

STATE OF NEW YORK

1761--A

2021-2022 Regular Sessions

IN SENATE

January 15, 2021

Introduced by Sens. COONEY, BROUK -- read twice and ordered printed, and when printed to be committed to the Committee on Education -- committee discharged and said bill committed to the Committee on Cities 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend chapter 416 of the laws of 2007, establishing the city of Rochester and the board of education of the city school district of the city of Rochester school facilities modernization program act, in relation to granting further authority to the RJSCB to modernize educational facilities in the city of Rochester; and to amend the education law, in relation to the computation of building aid

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

1 Section 1. Subdivisions (g) and (j) of section 2 of chapter 416 of the
2 laws of 2007, establishing the city of Rochester and the board of educa-
3 tion of the city school district of the city of Rochester school facili-
4 ties modernization program act, as amended by chapter 533 of the laws of
5 2014, are amended to read as follows:

6 (g) "Project" shall mean work at an existing school building site that
7 involves the design, reconstruction, or rehabilitation of an existing
8 school building for its continued use as a school of the city school
9 district, which may include an addition to existing school buildings for
10 such continued use and which also may include (1) the construction or
11 reconstruction of athletic fields, playgrounds, and other recreational
12 facilities for such existing school buildings; and/or (2) the acquisi-
13 tion and installation of all equipment necessary and attendant to and
14 for the use of such existing school [~~building~~ buildings, including but
15 not limited to items located at sites not within a project that will
16 allow the RJSCB to conduct district-wide technology improvements to
17 benefit existing school buildings; and/or (3) the acquisition of addi-
18 tional real property by the city to facilitate the project.

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

LBD05197-06-1

1 (j) "Independent compliance officer" shall mean an independent firm
2 hired by the RJSCB with an in-depth knowledge base and breadth of expe-
3 rience conducting minority and women-owned business enterprise (MWBE)
4 and disadvantaged business enterprise (DBE) utilization compliance moni-
5 toring for public contracts within New York state, including school
6 districts and auditing contractors and subcontractors in construction
7 and reconstruction projects like those to be undertaken and contracted
8 for by the RJSCB pursuant to this act. Such firm shall develop and
9 implement an MWBE/DBE outreach and utilization plan for the governance
10 of all contracts to ensure compliance with all federal, state, and local
11 laws, rules, and regulations.

12 § 2. Subdivision (b) of section 3 of chapter 416 of the laws of 2007,
13 establishing the city of Rochester and the board of education of the
14 city school district of the city of Rochester school facilities modern-
15 ization program act, as amended by chapter 533 of the laws of 2014, is
16 amended to read as follows:

17 (b) Such board shall be composed of seven voting members: three of
18 whom shall be appointed by, and serve at the pleasure of the mayor of
19 the city; three of whom shall be appointed by, and serve at the pleasure
20 of the superintendent of the board of education of the city school
21 district; and one of whom shall be independent from both the city school
22 district and the city but who shall have been agreed upon by the mayor
23 and the superintendent; and one non-voting member who shall be the inde-
24 pendent compliance officer, or the representative of the independent
25 compliance officer. One of the voting members shall be chosen, by such
26 voting members, to serve as chair of the board. Members of the board
27 shall not receive a salary or other compensation for such board duties,
28 but shall be entitled to reimbursement for actual and necessary expenses
29 incurred in the performance of his or her board duties. Members of the
30 board shall not be disqualified from holding public office or employ-
31 ment, nor shall they forfeit any office or employment by reason of their
32 appointment, notwithstanding the provisions of any general, special, or
33 local law, ordinance or city charter to the contrary. The board will be
34 reconstituted on the effective date of the chapter of the laws of 2014
35 that amended this subdivision and the term of each prior board member
36 shall automatically expire on such date provided however that nothing
37 shall preclude the reappointment of an existing board member.

38 § 3. Sections 4, 5, 6, 9, 10, 11 and 21 of chapter 416 of the laws of
39 2007, establishing the city of Rochester and the board of education of
40 the city school district of the city of Rochester school facilities
41 modernization program act, as amended by chapter 533 of the laws of
42 2014, are amended to read as follows:

43 § 4. Project authorization. No more than: (a) 13 projects, up to a
44 total cost of three hundred twenty-five million dollars in phase one,
45 and (b) 26 projects, up to a total cost of four hundred thirty-five
46 million dollars in phase two, and (c) 13 school building projects,
47 including a district-wide technology project, up to a total cost of four
48 hundred seventy-five million dollars in phase three shall be authorized
49 and undertaken pursuant to this act, unless otherwise authorized by law.

50 § 5. Comprehensive school facilities modernization plan. The super-
51 intendent shall submit to the RJSCB [~~a~~] comprehensive draft [~~plan~~] plans
52 recommending and outlining the projects for phase two and phase three it
53 proposes to be undertaken pursuant to this act. The RJSCB shall consider
54 the plan in developing a comprehensive school facilities modernization
55 plan recommending and outlining the projects it proposes to be poten-
56 tially undertaken pursuant to this act. Such plan shall include: (a) an

1 estimate of total costs to be financed, proposed financing plan,
2 proposed method of financing, terms and conditions of the financing,
3 estimated financing costs, and, if city general obligation bonds or
4 notes are not proposed as the method of financing, a comparison of
5 financing costs between such bonds or notes and the proposed method of
6 financing. Payment of debt service on bonds, notes or other obligations
7 issued to secure financing of not more than \$325,000,000 in phase one
8 [~~and~~], \$435,000,000 in phase two, and \$475,000,000 in phase three for
9 projects undertaken pursuant to this act shall not be considered when
10 determining the "city amount" required pursuant to subparagraph (ii) of
11 paragraph a of subdivision 5-b of section 2576 of the education law;
12 provided, however, that this provision shall not otherwise affect the
13 determination of said "city amount" with respect to funding unrelated to
14 projects undertaken pursuant to this act. The plan should also address
15 what specific options would be used to ensure that sufficient resources
16 exist to cover the local share of any such project cost on an annual
17 basis; (b) information concerning the potential persons to be involved
18 in the financing and such person's role and responsibilities; (c) esti-
19 mates on the design, reconstruction and rehabilitation costs by project,
20 any administrative costs for potential projects, and an outline of the
21 timeframe expected for completion of each potential project; (d) a
22 detailed description of the request for proposals process and an outline
23 of the criteria to be used for selection of the program manager, the
24 independent compliance officer and all contractors; provided that the
25 RJSCB may extend the contracts of the providers of professional services
26 for phase one or two upon the adoption of findings that doing so would
27 be in the public interest; the contracts of the program manager and the
28 independent compliance officer for phase two will be rebid, and provided
29 further that the program manager and the independent compliance officer
30 and any new or different providers of professional services shall be
31 engaged in compliance with the provisions of section eight of this act;
32 (e) any proposed amendments to the city school district's five-year
33 capital facilities plan submitted in accordance with subdivision 6 of
34 section 3602 of the education law and the regulations of the commission-
35 er; and (f) a [~~preliminary~~] diversity plan to develop diversity goals,
36 including appropriate community input and public discussion, and develop
37 strategies that would create and coordinate any efforts to ensure a more
38 diverse workforce for the projects. The [~~preliminary~~] diversity plan
39 should address accountability for attainment of the diversity goals,
40 what forms of monitoring would be used, and how such information would
41 be publicly communicated.

42 Prior to the development of the comprehensive school facilities
43 modernization plan, the RJSCB and district shall hold as many public
44 hearings as may be necessary to ensure sufficient public input and allow
45 for significant public discussion on school building needs in such city,
46 with at least one hearing to be held in each neighborhood potentially
47 impacted by a proposed project.

48 All projects proposed in the comprehensive school facilities modern-
49 ization plan shall be included by the city school district as a special
50 section of the district's five-year capital facilities plan that is
51 required pursuant to subdivision 6 of section 3602 of the education law
52 and the regulations of the commissioner.

53 The RJSCB shall submit the components of such comprehensive plan
54 outlined in subdivision (a) of this section to the comptroller, along
55 with any other information requested by the comptroller, for his or her
56 review and approval.

1 § 6. Project selection. Notwithstanding any general, special or local
2 law to the contrary and upon approval by the comptroller pursuant to
3 section five of this act, the RJSCB may select projects to be undertaken
4 pursuant to this act, as provided for in such approved comprehensive
5 plan. After the RJSCB has selected a new project and plans and specifi-
6 cations for such project have been prepared and approved by the RJSCB,
7 which are consistent with the approved comprehensive plan, the RJSCB
8 shall deliver such plans and specifications to the superintendent of the
9 city school district and the mayor of the city of Rochester for review
10 to ensure that sufficient resources exist to pay the local share of any
11 such project cost on an annual basis and that the plans meet program
12 needs, and upon the approval of the superintendent, to the commissioner
13 for his or her approval. After approval by the superintendent and
14 commissioner, the plans and specifications shall be returned to the
15 RJSCB. All such specifications shall detail the number of students the
16 completed project is intended to serve, the site description, the types
17 of subjects to be taught, the types of activities for school, recre-
18 ational, social, safety, or other purposes intended to be incorporated
19 in the school building or on its site and such other information as the
20 RJSCB and the commissioner shall deem necessary or advisable. The
21 district program manager shall establish reasonable guidelines or limits
22 on incidental costs to assure that to the greatest extent possible such
23 costs for each project do not exceed the state's maximum incidental cost
24 allowance, in order to maximize efficient use of state building aid.

25 Notwithstanding any other provision of law to the contrary, the RJSCB
26 shall submit estimated project costs for the projects authorized pursu-
27 ant to ~~[subdivision]~~ subdivisions (b) and (c) of section four of this
28 act on a form provided by the commissioner of education after the
29 completion of schematic plans and specifications for review by the
30 commissioner. ~~[If]~~ For projects authorized pursuant to subdivision (b)
31 of section four of this act, if the total project costs associated with
32 such projects exceed the sum of the estimated individual approved cost
33 allowance of each building project by more than the lesser of 43 million
34 dollars or ten percent of the approved costs authorized pursuant to
35 subdivision (b) of section four of this act, and the city school
36 district has not otherwise demonstrated to the satisfaction of the
37 education department the availability of additional local shares for
38 such excess costs, then the RJSCB shall not proceed with the preparation
39 of final plans and specifications for such projects until the projects
40 have been redesigned or value-engineered to reduce estimated project
41 costs so as not to exceed the above cost limits. For projects authorized
42 pursuant to subdivision (c) of section four of this act, if the total
43 estimated building aid payable for projects authorized pursuant to
44 subdivision (c) of section four of this act, based upon the sum of the
45 estimated individual approved cost allowance of each building, is less
46 than ninety-five percent of the total project costs, the RJSCB shall not
47 proceed with preparation of final plans and specifications for such
48 projects until the projects have been redesigned or value engineered to
49 reduce estimated costs so as not to exceed this cost limit.

50 Notwithstanding any other provision of law to the contrary, the RJSCB
51 shall submit estimated project costs for the projects authorized pursu-
52 ant to subdivision (c) of section four of this act on a form provided
53 by the commissioner after the completion of twenty-five percent of the
54 final plans and specifications for review by the commissioner. If the
55 total estimated building aid payable for projects authorized pursuant to
56 subdivision (c) of section four of this act, based upon the sum of the

1 estimated individual approved cost allowance of each building, is less
2 than ninety-five percent of the total project costs, the RJSCB shall not
3 proceed with the completion of the remaining seventy-five percent of the
4 plans and specifications for such projects until the projects have been
5 redesigned or value-engineered to reduce estimated costs so as not to
6 exceed this cost limit.

7 Notwithstanding any other provision of law to the contrary, the RJSCB
8 shall submit estimated project costs for the projects authorized pursu-
9 ant to [~~subdivision~~] subdivisions (b) and (c) of section four of this
10 act on a form provided by the commissioner after the completion of fifty
11 percent of the final plans and specifications for review by the commis-
12 sioner. [~~if~~] For projects authorized pursuant to subdivision (b) of
13 section four of this act, if the total project costs associated with
14 such projects exceed the sum of the estimated individual approved cost
15 allowance of each building project by more than the lesser of 43 million
16 dollars or ten percent of the approved costs authorized pursuant to
17 subdivision (b) of section four of this act, and the city school
18 district has not otherwise demonstrated to the satisfaction of the
19 education department the availability of additional local share for such
20 excess costs, then the RJSCB shall not proceed with the completion of
21 the remaining fifty percent of the plans and specifications for such
22 projects until the projects have been redesigned or value-engineered to
23 reduce estimated project costs so as not to exceed the above cost
24 limits. For projects authorized pursuant to subdivision (c) of section
25 four of this act, if the total estimated building aid payable for
26 projects authorized pursuant to subdivision (c) of section four of this
27 act, based upon the sum of the estimated individual approved cost allow-
28 ance of each building, is less than ninety-five percent of the total
29 project costs, the RJSCB shall not proceed with the completion of the
30 remaining fifty percent of the plans and specifications for such
31 projects until the projects have been redesigned or value-engineered to
32 reduce estimated project costs so as not to exceed this cost limit.

33 Notwithstanding any other provision of law to the contrary, the RJSCB
34 shall submit estimated project costs for the projects authorized pursu-
35 ant to subdivision (c) of section four of this act on a form provided
36 by the commissioner after the completion of seventy-five percent of the
37 final plans and specifications for review by the commissioner. If the
38 total estimated building aid payable for projects authorized pursuant to
39 subdivision (c) of section four of this act, based upon the sum of the
40 estimated individual approved cost allowance of each building, is less
41 than ninety-five percent of the total project costs, the RJSCB shall not
42 proceed with the completion of the remaining twenty-five percent of the
43 plans and specifications for such projects until the projects have been
44 redesigned or value-engineered to reduce estimated project costs so as
45 not to exceed this cost limit.

46 § 9. Contracts generally. Notwithstanding the provisions of any
47 general, special, or local law or judicial decision to the contrary:

48 (a) The RJSCB may require a contractor, as a condition to being
49 awarded a contract, subcontract, lease, grant, bond, covenant or other
50 agreement for a project to enter into a project labor agreement for the
51 work involved with such project when such requirement is made part of
52 the bid specifications for the project and when the RJSCB determines
53 that the record supporting the decision to enter into such an agreement
54 establishes that it is justified by the interests underlying the compet-
55 itive bidding laws. In addition, the RJSCB may revise and extend the
56 requirements of the project labor agreement entered into for phase one

1 projects to the projects authorized in phase [~~two~~] **three**, contingent
2 upon the completion of a supplemental project labor agreement benefit
3 analysis.

4 (b) Any contract, subcontract, lease, grant, bond, covenant or other
5 agreement for projects undertaken pursuant to this act shall not be
6 subject to section 101 of the general municipal law when the RJSCB has
7 chosen to require a project labor agreement, pursuant to subdivision (a)
8 of this section. This exemption shall only apply to the projects under-
9 taken pursuant to this act and shall not apply to projects undertaken by
10 any other school district or municipality unless otherwise specifically
11 authorized.

12 (c) Whenever the RJSCB enters in a contract, subcontract, lease,
13 grant, bond, covenant or other agreement for the construction, recon-
14 struction, demolition, excavation, rehabilitation, repair, renovation,
15 alteration, or improvement for a project undertaken pursuant to this
16 act, it shall be deemed to be a public works project for the purposes of
17 article 8 of the labor law, and all the provisions of article 8 of the
18 labor law shall be applicable to all the work involved with such project
19 including the enforcement of prevailing wage requirements by the state
20 department of labor.

21 (d) Every contract entered into by resolution of the RJSCB for
22 construction or reconstruction of a project pursuant to this act shall
23 contain a provision that the design of such project shall be subject to
24 the review and approval of the city school district and that the design
25 and construction standards of such project shall be subject to the
26 review and approval of the commissioner. In addition, every such
27 contract for construction or reconstruction shall contain a provision
28 that the contractor shall furnish a labor and material bond guaranteeing
29 prompt payment of moneys that are due to all persons furnishing labor
30 and materials pursuant to the requirements of any contracts for a
31 project undertaken pursuant to this section and a performance bond for
32 the faithful performance of the project, which shall conform to the
33 provisions of section 103-f of the general municipal law, and that a
34 copy of such performance and payment bonds shall be kept by the RJSCB
35 and shall be open to public inspection.

36 (d-1) Any contract entered into by resolution of the RJSCB pursuant to
37 this section shall contain a provision providing that: (i) payment due
38 on such contract shall be withheld where the contractor has not provided
39 necessary information for the RJSCB to comply with the reporting
40 requirements of this act, as determined by the department; and shall
41 continue to be withheld until such information is provided satisfactory
42 to the department; and (ii) such withholding shall not constitute a
43 breach of contract entitling the contractor to terminate such contract
44 or to be awarded damages.

45 (e) For the purposes of article 15-A of the executive law, any person
46 entering into a contract for a project authorized pursuant to this act
47 shall be deemed a state agency as that term is defined in such article
48 and such contracts shall be deemed state contracts within the meaning of
49 that term as set forth in such article.

50 (f) Notwithstanding the provisions of this act or of any general or
51 special law to the contrary, for any contract, subcontract, lease,
52 grant, bond, covenant or other agreement for construction, recon-
53 struction, demolition, excavation, rehabilitation, repair, renovation,
54 alteration, or improvement with respect to each project undertaken
55 pursuant to this act, the RJSCB shall consider the financial and organ-
56 izational capacity of contractors and subcontractors in relation to the

1 magnitude of work they may perform, the record of performance of
2 contractors and subcontractors on previous work, the record of contrac-
3 tors and subcontractors in complying with existing labor standards and
4 maintaining harmonious labor relations, and the commitment of contrac-
5 tors to work with minority and women-owned business enterprises pursuant
6 to article 15-A of the executive law through joint ventures or subcon-
7 tractor relationships. The RJSCB shall further require, on any contract
8 in excess of one million dollars for construction, reconstruction, demo-
9 lition, excavation, rehabilitation, repair, renovation, alteration, or
10 improvement that each contractor and subcontractor shall [~~participate~~
11 be actively participating in an apprentice training [~~programs in the~~
12 ~~trades of work it employs that: have been approved for not less than~~
13 ~~three years by the state department of labor; have graduated at least~~
14 ~~one apprentice in the last 3 years; have at least one apprentice~~
15 ~~currently enrolled in such apprentice training program; and have demon-~~
16 ~~strated that the program has made significant efforts to attract and~~
17 ~~retain minority apprentices~~] program registered in the state.

18 § 10. Program managers. (a) All contracts entered into by resolution
19 of the RJSCB for projects for phase two and phase three undertaken
20 pursuant to this act shall be managed by an independent program manager.
21 The selection of the program manager shall be pursuant to the compet-
22 itive process established in section eight of this act. Prior to issu-
23 ance of the contract, the program manager selected shall be approved by
24 the superintendent, mayor, city council and the Rochester city school
25 district. The program manager shall have experience in planning, design-
26 ing, and constructing new and/or reconstructing existing school build-
27 ings, public facilities, commercial facilities, and/or infrastructure
28 facilities, and in the negotiation and management of labor contracts and
29 agreements, training programs, educational programs, and physical tech-
30 nological requirements for educational programs. The program manager
31 shall manage all projects undertaken pursuant to this act, review
32 project schedules, review payment schedules, prepare cost estimates and
33 assess the safety programs of contractors and all training programs, if
34 required. The program manager shall implement procedures for verifica-
35 tion by it that all work for which payment has been requested has been
36 satisfactorily completed.

37 (b) The program manager, and its affiliates or subsidiaries, if any,
38 shall be prohibited from awarding contracts or being awarded contracts
39 for, or performing any work on, projects undertaken pursuant to this
40 act. Contracts awarded by the RJSCB for construction work required for
41 the reconstruction, rehabilitation or renovation of a project pursuant
42 to this act shall be awarded pursuant to public bidding in compliance
43 with section 103 of the general municipal law.

44 (c) Any contract entered into by resolution of the RJSCB to hire a
45 program manager pursuant to this section shall contain a provision
46 providing that: (i) payment due on such contract shall be withheld where
47 the program manager has not provided necessary information for the RJSCB
48 to comply with the reporting requirements of this act, as determined by
49 the department, and shall continue to be withheld until such information
50 is provided satisfactory to the department; and (ii) such withholding
51 shall not constitute a breach of contract entitling the program manager
52 to terminate such contract or to be awarded damages.

53 (d) All records of the program manager related to the RJSCB shall be
54 subject to the city school district's annual external audit as set forth
55 in subdivision three of section twenty-one hundred sixteen-a of the
56 education law and shall be subject to audits of the state conducted by

1 the comptroller as set forth in section thirty-three of the general
2 municipal law.

3 § 11. Independent compliance officers. All contracts entered into by
4 resolution of the RJSCB for projects for phase two and phase three
5 undertaken by this act shall be monitored by an independent compliance
6 officer. The independent compliance officer shall: develop, implement,
7 advertise, promote and monitor policies and procedures to utilize and
8 provide sufficient MWBE, DBE and skilled minority employment resources
9 participation opportunities to be followed by prime contractors and
10 subcontractors for such projects; review, modify if necessary, and
11 approve the preliminary diversity plan established pursuant to section
12 five of this act; provide technical assistance to potential MWBE and DBE
13 contractors and subcontractors interested in bidding on any such
14 projects; obtain and maintain records and documentation to confirm
15 compliance with any requirements contained in the approved diversity
16 plan, for any such project; identify contractors in non-compliance with
17 any such requirements contained in the approved diversity plan or in
18 violation of any federal, state and local laws, rules or regulations;
19 monitor and report the upward/downward price adjustment and payment
20 amounts to MWBEs and DBEs listed on contractors utilization plan for any
21 such project; develop and work with the RJSCB to enforce agreed finan-
22 cial or monetary sanctions for any contractor's non-compliance with the
23 MWBE/DBE utilization master plan. In addition, the independent compli-
24 ance officer shall: develop, implement, advertise, promote and monitor
25 MWBE/DBE policies and procedures for each project to be followed by
26 prime contractors and subcontractors for such projects; obtain and main-
27 tain records and documentation to confirm compliance with any applicable
28 requirements for each project; identify contractors in non-compliance
29 with any such requirements pursuant to this section or in violation of
30 any federal, state and local laws, rules or regulations. The independent
31 compliance officer shall report to the [~~RJCSB~~ RJSCB on a monthly basis.

32 § 21. Reporting requirements. (a) On June 30, 2008 and annually there-
33 after, until completion of the [~~39~~ 52 projects authorized pursuant to
34 this act, the RJSCB shall issue a report to the governor, the comp-
35 troller, the commissioner, the temporary president of the senate, the
36 speaker of the assembly, the city, the city council and the city school
37 district on the progress and status of the projects undertaken by the
38 RJSCB. Provided further, that if any such entities request information
39 on the progress and status of the projects prior to such report, it
40 shall be provided to such entities by the RJSCB.

41 [~~In addition, on~~] (b) On or before June 30, 2021, or upon completion
42 of the 26 projects authorized in phase two pursuant to this act, which-
43 ever shall first occur, the RJSCB shall issue a report to the city, the
44 city school district, the governor, the commissioner, the comptroller,
45 the temporary president of the senate, the speaker of the assembly, the
46 minority leader of the senate, the minority leader of the assembly, the
47 state board of regents, and the chairs and ranking minority members of
48 the New York state senate and assembly committees on education, the
49 finance committee of the New York state senate, and the ways and means
50 committee of the New York state assembly. Such report shall identify the
51 fiscal and pedagogical results of the projects undertaken pursuant to
52 this act, along with recommendations for its continuance, amendments, or
53 discontinuance.

54 (c) On or before June 30, 2031, or upon completion of the 13 school
55 building projects, including district-wide technology project, author-
56 ized in phase three pursuant to this act, whichever shall first occur,

1 the RJSCB shall issue a report to the city, the city school district,
2 the governor, the commissioner, the comptroller, the temporary president
3 of the senate, the speaker of the assembly, the minority leader of the
4 senate, the minority leader of the assembly, the state board of regents,
5 and the chairs and ranking minority members of the New York state senate
6 and assembly committees on education, the finance committee of the New
7 York state senate, and the ways and means committee of the New York
8 state assembly. Such report shall identify the fiscal and pedagogical
9 results of the projects undertaken pursuant to this act, along with
10 recommendations for its continuance, amendments, or discontinuance.

11 (d) Reporting requirements and state aid. Where the commissioner has
12 determined that the RJSCB has not complied with any reporting require-
13 ment prescribed in section 21 of this act, the commissioner may tempo-
14 rarily withhold the allotment, apportionment and payment of state aid
15 and assistance pursuant to the education law from the city school
16 district until such time that the RJSCB has complied with such require-
17 ments. Provided further that in the event state aid is temporarily with-
18 held from the city school district due to reporting deficiencies as
19 provided in this section, state aid payments shall continue to be
20 subject to withholding pursuant to section 99-b of the state finance law
21 should the city school district default in the payment of the principal
22 of its bonds or notes issued for purposes of this act or the payment of
23 interest on such bonds or notes or in the payment of both principal of
24 and interest on such bonds or notes.

25 § 4. Paragraph a of subdivision 6 of section 3602 of the education law
26 is amended by adding a new subparagraph 9 to read as follows:

27 (9) Notwithstanding any other provision of law to the contrary, for
28 the purpose of computation of building aid for reconstruction or modern-
29 izing of no more than five projects pursuant to chapter four hundred
30 sixteen of the laws of two thousand seven, as amended, enacting the
31 third phase of the city of Rochester school facilities modernization
32 program act, multi-year cost allowances for each project shall be estab-
33 lished and utilized two times in the first five-year period. Subsequent
34 multi-year cost allowances shall be established no sooner than ten years
35 after establishment of the first maximum cost allowance authorized
36 pursuant to this subparagraph.

37 § 5. This act shall take effect immediately and shall apply to all
38 contracts entered into, renewed, modified or amended on or after such
39 effective date.