

STATE OF NEW YORK

7665

IN SENATE

January 5, 2022

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the education law, in relation to creating the New York state private not-for-profit special education schools revolving loan fund; and making an appropriation therefor

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

1 Section 1. The education law is amended by adding a new section 4409
2 to read as follows:

3 § 4409. Revolving loan fund for private not-for-profit special educa-
4 tion schools in cities with a population of one million or more. 1.
5 There is hereby established a fund to be known as the New York state
6 private not-for-profit special education schools revolving loan fund.
7 Such fund shall consist of moneys made available pursuant to appropri-
8 ation and any other sources in order to provide support to private not-
9 for-profit schools for special education students of school age approved
10 pursuant to section forty-four hundred four of this article. The fund
11 shall be administered by the department; provided, however, that the
12 commissioner may enter into an agreement with a bank or trust company to
13 administer loans under this section.

14 2. (a) Loans under this section shall be interest free, except as
15 otherwise provided in this subdivision. A school shall be allowed to
16 submit one loan request application every two years. The lending period
17 shall be a maximum of twenty-four months. A school shall submit to the
18 department a loan repayment schedule detailing how the full amount will
19 be repaid within the final ninety days of the twenty-four month loan
20 period and complete all payments as per that schedule. If a school fails
21 to comply with such schedule it will not receive any new funding until
22 the loan is fully repaid. An interest rate of six percent per annum
23 shall be charged for each month that a loan payment is in arrears.

24 (b) All new loan request applications shall be submitted no later than
25 the last day of the twenty-first month in the twenty-four month loan
26 period. The comptroller shall determine if available funds can satisfy
27 the loan requests of all such eligible applications by the first of

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

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1 August of that year. If it is determined that available funds cannot
2 satisfy all eligible loan request applications, each eligible school
3 shall be assigned an amount reduced proportionally. Each school that
4 applied shall be notified of their eligibility and the dollar amount
5 available to them by August twentieth of that year.

6 3. A private not-for-profit special education school shall meet the
7 following requirements to be eligible to be approved for a loan under
8 this section:

9 (a) A school shall be incorporated in New York state.

10 (b) A school must have a current enrollment with at least fifty
11 percent of students having an individualized education program (IEP) as
12 defined in 20 U.S.C. § 1414(d).

13 4. The loan amount to a school shall be limited to a maximum of one
14 hundred percent of the total amount of pending tuition payments in the
15 prior year pursuant to subdivision four of section forty-four hundred
16 four of this article and the total amount of the school district agreed
17 tuition settlement offers in the prior year.

18 5. For a pending payment or school district agreed tuition settlement
19 offer to qualify for inclusion in the loan amount calculation:

20 (a) the private not-for-profit special education school must have
21 accepted the student without collecting any tuition from the parents
22 with the intent of seeking a tuition settlement pursuant to section
23 forty-four hundred four of this article. A refundable deposit is not
24 considered tuition; and

25 (b) the payment must be on behalf of a student with an IEP as defined
26 in 20 U.S.C. § 1414(d).

27 6. The school district settlement offer or hearing decision for one
28 year of tuition must be for a minimum of forty thousand dollars.

29 § 2. The sum of two hundred million dollars (\$200,000,000), or so much
30 thereof as may be necessary, is hereby appropriated to the New York
31 state private not-for-profit special education schools revolving loan
32 fund and made immediately available, for the purpose of carrying out the
33 provisions of this act.

34 § 3. This act shall take effect immediately.