



TO: The Honorable Members of the Board of Regents

FROM: John L. D'Agati *John L. D'Agati*

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

DATE: November 21, 2019

AUTHORIZATION(S): *Sharon L. Tabor*

SUMMARY

Issue for Decision (Consent Agenda)

Should the Regents consent to allow the Enlarged City School District of the City of Newburgh 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 for consent will come before the Board of Regents at the December 2019 meeting for discussion and 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

The Department received a petition from the Board of Education of the Enlarged City School District of the City of Newburgh seeking consent of the Board of Regents to

an increase in the indebtedness of the Enlarged City School District of the City of Newburgh.

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.

According to the petition, the Enlarged City School District of the City of Newburgh is located in Orange County. The Enlarged City School District consists of the entire City of Newburgh, major portions of the Towns of Newburgh and New Windsor, and a portion of the Town of Cornwall. The documentation supporting the petition verifies that more than 60 percent of duly qualified voters approved the increase at an annual meeting held on May 21, 2019¹. The increase in indebtedness will be utilized for an additional capital improvement project consisting of upgrades and improvements to the heating, ventilation, air conditioning and air circulation systems in all of the district's existing school buildings and facilities, including ancillary, related and incidental improvements, equipment and apparatus necessary or appropriate in connection therewith, at an aggregate estimated maximum cost of \$59,000,000.

Staff has reviewed the petition and supporting documentation and recommends that the requested consent be granted.

Related Regent's Items

N/A

Recommendation

VOTED: That the Board of Regents hereby gives consent to the issuance of bonds and/or bond anticipation notes by the Board of Education of the Enlarged City School District of the City of Newburgh in the total amount not to exceed \$59,000,000 for the additional capital improvement project consisting of upgrades and improvements to the heating, ventilation, air conditioning and air circulation systems in all of the district's existing school buildings and facilities, including ancillary, related and incidental improvements, equipment and apparatus necessary or appropriate in connection therewith, in excess of the constitutional debt limit of said school district.

Timetable for Implementation

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

¹ At the same annual meeting, the voters of the District also successfully approved other projects that are within the debt limit of the District and are not part of this petition to exceed said limit.