



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

**TO:** The Honorable the Members of the Board of Regents

**FROM:** Charles A. Szuberla, Jr. *Charles A. Szuberla Jr.*

**SUBJECT:** Petition of the Stockbridge Valley Central School District for Consent to Exceed the Constitutional Debt Limit

**DATE:** July 14, 2015

**AUTHORIZATION(S):** *May Ellen Eia*

## **SUMMARY**

### **Issue for Decision (Consent Agenda)**

Should the Regents issue a revised consent to allow the Stockbridge Valley Central School District 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 matter will come before the Board of Regents at the July 2015 meeting for action.

### **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 discussed in the past similar requests from school districts to exceed their debt limit and is familiar with the guidelines and procedures for granting consent.

## **Background Information**

At the June 2015 Regents meeting, the Board of Regents consented to the issuance of bonds and/or bond anticipation notes, in excess of the constitutional debt limit, by the Board of Education of the Stockbridge Valley Central School District in an amount not to exceed \$5,250,000 for the purchase of a school bus and a Capital project for the reconstruction and improvement of school district facilities. It was subsequently learned that the school district intends to pay cash for the school bus purchase and that the bonds/bond anticipation notes are intended for the Capital project only. Accordingly, staff recommends that the Regents issue a revised consent.

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 less than 125,000 inhabitants receive: (1) the approving vote of 60 percent or more of the duly qualified voters; (2) the consent of the Regents; and (3) the consent of the State Comptroller.

It appears from the records of the State Education Department that part of the School District is in the city of Oneida. 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 10, 2015. The increase in indebtedness will be used for a Capital project for school reconstruction and improvements.

## **Recommendation**

Staff recommends that the Regents take the following action:

VOTED: That the Board of Regents hereby rescinds its previous consent given on June 16, 2015, to the issuance of bonds and/or bond anticipation notes by the Board of Education of the Stockbridge Valley Central School District in an amount not to exceed \$5,250,000 for the purchase of a school bus and a Capital project for the reconstruction and improvement of school district facilities and the issuance of such bonds and/or bond anticipation notes in excess of the constitutional debt limit of said school district; and it is further

VOTED: That the Board of Regents hereby gives consent, nunc pro tunc to June 16, 2015, to the issuance of bonds and/or bond anticipation notes by the Board of Education of the Stockbridge Valley Central School District in an amount not to exceed \$5,250,000 for a Capital project for the reconstruction and improvement of school district facilities and the issuance of such bonds and/or bond anticipation notes in excess of the constitutional debt limit of said school district.

## **Timetable for Implementation**

At the June 2015 Regents meeting, the Board of Regents consented to the issuance of bonds and/or bond anticipation notes, in excess of the constitutional debt limit, by the Board of Education of the Stockbridge Valley Central School District in an amount not to exceed \$5,250,000 for the purchase of a school bus and a Capital project

for the reconstruction and improvement of school district facilities. On July 9, 2015, the State Comptroller issued consent to the issuance of bonds and bond anticipation notes aggregating \$5,250,000 of the Stockbridge Valley Central School District for the Capital project only, in excess of the constitutional debt limit of the school district. Action by the Regents at the July 2015 meeting to issue a revised consent will ensure consistency with the Comptroller's consent.