Legislation Details (With Text)

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Type:	Introduction			**Status:**	Filed (End of Session)
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Date	Ver.	Action By	Action	Result
3/7/2024	*	City Council	Introduced by Council	
3/7/2024	*	City Council	Referred to Comm by Council	
12/31/2025	*	City Council	Filed (End of Session)	

Int. No. 516

By Council Members Brannan, Schulman and Brewer

A Local Law to amend the administrative code of the city of New York, in relation to the creation of a revolving loan fund to support students with disabilities

Be it enacted by the Council as follows:

Section 1. Title 21-A of the administrative code of the city of New York is amended to add a new chapter 31 to read as follows:

CHAPTER 31

REVOLVING LOAN FUND

§ 21-1002 Revolving loan fund. a. For purposes of this section, the following terms have the following meanings:

Due process complaint notice. The term “due process complaint notice” has the same meaning as set forth in subdivision i of section 200.5 of title 8 of the New York codes, rules and regulations.

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Eligible private school. The term "eligible private school" means a school incorporated in New York that has a current enrollment with at least 50 percent of students having an individualized education program, as defined in section 21-950.

Impartial due process hearing. The term "impartial due process hearing" has the same meaning as set forth in subdivision j of section 200.5 of title 8 of the New York codes, rules and regulations.

Parent. The term "parent" has the same meaning as set forth in subsection 23 of section 1401 of title 20 of the United States code.

Student with a disability. The term "student with a disability" has the same meaning as set forth in subdivision 1 of section 4401 of the education law.

Ten-day notice. The term "ten-day notice" means a written notice in which a parent states an intent to enroll a student with a disability in a private school pursuant to subparagraph (C) of paragraph (10) of subsection (a) of section 1412 of title 20 of the United States code.

Written settlement agreement. The term "written settlement agreement" means an agreement between the department and a parent of a student with a disability in which the department agrees to pay for tuition for an eligible private school, in an amount agreed to by the parties and approved by the comptroller, to resolve claims raised in a ten-day notice or due process complaint notice.

b. The department shall establish a revolving loan fund to provide loans to eligible private schools awaiting the issuance of a payment pursuant to a written settlement agreement or an order issued pursuant to an impartial due process hearing. The department shall enter into an agreement with a bank or trust company to administer loans under such fund. Subject to appropriation, such fund shall issue a loan to a qualifying private school provided that the following criteria are satisfied:

1. the school properly requests in writing such a loan;

2. the school has accepted a student with a disability with a written settlement agreement or an order issued pursuant to an impartial due process hearing;

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3. the school has not received payment from the department pursuant to a written settlement agreement or order issued pursuant to an impartial due process for the school year for which payment was due;

4. the loan amount requested is not greater than the total amount of pending tuition payments owed to such school pursuant to a written settlement agreement or order issued pursuant to an impartial due process hearing; and

5. the amount of such written settlement agreement or order issued pursuant to an impartial due process hearing for one year of tuition is for a minimum of $40,000.

c. The application for such loan shall require such information as necessary to determine the eligibility of the school and the number and amount of eligible tuition payments owed to the school and shall rely solely on attestations from such school and shall not require substantiating documentation to verify attestations made on the application, provided that the department may audit such attestations after such loan has been awarded. If, in the course of such audit, the department identifies inaccurate attestations that would result in a reduced loan award amount, then the school shall be required to return the difference in loan amount within 45 days of an order issued by the department.

d. The term of such loan shall be for two years. No interest shall be charged for such loan, except as otherwise provided in subdivision f of this section.

e. If available funds cannot satisfy all loan requests made pursuant to this section by August 1 of each year, each eligible private school shall be assigned an amount reduced proportionally. Each such school that applied shall be notified of their eligibility and the dollar amount available to them by August 20 of such year.

f. Any eligible private school that has received a loan pursuant to this section shall submit to the department a loan repayment schedule detailing how the full amount will be repaid within the final 90 days of the loan period and complete all payments as per such schedule. If a school fails to comply with such schedule, it shall not be eligible to receive any new funding until such loan is fully repaid. An interest rate of 6 percent per annum shall be charged for each month that a loan payment is in arrears.

§ 2. This local law takes effect in 90 days.

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LS #8924
1/22/24

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MT
LS #8924
3/10/23 1:40PM