

STATE OF NEW YORK

5702

2025-2026 Regular Sessions

IN SENATE

February 28, 2025

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

AN ACT to amend the education law, in relation to permitting special education services and programs for preschool children with handicapping conditions to establish reserve funds

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

1 Section 1. Section 4405 of the education law is amended by adding a
2 new subdivision 7 to read as follows:

3 7. For the two thousand twenty-five--two thousand twenty-six school
4 year and thereafter, an institution subject to this article shall be
5 authorized to retain funds in excess of their allowable and reimbursable
6 costs incurred for services and programs to students appointed. The
7 amount of funds that may be annually retained shall not exceed one
8 percent of the institution's total allowable and reimbursable costs for
9 services and programs provided to students for the school year from
10 which the funds are to be retained, provided that the total accumulated
11 balance that may be retained shall not exceed four percent of such total
12 costs for such school year and provided, further, that such funds shall
13 not be recoverable on reconciliation, such funds shall be carried
14 forward as total reimbursable costs for purposes of calculating subse-
15 quent year prospective and reconciliation tuition rates and such funds
16 shall be separate from and in addition to any other authorization to
17 retain surplus funds on reconciliation. Funds may be expended only
18 pursuant to an authorization of the governing board of the institution
19 for a purpose expressly authorized as part of allowable costs for the
20 year in which the funds are to be expended, provided that funds may be
21 expended to pay prior year outstanding debts. Any institution that
22 retains funds pursuant to this subdivision shall be required to annually
23 report a statement of the total balance of such retained funds, the
24 amount, if any, retained in the prior school year, the amount, if any,

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

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1 disbursed in the prior school year, and the financial reports that are
2 required to be annually submitted to the department.

3 § 2. This act shall take effect on the first of July next succeeding
4 the date on which it shall have become a law.