



TO: The Honorable Members of the Board of Regents

FROM: James N. Baldwin *James N. Baldwin*

SUBJECT: Petition of the City School District of the City of Olean for Consent to Exceed the Constitutional Debt Limit

DATE: June1, 2023

AUTHORIZATION(S): *Baldwin*

SUMMARY

Issue for Consent Agenda

Should the Board of Regents consent to allow the City School District of the City of Olean to increase the indebtedness of the school district under the provisions of the State Constitution and the Local Finance Law?

Reason(s) for Consideration

Required by Article 8, Section 4, Paragraph (h) of the State Constitution and by Local Finance Law Section 104.00(c).

Proposed Handling

This petition will come before the Full Board for consideration at its June 2023 meeting, where it will be voted on and action will be taken.

Procedural History

The Board of Regents is required to give consent for such petitions prior to the petition being forwarded to the State Comptroller for final consideration. The Board of Regents has, in the past, discussed similar requests from school districts to exceed their debt limit and is familiar with the guidelines and procedures for granting consent.

Background Information

The Department received a petition from the Board of Education of the City School District of the City of Olean seeking the consent of the Board of Regents to an increase in the indebtedness of the City School District of the City of Olean.

The State Constitution requires that any increase in the constitutional limit on local indebtedness for a school district wholly or partly within a city of fewer than 125,000 inhabitants receive: (1) the approving vote of 60 percent or more of the duly qualified voters; (2) the consent of the Board of Regents; and (3) the consent of the State Comptroller.

According to the petition, the City School District of the City of Olean is located in the City of Olean, in Cattaraugus County, New York. The documentation supporting the petition verifies that more than 60 percent of duly qualified voters approved the increase at a special meeting held on March 14, 2023, authorizing the district to continue to undertake and finance a “Modification of Capital Improvements Project, 2020” (“The Modified Project”) that continues to consist of addition to and reconstruction of, school buildings and other facilities, and various site and athletic field improvements, but now at a revised estimated maximum cost of \$30,300,000. To expend or apply toward The Modified Project (during the 2020-2021 fiscal year of the district, with this having already occurred) \$750,000 from the district’s capital reserve fund, to expend or apply toward The Modified Project (during the 2022-2023 fiscal year of the district) an additional \$1,500,000 from the district’s capital reserve fund, and to finance the balance of the cost of The Modified Project by the issuance of serial bonds or other obligations of the district in a revised aggregate principal amount of not to exceed \$28,050,000 pursuant to local finance law.

Staff members from the Office of Educational Management Services have reviewed the petition and supporting documentation and recommend that the requested consent be granted.

Related Regents Items

April 2009: [Petition of the City School District of the City of Olean for Consent to Exceed the Constitutional Deb Limit](https://www.regents.nysed.gov/meetings/2009/2009-04-47)
(<https://www.regents.nysed.gov/meetings/2009/2009-04-47>)

November 2016: [Petition of the City School District of the City of Olean for Consent to Exceed the Constitutional Debt Limit](https://www.regents.nysed.gov/sites/regents/files/1116brca7.pdf)
(<https://www.regents.nysed.gov/sites/regents/files/1116brca7.pdf>)

December 2020: [Petition of the City School District of the City of Olean for Consent to Exceed the Constitutional Debt Limit](https://www.regents.nysed.gov/sites/regents/files/121brca2.pdf)
(<https://www.regents.nysed.gov/sites/regents/files/121brca2.pdf>)

Recommendation

It is recommended that the Board of Regents take the following action:

VOTED: The Board of Regents hereby gives consent to authorize the district to continue to undertake and finance a “Modification of Capital Improvements Project, 2020”

("The Modified Project") that continues to consist of addition to and reconstruction of, school buildings and other facilities, and various site and athletic field improvements, but now at a revised estimated maximum cost of \$30,300,000. To expend or apply toward The Modified Project (during the 2020-2021 fiscal year of the district, with this having already occurred) \$750,000 from the district's capital reserve fund, to expend or apply toward The Modified Project (during the 2022-2023 fiscal year of the district) an additional \$1,500,000 from the district's capital reserve fund, and to finance the balance of the cost of The Modified Project by the issuance of serial bonds or other obligations of the district in a revised aggregate principal amount of not to exceed \$28,050,000 pursuant to local finance law.

Timetable for Implementation

Upon approval by the Board of Regents, the petition will be forwarded to the State Comptroller for final consideration.