven--two thousand twelve school year, the phase-in foundation
49 increase factor shall equal thirty-seven and one-half percent (0.375)
50 and the phase-in due minimum percent shall equal nineteen and forty-one
51 hundredths percent (0.1941), for the two thousand twelve--two thousand
52 thirteen school year the phase-in foundation increase factor shall equal
53 one and seven-tenths percent (0.017), for the two thousand thirteen--two
54 thousand fourteen school year the phase-in foundation increase factor
55 shall equal (1) for a city school district in a city having a population
56 of one million or more, five and twenty-three hundredths percent

1 (0.0523) or (2) for all other school districts zero percent, for the two
2 thousand fourteen--two thousand fifteen school year the phase-in founda-
3 tion increase factor shall equal (1) for a city school district of a
4 city having a population of one million or more, four and thirty-two
5 hundredths percent (0.0432) or (2) for a school district other than a
6 city school district having a population of one million or more for
7 which (A) the quotient of the positive difference of the foundation
8 formula aid minus the foundation aid base computed pursuant to paragraph
9 j of subdivision one of this section divided by the foundation formula
10 aid is greater than twenty-two percent (0.22) and (B) a combined wealth
11 ratio less than thirty-five hundredths (0.35), seven percent (0.07) or
12 (3) for all other school districts, four and thirty-one hundredths
13 percent (0.0431), and for the two thousand fifteen--two thousand sixteen
14 school year the phase-in foundation increase factor shall equal: (1) for
15 a city school district of a city having a population of one million or
16 more, thirteen and two hundred seventy-four thousandths percent
17 (0.13274); or (2) for districts where the quotient arrived at when
18 dividing (A) the product of the total aidable foundation pupil units
19 multiplied by the district's selected foundation aid less the total
20 foundation aid base computed pursuant to paragraph j of subdivision one
21 of this section divided by (B) the product of the total aidable founda-
22 tion pupil units multiplied by the district's selected foundation aid is
23 greater than nineteen percent (0.19), and where the district's combined
24 wealth ratio is less than thirty-three hundredths percent (0.33), seven
25 and seventy-five hundredths percent (0.0775); or (3) for any other
26 district designated as high need pursuant to clause (c) of subparagraph
27 two of paragraph c of subdivision six of this section for the school aid
28 computer listing produced by the commissioner in support of the enacted
29 budget for the two thousand seven--two thousand eight school year and
30 entitled "SA0708", four percent (0.04); or (4) for a city school
31 district in a city having a population of one hundred twenty-five thou-
32 sand or more but less than one million, fourteen percent (0.14); or (5)
33 for school districts that were designated as small city school districts
34 or central school districts whose boundaries include a portion of a
35 small city for the school aid computer listing produced by the commis-
36 sioner in support of the enacted budget for the two thousand fourteen--
37 two thousand fifteen school year and entitled "SA1415", four and seven
38 hundred fifty-one thousandths percent (0.04751); or (6) for all other
39 districts one percent (0.01), and for the two thousand sixteen--two
40 thousand seventeen school year shall equal for an eligible school
41 district the greater of: (1) for a city school district in a city with a
42 population of one million or more, seven and seven hundred eighty four
43 thousandths percent (0.07784); or (2) for a city school district in a
44 city with a population of more than two hundred fifty thousand but less
45 than one million as of the most recent federal decennial census, seven
46 and three hundredths percent (0.0703); or (3) for a city school district
47 in a city with a population of more than two hundred thousand but less
48 than two hundred fifty thousand as of the most recent federal decennial
49 census, six and seventy-two hundredths percent (0.0672); or (4) for a
50 city school district in a city with a population of more than one
51 hundred fifty thousand but less than two hundred thousand as of the most
52 recent federal decennial census, six and seventy-four hundredths percent
53 (0.0674); or (5) for a city school district in a city with a population
54 of more than one hundred twenty-five thousand but less than one hundred
55 fifty thousand as of the most recent federal decennial census, nine and
56 fifty-five hundredths percent (0.0955); or (6) for school districts that

were designated as small city school districts or central school districts whose boundaries include a portion of a small city for the school aid computer listing produced by the commissioner in support of the enacted budget for the two thousand fourteen--two thousand fifteen school year and entitled "SA141-5" with a combined wealth ratio less than one and four tenths (1.4), nine percent (0.09), provided, however, that for such districts that are also districts designated as high need urban-suburban pursuant to clause (c) of subparagraph two of paragraph c of subdivision six of this section 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", nine and seven hundred and nineteen thousandths percent (0.09719); or (7) for school districts designated as high need rural pursuant to clause (c) of subparagraph two of paragraph c of subdivision six of this section 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", thirteen and six tenths percent (0.136); or (8) for school districts designated as high need urban-suburban pursuant to clause (c) of subparagraph two of paragraph c of subdivision six of this section 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", seven hundred nineteen thousandths percent (0.00719); or (9) for all other eligible school districts, forty-seven hundredths percent (0.0047) and for the two thousand seventeen--two thousand eighteen school year and thereafter the commissioner shall annually determine the phase-in foundation increase factor subject to allocation pursuant to the provisions of subdivision eighteen of this section and any provisions of a chapter of the laws of New York as described therein, except that for Maisto Districts in the two thousand seven--two thousand eighteen school year twenty-five hundredths percent (0.0025), in the two thousand eighteen--two thousand nineteen school year five hundredths percent (0.0050), in the two thousand nineteen--two thousand twenty school year seventy-five hundredths percent (0.0075) and in the two thousand twenty--two thousand twenty-one school year and thereafter one hundred hundredths percent (0.0100).

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

42. Maisto District credit recovery aid. Commencing with aid payable in the two thousand eighteen--two thousand nineteen school year through the two thousand twenty-one--two thousand twenty-two school year Maisto Districts shall be eligible for an additional apportionment as provided for in this subdivision. Such districts shall be eligible for an additional apportionment in an amount equal to the product of the total number of students in the two thousand thirteen, two thousand fourteen, two thousand fifteen, two thousand sixteen and two thousand seventeen cohorts multiplied by one minus the four year graduation rate for the year prior to the base year and two thousand five hundred (\$2,500) dollars to be used for programs with respect to such students approved by the commissioner for the following purposes:

- a. credit recovery programs;
- b. academic intervention services;
- c. response to intervention services;
- d. drop out prevention;
- e. incarcerated youth services;
- f. parent involvement programs;

1 g. extended day and extended year programs; and
2 h. psycho-social testing.

3 § 8. Section 2530 of the education law, as amended by chapter 171 of
4 the laws of 1996, is amended to read as follows:

5 § 2530. Power to contract indebtedness. Each city school district
6 shall be authorized to expend money for any of the objects or purposes
7 which it is authorized to accomplish by law and may contract indebt-
8 edness in its name pursuant to the local finance law, including but not
9 limited to the issuance of bonds of the district or of the New York
10 state association of small city school districts, its affiliates,
11 subsidiaries or subdivisions thereof to be repaid by revenues from Mais-
12 to District credit recovery aid pursuant to subdivision forty-two of
13 section thirty-six hundred two of this chapter. Notwithstanding any
14 other provision of law to the contrary, each district, the New York
15 state association of small city school districts, and affiliates,
16 subsidiaries or subdivisions thereof shall have the power to pledge,
17 assign or otherwise make available as security for such indebtedness
18 without consideration, revenues from state aid under subdivision forty-
19 two of section thirty-six hundred two of this chapter and bonds or other
20 indebtedness in connection with such subdivision forty-two shall not
21 require voter approval. The provisions of section four hundred sixteen
22 of this chapter shall be applicable to such districts.

23 § 9. Paragraph a of section 11.00 of the local finance law is amended
24 by adding a new subparagraph 109 to read as follows:

25 109. Payment by small city school districts for objects and purposes
26 set forth in subdivision forty-two of section thirty-six hundred two of
27 the education law and authorized under section twenty-five hundred thir-
28 ty of the education law, ten years.

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

32 Maisto Districts as defined by paragraph ii of subdivision one of
33 section thirty-six hundred two of the education law and the New York
34 state association of small city school districts as defined by paragraph
35 hh of subdivision one of section thirty-six hundred two of the education
36 law, and affiliates, subsidiaries or subdivisions thereof.

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

39 Maisto Districts as defined by paragraph ii of subdivision one of
40 section thirty-six hundred two of the education law and the New York
41 state association of small city school districts as defined by paragraph
42 hh of subdivision one of section thirty-six hundred two of the education
43 law, and affiliates, subsidiaries or subdivisions thereof.

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

46 41. a. The dormitory authority may enter contracts to loan to or other
47 agreements with the Maisto Districts, the New York state association of
48 small city school districts, and affiliates, subsidiaries or subdivi-
49 sions thereof for the financing of programs as specified in subdivision
50 forty-two of section thirty-six hundred two of the education law includ-
51 ing:

- 52 (1) credit recovery programs;
53 (2) academic intervention services;
54 (3) response to intervention services;
55 (4) drop out prevention;
56 (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 shall, notwithstanding any other provision of law, have the power to pledge, assign or otherwise make available to the dormitory authority without consideration, revenues from state aid under subdivision forty-two of section thirty-six hundred two of the education law satisfactory to the dormitory authority.

c. In addition to providing for all other matters deemed necessary and proper, such contracts to loan or other agreements shall: (1) require payment to the dormitory authority the amount required to pay the principal of and interest on obligations of the dormitory authority issued in relation to providing such financing and all incidental expenses of the dormitory authority incurred in relation thereto; (2) require payment sufficient to meet obligations under such contracts to loan or other agreements; (3) provide that the aid payable under subdivision forty-two of section thirty-six hundred two of the education law shall be the sole security for such financing and all incidental expenses; and (4) not be executed until such programs are approved by the commissioner of education.

d. (1) In the event that the Maisto Districts, the New York state association of small city school districts, and affiliates, subsidiaries or subdivisions thereof fail to make any payment of principal or interest on its obligations, the dormitory authority shall certify to the comptroller of such failure. Such certificate shall be in such form as the authority deems desirable, but shall include the exact amount of interest and principal required to satisfy the obligations to the authority.

(2) The comptroller, upon receipt of such certificate from the authority, shall withhold from the Maisto Districts, the New York state association of small city school districts, and affiliates, subsidiaries or subdivisions thereof any state aid payable to such entity to the extent necessary to meet the certified amount of interest or principal and shall immediately pay over to the credit recovery financing reserve fund the amount so withheld.

(3) Pending payment to the authority from the comptroller of any such state aid withheld, the authority shall, if payments of interest or principal are due on the authority's bonds, withdraw an amount sufficient to meet such amounts withheld from the debt service reserve fund securing such bonds. Any such amount withdrawn from such debt service reserve fund shall be paid into such debt service reserve fund upon receipt by the agency from the comptroller of any state aid withheld. Any amount so paid to the authority from such state aid shall not obligate the state to make, nor entitle the Maisto Districts, the New York state association of small city school districts, and affiliates, subsidiaries or subdivisions thereof to receive, any additional amounts of state aid.

e. On or before November fifteenth of each year, the dormitory authority shall submit, and thereafter may resubmit, to the director of the budget, the state comptroller, the chairman of the senate finance committee and the chairman of the assembly ways and means committee a report setting forth the amounts, if any, of all amounts estimated to

1 become due in the succeeding state fiscal year to the dormitory authori-
2 ty from each Maisto District, the New York state association of small
3 city school districts, and affiliates, subsidiaries or subdivisions
4 thereof pursuant to such contracts to loan or other agreements. The
5 state comptroller shall pay over to the dormitory authority, pursuant to
6 appropriations therefor and solely from moneys available in the credit
7 recovery financing reserve fund established by section ninety-nine-g of
8 the state finance law, the amount set forth in such report at the times
9 and in the amounts set forth in the certificate filed with the comp-
10 troller by the dormitory authority.

11 f. Each Maisto District, the New York state association of small city
12 school districts, and affiliates, subsidiaries or subdivisions thereof
13 which elects to avail itself of the provisions of this section shall
14 have established with the state comptroller a credit recovery financing
15 reserve account which shall be used to pay to the dormitory authority
16 the annual amounts payable to the dormitory authority under such
17 contracts to loan or other agreements pursuant to the provisions of this
18 section and section ninety-nine-g of the state finance law. The dormito-
19 ry authority shall identify to the state comptroller and to the commis-
20 sioner of education with respect to such financing, each Maisto
21 District, the New York state association of small city school districts,
22 and affiliates, subsidiaries or subdivisions thereof with which it has
23 such contracts to loan or other agreements pursuant to this section and
24 shall annually certify the amounts required to be paid pursuant to such
25 contracts to loan or other agreements.

26 g. All state and local officials are authorized and required to take
27 whatever actions are necessary to carry out the provisions of this
28 section and the provisions of any contract to loan or other agreements
29 entered into pursuant to this section, including making the required
30 payments to the dormitory authority.

31 § 13. The state finance law is amended by adding a new section 99-g to
32 read as follows:

33 § 99-g. Credit recovery financing reserve fund. 1. There is hereby
34 established in the custody of the state comptroller a special fund to be
35 known as the credit recovery financing reserve fund. Within such fund,
36 there is hereby established a special account for each Maisto District,
37 the New York state association of small city school districts, and each
38 affiliate, subsidiary or subdivision thereof which enters into a
39 contract to loan or other agreement with the dormitory authority pursu-
40 ant to this section.

41 2. Notwithstanding the provisions of any other law, such fund shall
42 consist of aid payable under subdivision forty-two of section thirty-six
43 hundred two of the education law. The comptroller shall maintain suffi-
44 cient amounts in the fund in order to pay when due amounts due to the
45 dormitory authority pursuant to any contract to loan or other agreement
46 entered into pursuant to the provisions of this section. The dormitory
47 authority shall certify to the state comptroller the dates and amount of
48 such annual payments as scheduled in its contracts to loan or other
49 agreements. The commissioner of education shall certify the amount of
50 payments due the fund from aid payable under subdivision forty-two of
51 section thirty-six hundred two of the education law.

52 3. Revenues in any special account in the credit recovery financing
53 reserve fund may be commingled with any other monies in such fund. All
54 deposits of such revenues with banks and trust companies shall be
55 secured by obligations of the United States or of the state of New York
56 or its political subdivisions. Such obligations shall have a market

1 value at least equal at all times to, but not less than, one hundred
2 five percent of the amount of such deposits. All banks and trust compa-
3 nies are authorized to give security for such deposits. Any such reven-
4 ues in such fund may, in the discretion of the comptroller, be invested
5 in obligations of the United States or the state or obligations the
6 principal of and interest on which are guaranteed by the United States
7 or by the state. Any interest earned shall be credited to such fund.

8 4. Upon receipt by the comptroller of a certificate or certificates
9 from the dormitory authority that it requires a payment or payments from
10 the appropriate special account in order for any Maisto District, the
11 New York state association of small city school districts, and affil-
12 iates, subsidiaries or subdivisions thereof to comply with such contract
13 to loan or other agreement pursuant to this section, each of which
14 certificates shall specify the required payment or payments and the date
15 when the payment or payments is required, the comptroller shall pay from
16 such special account on or before the specified date or within thirty
17 days after receipt of such certificate or certificates, whichever is
18 later, to the paying agent designated by the dormitory authority in any
19 such certificate, the amount or amounts so certified.

20 5. All payments of money from the credit recovery financing reserve
21 fund shall be made on the audit and warrant of the state comptroller.

22 § 14. This act shall take effect July 1, 2017.