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SMART SCHOOLS BOND ACT OF 2014

2 Section 1. Short title.

3 2. Creation of a state debt.

4 3. Bonds of the state.

5 4. Use of moneys received.

6 Section 1. Short title. This act shall be known and may be cited as the
7 "smart schools bond act of 2014".

8 § 2. Creation of a state debt. The creation of a state debt in an
9 amount not exceeding in the aggregate two billion dollars
10 (\$2,000,000,000) is hereby authorized to provide moneys for the single
11 purpose of improving learning and opportunity for public and nonpublic
12 school students of the state by funding capital projects to: acquire
13 learning technology equipment or facilities including, but not limited
14 to, interactive whiteboards, computer servers, and desktop, laptop and
15 tablet computers; install high-speed broadband or wireless internet
16 connectivity for schools and communities; construct, enhance, and
17 modernize educational facilities to accommodate pre-kindergarten
18 programs and provide instructional space to replace transportable class-
19 room units; and install high-tech security features in school buildings
20 and on school campuses. The legislature may, by appropriate legislation
21 and subject to such conditions as it may impose, make available out of
22 the proceeds of the sale of bonds authorized in this act, moneys
23 disbursed or to be disbursed for the cost of approved capital projects
24 undertaken by, or on behalf of, school districts for such purposes.

25 § 3. Bonds of the state. The state comptroller is hereby authorized
26 and empowered to issue and sell bonds of the state up to the aggregate
27 amount of two billion dollars (\$2,000,000,000) for the purposes of this
28 act, subject to the provisions of article five of the state finance law.
29 The aggregate principal amount of such bonds shall not exceed two
30 billion dollars (\$2,000,000,000) excluding bonds issued to refund or
31 otherwise repay bonds heretofore issued for such purpose; provided,
32 however, that upon any such refunding or repayment, the total aggregate
33 principal amount of outstanding bonds may be greater than two billion
34 dollars (\$2,000,000,000) only if the present value of the aggregate debt
35 service of the refunding or repayment bonds to be issued shall not
36 exceed the present value of the aggregate debt service of the bonds to
37 be refunded or repaid. The method for calculating present value shall be
38 determined by law.

39 § 4. Use of moneys received. The moneys received by the state from the
40 sale of bonds sold pursuant to this act shall be expended pursuant to
41 appropriations for capital projects related to design, planning, site
42 acquisition, demolition, construction, reconstruction, rehabilitation,
43 or acquisition and/or installation of equipment for the following types
44 of projects: capital projects related to educational technology equip-
45 ment or facilities including but not limited to interactive whiteboards;
46 computer servers; desktop and laptop computers, and tablets; high-speed
47 broadband or wireless internet connectivity for schools and communities;
48 capital projects to construct, enhance or modernize educational facili-
49 ties to accommodate pre-kindergarten programs and provide instructional
50 space to replace transportable classroom units; and capital projects to
51 install high-tech security features in school buildings and on school
52 campuses.

53 § 2. This act shall take effect immediately, provided that the
54 provisions of section one of this act shall not take effect unless and
55 until this act shall have been submitted to the people at the general
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1 election to be held in November 2014 and shall have been approved by a

2 majority of all votes cast for and against it at such election. Upon
3 approval by the people, section one of this act shall take effect imme-
4 diately. The ballots to be furnished for the use of voters upon
5 submission of this act shall be in the form prescribed by the election
6 law and the proposition or question to be submitted shall be printed
7 thereon in substantially the following form, namely "The SMART SCHOOLS
8 BOND ACT OF 2014, as set forth in section one of part B of chapter (here
9 insert the chapter number) of the laws of 2014, authorizes the sale of
10 state bonds of up to two billion dollars (\$2,000,000,000) to provide
11 access to classroom technology and high-speed internet connectivity to
12 equalize opportunities for children to learn, to add classroom space to
13 expand high-quality pre-kindergarten programs, to replace classroom
14 trailers with permanent instructional space, and to install high-tech
15 smart security features in schools. Shall the SMART SCHOOLS BOND ACT OF
16 2014 be approved?".

17 PART C

18 Section 1. This act shall be known and may be cited as the "smart
19 schools implementation act of 2014".

20 § 2. Section 3641 of the education law is amended by adding a new
21 subdivision 16 to read as follows:

22 16. Implementation of the smart schools bond act of 2014. a. Defi-
23 nitions. The following terms, whenever used or referred to in this
24 subdivision, unless the context indicates otherwise, shall have the
25 following meanings:

26 (1) "Bonds" shall mean general obligation bonds issued pursuant to the
27 "smart schools bond act of 2014" in accordance with article VII of the
28 New York state constitution and article five of the state finance law.

29 (2) "Smart schools review board" shall mean a body comprised of the
30 chancellor of the state university of New York, the director of the
31 budget, and the commissioner, or their respective designees.

32 (3) "Smart schools investment plan" shall mean a document prepared by
33 a school district setting forth the smart schools project or projects to
34 be undertaken with such district's smart schools allocation.

35 (4) "Smart schools project" shall mean a capital project as set forth
36 and defined in subparagraphs five, six, seven or eight of this para-
37 graph.

38 (5) "Pre-kindergarten or transportable classroom unit (TCU) replace-
39 ment project" shall mean a capital project which, as a primary purpose,
40 expands the availability of adequate and appropriate instructional space
41 for pre-kindergarten or provides for the expansion or construction of
42 adequate and appropriate instructional space to replace TCUs.

43 (6) "Community connectivity project" shall mean a capital project
44 which, as a primary purpose, expands high-speed broadband or wireless
45 internet connectivity in the local community, including school buildings
46 and campuses, for enhanced educational opportunity in the state.

47 (7) "Classroom technology project" shall mean a capital project to
48 expand high-speed broadband or wireless internet connectivity solely for
49 school buildings and campuses, or to acquire learning technology hard-
50 ware for schools, classrooms, and student use, including but not limited
51 to whiteboards, computer servers, desktop computers, laptop computers,
52 and tablet computers.

53 (8) "School safety and security technology project" shall mean a capi-
54 tal project to install high-tech security features in school buildings

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1 and on school campuses, including but not limited to video surveillance,
2 emergency notification systems and physical access controls, for
3 enhanced educational opportunity in the state.

4 (9) "Selected school aid" shall mean the sum of the amounts set forth

5 as "FOUNDATION AID", "FULL DAY K CONVERSION", "BOCES", "SPECIAL
6 SERVICES", "HIGH COST EXCESS COST", "PRIVATE EXCESS COST", "HARDWARE &
7 TECHNOLOGY", "SOFTWARE, LIBRARY, TEXTBOOK", "TRANSPORTATION INCL
8 SUMMER", "OPERATING REORG INCENTIVE", "CHARTER SCHOOL TRANSITIONAL",
9 "ACADEMIC ENHANCEMENT", "HIGH TAX AID", and "SUPPLEMENTAL PUB EXCESS
10 COST" under the heading "2013-14 BASE YEAR AIDS" in the school aid
11 computer listing produced by the commissioner in support of the execu-
12 tive budget proposal for the two thousand fourteen-fifteen school year.

13 (10) "Smart schools allocation" shall mean, for each school district,
14 the product of (i) two billion dollars (\$2,000,000,000) multiplied by
15 (ii) the quotient of such school district's selected school aid divided
16 by the total selected school aid to all school districts.

17 b. Smart schools investment plans. (1) The smart schools review board
18 shall issue guidelines setting forth required components and eligibility
19 criteria for smart schools investment plans to be submitted by school
20 districts. Such guidelines shall include but not be limited to: (i) a
21 timeline for school district submission of smart schools investment
22 plans; (ii) any requirements for the use of available state procurement
23 options where applicable; (iii) any limitations on the amount of a
24 district's smart schools allocation that may be used for assets with a
25 short probable life; and (iv) the loan of smart schools classroom tech-
26 nology pursuant to section seven hundred fifty-five of this chapter.

27 (2) No school district shall be entitled to a smart schools grant
28 until such district shall have submitted a smart schools investment plan
29 to the smart schools review board and received such board's approval of
30 such investment plan. In developing such investment plan, school
31 districts shall consult with parents, teachers, students, community
32 members and other stakeholders.

33 (3) The smart schools review board shall review all smart schools
34 investment plans for compliance with all eligibility criteria and other
35 requirements set forth in the guidelines. The smart schools review board
36 may approve or reject such plans, or may return such plans to the school
37 district for modifications. Upon approval, the smart schools project or
38 projects described in the investment plan shall be eligible for smart
39 schools grants. A smart schools project included in a school district's
40 smart schools investment plan shall not require separate approval of the
41 commissioner unless it is part of a school construction project required
42 to be submitted for approval of the commissioner pursuant to section
43 four hundred eight of this chapter and/or subdivision six of section
44 thirty-six hundred two of this article. Any department, agency or public
45 authority shall provide the smart schools review board with any informa-
46 tion it requires to fulfill its duties pursuant to this subdivision.

47 (4) Any amendments or supplements to a smart schools investment plan
48 shall be submitted to the smart schools review board for approval, and
49 shall not take effect until such approval is granted.

50 c. Expenditure of money. (1) Smart schools grants. Each school
51 district which has an approved smart schools investment plan including a
52 smart schools project or projects shall be entitled to a grant or grants
53 for the smart schools project or projects included therein in an amount,
54 whether in the aggregate or otherwise, not to exceed the smart schools
55 allocation calculated for such school district. The amount of such allo-
56 cation not expended, disbursed or encumbered for any school year shall

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1 be carried over for expenditure and disbursement to the next succeeding
2 school year. Expenditures from the smart schools allocation shall not be
3 eligible for aid under any other provision of this chapter.

4 (2) The amounts determined pursuant to this subdivision to be paid to
5 school districts shall be certified by the commissioner in accordance
6 with this subdivision. If, upon the option of a school district, a smart
7 schools investment plan directs that an amount be transferred or subal-

8 located to a department, agency, or public authority to be spent on
9 behalf of the school district, such amounts shall be transferred or
10 suballocated, consistent with such plan, upon the approval of the direc-
11 tor of the budget. The amounts of money so certified or made available
12 shall be paid by the comptroller in accordance with appropriations
13 therefor, provided, however, that the payment schedule set forth in
14 subdivision one of this section shall not apply to such payments. Such
15 payment shall fulfill any obligation of the state or the commissioner to
16 apportion funds pursuant to this subdivision, and whenever a school
17 district has been apportioned more money pursuant to this subdivision
18 than that to which it is entitled, the commissioner may deduct such
19 amount from the next apportionment to be made to such school district.

20 d. Consistency with federal tax law. All actions taken pursuant to
21 this subdivision shall be reviewed for consistency with provisions of
22 the federal internal revenue code and regulations thereunder, in accord-
23 ance with procedures established in connection with the issuance of any
24 tax exempt bonds pursuant to this subdivision, to preserve the tax
25 exempt status of such bonds.

26 e. Compliance with other law. Every recipient of funds to be made
27 available pursuant to this subdivision shall comply with all applicable
28 state, federal and local laws.

29 § 3. The state finance law is amended by adding a new section 97-0000
30 to read as follows:

31 § 97-0000. Smart schools bond fund. 1. There is hereby established in
32 the joint custody of the state comptroller and the commissioner of taxa-
33 tion and finance a special fund to be known as the "smart schools bond
34 fund".

35 2. The state comptroller shall deposit into the smart schools bond
36 fund all moneys received by the state from the sale of bonds and/or
37 notes for uses eligible pursuant to section four of the smart schools
38 bond act of 2014.

39 3. Moneys in the smart schools bond fund, following appropriation by
40 the legislature and allocation by the director of the budget, shall be
41 available only for reimbursement of expenditures made from appropri-
42 ations from the capital projects fund for the purpose of the smart
43 schools bond fund, as set forth in the smart schools bond act of 2014.

44 4. No moneys received by the state from the sale of bonds and/or notes
45 sold pursuant to the smart schools bond act of 2014 shall be expended
46 for any project until funds therefor have been allocated pursuant to the
47 provisions of this section and copies of the appropriate certificates of
48 approval filed with the chair of the senate finance committee, the chair
49 of the assembly ways and means committee and the state comptroller.

50 § 4. The education law is amended by adding a new section 755 to read
51 as follows:

52 § 755. Loan of smart schools classroom technology. 1. In the several
53 cities and school districts of the state, school authorities, as defined
54 in subdivision twelve of section two of this chapter, shall have the
55 power and duty, to the extent provided in this section, to loan, upon
56 request of an individual or a group of individual pupils, to all pupils

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1 legally attending nonpublic elementary or secondary schools located in
2 the school district, smart schools classroom technology acquired pursu-
3 ant to subdivision sixteen of section thirty-six hundred forty-one of
4 this chapter which is designated for use in any public elementary or
5 secondary schools of the state or is approved by any school authorities.
6 Such smart schools classroom technology made available to nonpublic
7 students shall be limited to that allowable under both paragraph seven
8 of subdivision sixteen of section thirty-six hundred forty-one of this
9 chapter and section seven hundred fifty-four of this article. Such smart
10 schools classroom technology is to be loaned free to such children,

11 commencing with the two thousand fourteen--two thousand fifteen school
12 year, subject to such rules and regulations as are or may be prescribed
13 by the board of regents and such school authorities.

14 2. No school district shall be required to loan smart schools class-
15 room technology in excess of the smart schools classroom technology
16 acquired by such district pursuant to subdivision sixteen of section
17 thirty-six hundred forty-one of this chapter. Such smart schools class-
18 room technology shall be loaned on an equitable basis to children
19 attending nonpublic schools in the district in the current year,
20 provided that nothing in this article shall be construed to require a
21 school district to loan to children attending nonpublic schools, pursu-
22 ant to this section, classroom technology purchased with local or feder-
23 al funds or with state funds other than funds apportioned pursuant to
24 subdivision sixteen of section three hundred sixty-four of this chapter,
25 and provided further that no school district may loan smart schools
26 classroom technology in an aggregate amount greater than two hundred
27 fifty dollars multiplied by the nonpublic school enrollment in the base
28 year, at time of enactment, as defined in subparagraph three of para-
29 graph n of subdivision one of section thirty-six hundred two of this
30 chapter. The payment of tuition under article eighty-nine of this chap-
31 ter is deemed to be an equitable loan to children for whom such tuition
32 is paid, and the provisions of this section shall not apply.

33 3. School authorities shall adopt regulations specifying the date by
34 which requests for the purchase and loan of smart schools classroom
35 technology must be received by the district. Notice of such date shall
36 be given to all non-public schools in the school district. For the two
37 thousand fourteen--two thousand fifteen school year, such date shall not
38 be earlier than the first day of January of such school year, and for
39 the two thousand fifteen--two thousand sixteen school year and thereaft-
40 er, such date shall not be earlier than the first day of June of the
41 school year prior to that for which such smart schools classroom tech-
42 nology is being requested, provided, however, that a parent or guardian
43 of a child not attending a particular non-public school prior to January
44 first or June first of the school year, as applicable, may submit a
45 written request for smart schools classroom technology within thirty
46 days after such child is enrolled in such non-public school. In no
47 event, however, shall a request made later than the times otherwise
48 provided pursuant to this subdivision be denied where a reasonable
49 explanation is given for the delay in making the request.

50 § 5. Section 61 of the state finance law is amended by adding a new
51 subdivision 31 to read as follows:

52 SMART SCHOOLS PROJECTS

53 31. Thirty years. For the payment of smart schools projects, including
54 but not limited to pre-kindergarten or transportable classroom unit
55 replacement projects, community connectivity projects, and classroom
56 technology projects, all as defined in subdivision sixteen of section

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1 thirty-six hundred forty-one of the education law and undertaken pursu-
2 ant to a chapter of the laws of two thousand fourteen, enacting and
3 constituting the smart schools bond act of 2014. Thirty years for pre-
4 kindergarten projects or transportable classroom unit replacement
5 projects, twenty years for community connectivity projects, and eight
6 years for classroom technology projects or school safety and security
7 technology projects. Notwithstanding the foregoing, for the purposes of
8 calculating annual debt service, the state comptroller shall apply a
9 weighted average period of probable life of such smart schools projects,
10 including with any other works or purposes to be financed with state
11 debt. Weighted average period of probable life shall be determined by
12 computing the sum of the products derived from multiplying the dollar
13 value of the portion of the debt contracted for each work or purpose (or

14 class of works or purposes) by the probable life of such work or purpose
15 (or class of works or purposes) and dividing the resulting sum by the
16 dollar value of the entire debt after taking into consideration any
17 original issue premium or discount.

18 § 6. If otherwise applicable, all work performed on a project author-
19 ized by this act shall be subject to article eight of the labor law and
20 shall be subject to the enforcement of prevailing wage requirements by
21 the department of labor.

22 § 7. If any clause, sentence, paragraph, section or part of this act
23 shall be adjudged by any court of competent jurisdiction to be invalid,
24 such judgment shall not affect, impair or invalidate the remainder ther-
25 eof, but shall be confined in its operation to the clause, sentence,
26 paragraph, section or part thereof directly involved in the controversy
27 in which such judgment shall have been rendered.

28 § 8. This act shall take effect only in the event that section 1 of
29 part B of a chapter of the laws of 2014, enacting the "smart schools
30 bond act of 2014," is submitted to the people at the general election to
31 be held in November 2014 and is approved by a majority of all votes cast
32 for and against it at such election. Upon such approval, this act shall
33 take effect immediately. Effective immediately, the addition, amendment,
34 and/or repeal of any rule or regulation necessary for the implementation
35 of the foregoing sections of this act are authorized and directed to be
36 made and completed on or before such effective date.