

# STATE OF NEW YORK

5142--A

2021-2022 Regular Sessions

## IN ASSEMBLY

February 11, 2021

Introduced by M. of A. BENEDETTO, JACKSON, OTIS -- 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 special act school districts and special education

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 4004 of the education law is amended by adding a  
2 new subdivision 5 to read as follows:

3 5. The board of education of a special act school district shall be  
4 authorized to establish a fiscal stabilization reserve fund. There may  
5 be paid into such fund an amount as may be provided pursuant to the  
6 requirements of paragraph k of subdivision four of section forty-four  
7 hundred five of this title.

8 § 2. Subdivision 4 of section 4405 of the education law is amended by  
9 adding a new paragraph k to read as follows:

10 k. The tuition methodology established pursuant to this subdivision  
11 for the two thousand twenty-one--two thousand twenty-two school year and  
12 annually thereafter shall authorize approved private residential or  
13 non-residential schools for the education of students with disabilities  
14 that are located within the state, and special act school districts, to  
15 retain funds in excess of their allowable and reimbursable costs  
16 incurred for services and programs provided to school-age students. The  
17 amount of funds that may be annually retained shall not exceed one  
18 percent of the school's or school district's total allowable and reim-  
19 bursable costs for services and programs provided to school-age students  
20 for the school year from which the funds are to be retained; provided  
21 that the total accumulated balance that may be retained shall not exceed  
22 four percent of such total costs for such school year; and provided  
23 further that such funds shall not be recoverable on reconciliation.

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

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1 Funds may be expended only pursuant to an authorization of the governing  
2 board of the school or school district, for a purpose expressly author-  
3 ized as part of the approved tuition methodology for the year in which  
4 the funds are to be expended. The director of the budget, in consulta-  
5 tion with the commissioner, shall establish the authorized uses for the  
6 expenditures of such funds as part of the approved tuition methodology.  
7 Any school or school district that retains funds pursuant to this para-  
8 graph shall be required to annually report a statement of the total  
9 balance of any such retained funds, the amount, if any, retained in the  
10 prior school year, the amount, if any, disbursed in the prior school  
11 year, and any additional information requested by the department as part  
12 of the financial reports that are required to be annually submitted to  
13 the department.

14 § 3. This act shall take effect immediately.