§ 4004. Financial responsibility. 1. Tuition expenses for a child placed by a school district in a special act school district or in a private school operated by a child care institution pursuant to this article shall be the responsibility of such school district pursuant to section forty-four hundred five of this chapter.

2. a. Any tuition expenses for an educational program approved by the education department for the purposes of this article, incurred pursuant to section four thousand two of this article, for a child who is a resident of this state placed in a child care institution by a social services district, the division for youth, or family court for a full year program of instruction pursuant to section four thousand three of this article, or for a child who is a resident of this state receiving care in a residential treatment facility for children and youth and who was placed in such a facility by a social services district, the division for youth or the family court, shall be borne by the local social services district financially responsible for such child and tuition expenses for a child who is a resident of this state receiving care in a residential treatment facility for children and youth and who was not placed in such a facility by a school district, social services district, the division for youth or the family court shall be borne by the office of mental health, except that no public funding shall be made available for any child receiving care in a residential treatment facility for children and youth whose admission did not conform with the provisions of section 9.51 of the mental hygiene law. Tuition expenses for children admitted to Blythedale Children's Hospital on an inpatient basis shall be the responsibility of the social services district in which the child resided at the time of admission to such hospital. The school district in which the child resided at the time a social services district or the division for youth assumed responsibility for the support and maintenance of the child, or was admitted to Blythedale Children's Hospital, or the child was admitted to a residential treatment facility for children and youth shall reimburse the state towards the state's expenditure on behalf of such child for each child determined to be handicapped by the committee on special education of the school district of residence pursuant to section four thousand five of this article. The amount of such reimbursement shall be equal to the

school district basic contribution as defined in subdivision eight of section forty-four hundred one of this chapter.

b. The comptroller shall deduct from any state funds which become due to a public school district other than a special act school district an amount equal to the reimbursements required to be made to the state in accordance with this section upon certification by the commissioner of education of the monies due.

c. The state commissioner of social services shall notify the commissioner of education at least every six months commencing September first, nineteen hundred eighty-one of the name of each child for whom a local social services commissioner has paid tuition during the preceding six month period, the name of the school to which such tuition has been paid, and the school district in which such child resided at the time of entrance to care and whether such child has been determined to be handicapped.

3. In the event of the failure of the social services district to make payment for tuition pursuant to the provisions of this section, the state comptroller shall withhold state reimbursement to any such social services district in an amount equal to the unpaid obligation for tuition and pay over such sum to the child care institution or special act school district upon certification of the state commissioner of social services. The state commissioner of social services shall promulgate regulations to implement the provisions of this subdivision.

4. Nothing in this article shall be construed to deny or limit access to a free and appropriate education for a handicapped child pursuant to the federal education of the handicapped act, as amended and the regulations promulgated thereunder.

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