

5889

2009-2010 Regular Sessions

I N S E N A T E

June 18, 2009

Introduced by Sen. BONACIC -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the real property tax law and the education law, in relation to establishing limitations upon school district tax levies; and repealing certain provisions of the education law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. The real property tax law is amended by adding a new
2 section 1307 to read as follows:
3 S 1307. LIMITATIONS UPON SCHOOL DISTRICT TAX LEVIES. 1. GENERALLY.
4 UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF TAXES THAT MAY BE LEVIED
5 BY OR ON BEHALF OF ANY SCHOOL DISTRICT, OTHER THAN A CITY SCHOOL
6 DISTRICT OF A CITY WITH ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS OR
7 MORE, SHALL NOT EXCEED THE TAX LEVY LIMITATIONS ESTABLISHED PURSUANT TO
8 SECTION TWO THOUSAND TWENTY-THREE-A OF THE EDUCATION LAW. IT SHALL BE
9 THE RESPONSIBILITY OF THE COMMISSIONER OF EDUCATION TO ANNUALLY DETER-
10 MINE THE TAX LEVY LIMIT OF EACH SCHOOL DISTRICT IN ACCORDANCE WITH THE
11 PROVISIONS OF THIS SECTION.
12 2. DEFINITIONS. AS USED IN THIS SECTION:
13 (A) "AVAILABLE CARRYOVER" MEANS THE SUM OF THE AMOUNTS BY WHICH THE
14 TAX LEVY FOR EACH SCHOOL YEAR FROM THE TWO THOUSAND TEN--TWO THOUSAND
15 ELEVEN SCHOOL YEAR THROUGH THE PRIOR SCHOOL YEAR WAS BELOW THE APPLICA-
16 BLE TAX LEVY LIMIT FOR SUCH SCHOOL YEAR, IF ANY.
17 (B) "CAPITAL LOCAL EXPENDITURES" MEANS THE TAXES ASSOCIATED WITH BUDG-
18 ETED EXPENDITURES RESULTING FROM THE CONSTRUCTION, ACQUISITION, RECON-
19 STRUCTION, REHABILITATION OR IMPROVEMENT OF SCHOOL BUILDINGS, INCLUDING
20 DEBT SERVICE AND LEASE EXPENDITURES, SUBJECT TO THE APPROVAL OF THE
21 QUALIFIED VOTERS WHERE REQUIRED BY LAW.
22 (C) "CAPITAL TAX LEVY" MEANS THE TAX LEVY NECESSARY TO SUPPORT CAPITAL
23 LOCAL EXPENDITURES, IF ANY.

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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(D) "COMING SCHOOL YEAR" MEANS THE SCHOOL YEAR FOR WHICH TAX LEVY LIMITS ARE BEING DETERMINED PURSUANT TO THIS SECTION.

(E) "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE MONTH PERIOD PRECEDING JANUARY FIRST OF THE CURRENT YEAR MINUS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD PRECEDING JANUARY FIRST OF THE PRIOR YEAR, DIVIDED BY: (II) THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD PRECEDING JANUARY FIRST OF THE PRIOR YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR PLACES.

(F) "LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE AND FOUR ONE HUNDREDTHS; OR (II) THE SUM OF ONE PLUS ONE HUNDRED TWENTY PERCENT OF THE INFLATION FACTOR; PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE LEVY GROWTH FACTOR BE LESS THAN ONE.

(G) "PENSION EXPENDITURES" MEANS THE BUDGETED EXPENDITURES RESULTING FROM EMPLOYER CONTRIBUTIONS TO THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM AND THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM.

(H) "PENSION SUPPORT TAX LEVY" MEANS THE TAX LEVY NECESSARY TO SUPPORT THE LOCAL SHARE OF PENSION EXPENDITURES, IF ANY, CALCULATED AS THE PRODUCT OF PENSION EXPENDITURES AND THE QUOTIENT OF: (I) A SCHOOL DISTRICT'S LOCAL ANNUAL REVENUES IN THE MOST RECENT ANNUAL REPORT TO THE NEW YORK STATE OFFICE OF THE STATE COMPTROLLER, LESS CAPITAL LOCAL EXPENDITURES AS DEFINED IN THIS SECTION; AND (II) A SCHOOL DISTRICT'S TOTAL ANNUAL REVENUES IN THE MOST RECENT ANNUAL REPORT TO THE NEW YORK STATE OFFICE OF THE STATE COMPTROLLER, LESS ANY STATE OR FEDERAL REVENUES ASSOCIATED WITH BUDGETED EXPENDITURES RESULTING FROM THE CONSTRUCTION, ACQUISITION, RECONSTRUCTION, REHABILITATION OR IMPROVEMENT OF SCHOOL BUILDINGS, INCLUDING DEBT SERVICE AND LEASE EXPENDITURES, SUBJECT TO THE APPROVAL OF THE QUALIFIED VOTERS WHERE REQUIRED BY LAW.

(I) "PRIOR SCHOOL YEAR" MEANS THE SCHOOL YEAR IMMEDIATELY PRECEDING THE COMING SCHOOL YEAR.

(J) "SCHOOL DISTRICT" MEANS A COMMON SCHOOL DISTRICT, UNION FREE SCHOOL DISTRICT, CENTRAL SCHOOL DISTRICT, CENTRAL HIGH SCHOOL DISTRICT OR A CITY SCHOOL DISTRICT IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS.

(K) "TAX LEVY BASE" MEANS THE AMOUNT OF TAXES A SCHOOL DISTRICT WOULD BE AUTHORIZED TO LEVY WITHOUT THE ADDITION OF ANY AVAILABLE CARRYOVER AMOUNT.

(L) "TAX LEVY LIMIT" MEANS THE AMOUNT OF TAXES A SCHOOL DISTRICT IS AUTHORIZED TO LEVY PURSUANT TO THIS SECTION, PROVIDED, HOWEVER, THAT THE TAX LEVY LIMIT SHALL NOT INCLUDE THE DISTRICT'S CAPITAL TAX LEVY, IF ANY, OR ITS PENSION SUPPORT TAX LEVY, IF ANY.

3. TAX BASE GROWTH FACTOR. (A) NO LATER THAN FEBRUARY FIFTEENTH OF EACH YEAR, THE STATE BOARD SHALL IDENTIFY THOSE SCHOOL DISTRICTS FOR WHICH TAX BASE GROWTH FACTORS MUST BE DETERMINED FOR THE COMING SCHOOL YEAR, AND SHALL NOTIFY THE COMMISSIONER OF EDUCATION OF THE TAX BASE GROWTH FACTORS SO DETERMINED, IF ANY.

(B) THE STATE BOARD SHALL CALCULATE A QUANTITY CHANGE FACTOR FOR EACH SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR BASED UPON THE PHYSICAL OR QUANTITY CHANGE, AS DEFINED BY SECTION TWELVE HUNDRED TWENTY OF THIS CHAPTER, REPORTED TO THE STATE BOARD BY THE ASSESSOR OR ASSESSORS PURSUANT TO SECTION FIVE HUNDRED SEVENTY-FIVE OF THIS CHAPTER. THE QUANTITY CHANGE FACTOR SHALL SHOW THE PERCENTAGE BY WHICH THE FULL VALUE OF THE TAXABLE REAL PROPERTY IN THE SCHOOL DISTRICT HAS CHANGED DUE TO PHYSICAL

OR QUANTITY CHANGE BETWEEN THE SECOND FINAL ASSESSMENT ROLL OR ROLLS PRECEDING THE FINAL ASSESSMENT ROLL OR ROLLS UPON WHICH TAXES ARE TO BE LEVIED, AND THE FINAL ASSESSMENT ROLL OR ROLLS IMMEDIATELY PRECEDING THE FINAL ASSESSMENT ROLL OR ROLLS UPON WHICH TAXES ARE TO BE LEVIED.

(C) AFTER DETERMINING THE QUANTITY CHANGE FACTOR FOR A SCHOOL DISTRICT, THE STATE BOARD SHALL PROCEED AS FOLLOWS:

(I) IF THE QUANTITY CHANGE FACTOR IS NEGATIVE, THE STATE BOARD SHALL NOT DETERMINE A TAX BASE GROWTH FACTOR FOR THE SCHOOL DISTRICT.

(II) IF THE QUANTITY CHANGE FACTOR IS POSITIVE, THE STATE BOARD SHALL DETERMINE A TAX BASE GROWTH FACTOR FOR THE SCHOOL DISTRICT WHICH IS EQUAL TO ONE PLUS THE QUANTITY CHANGE FACTOR, PROVIDED THAT IN NO CASE SHALL A TAX BASE GROWTH FACTOR BE IN EXCESS OF ONE AND ONE-TENTH.

4. COMPUTATION OF TAX LEVY LIMITS. (A) THE TAX LEVY BASE FOR EACH SCHOOL YEAR SHALL BE DETERMINED AS FOLLOWS:

(I) ASCERTAIN THE TOTAL AMOUNT OF TAXES LEVIED FOR THE PRIOR SCHOOL YEAR.

(II) ADD ANY PAYMENTS IN LIEU OF TAXES THAT WERE RECEIVABLE IN THE PRIOR SCHOOL YEAR.

(III) SUBTRACT THE CAPITAL TAX LEVY FOR THE PRIOR SCHOOL YEAR, IF ANY.

(IV) SUBTRACT THE PENSION SUPPORT TAX LEVY, IF ANY.

(V) MULTIPLY THE RESULT BY THE LEVY GROWTH FACTOR.

(VI) MULTIPLY THE RESULT BY THE TAX BASE GROWTH FACTOR, IF ANY.

(B) THE TAX LEVY BASE SHALL BE ADJUSTED BY ADDING THE AVAILABLE CARRY-OVER, IF ANY, PROVIDED THAT IN NO EVENT SHALL THE AMOUNT OF ADDED CARRY-OVER EXCEED ONE AND ONE-HALF PERCENT OF THE TAX LEVY FOR THE PRIOR SCHOOL YEAR.

(C) THE TAX LEVY LIMIT FOR THE COMING SCHOOL YEAR SHALL BE THE ADJUSTED TAX LEVY BASE, LESS ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING SCHOOL YEAR. NO LATER THAN MARCH FIRST OF EACH YEAR, THE COMMISSIONER OF EDUCATION SHALL CALCULATE THE TAX LEVY LIMIT FOR EACH SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR, AND SHALL NOTIFY EACH SCHOOL DISTRICT OF THE LEVY GROWTH FACTOR, THE DISTRICT'S TAX BASE GROWTH FACTOR, IF ANY, THE DISTRICT'S TAX LEVY BASE AND THE DISTRICT'S TAX LEVY LIMIT.

5. VOTER UNDERRIDES. THE QUALIFIED VOTERS OF A SCHOOL DISTRICT MAY VOTE TO REDUCE (OR UNDERRIDE) THE LIMITATIONS IMPOSED BY THIS SECTION FOR SUCH SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR IN THE MANNER PROVIDED BY SECTION TWO THOUSAND TWENTY-THREE-A OF THE EDUCATION LAW.

6. REORGANIZED SCHOOL DISTRICTS. WHEN TWO OR MORE SCHOOL DISTRICTS REORGANIZE, THE COMMISSIONER OF EDUCATION SHALL DETERMINE THE TAX LEVY LIMIT FOR THE REORGANIZED SCHOOL DISTRICT BASED ON THE RESPECTIVE TAX LEVY LIMITS OF THE SCHOOL DISTRICTS THAT FORMED THE REORGANIZED DISTRICT FROM THE LAST SCHOOL YEAR IN WHICH THEY WERE SEPARATE DISTRICTS, PROVIDED THAT IN THE EVENT OF FORMATION OF A NEW CENTRAL HIGH SCHOOL DISTRICT, THE TAX LEVY LIMITS FOR THE NEW CENTRAL HIGH SCHOOL DISTRICT AND ITS COMPONENT SCHOOL DISTRICTS SHALL BE DETERMINED IN ACCORDANCE WITH A METHODOLOGY PRESCRIBED BY THE COMMISSIONER OF EDUCATION.

7. ERRONEOUS LEVIES. IN THE EVENT A SCHOOL DISTRICT'S ACTUAL TAX LEVY FOR A GIVEN SCHOOL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTABLISHED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THE EDUCATION LAW DUE TO CLERICAL OR TECHNICAL ERRORS, THE SCHOOL DISTRICT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN ACCORDANCE WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY PRESCRIBE, AND SHALL USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO OFFSET THE TAX LEVY FOR THE ENSUING SCHOOL YEAR.

1 S 2. The education law is amended by adding a new section 2023-a to
2 read as follows:

3 S 2023-A. VOTER APPROVAL OF TAX LEVY LIMITATIONS. 1. THE TAX LEVY FOR
4 ANY SCHOOL DISTRICT SUBJECT TO THE TAX LEVY LIMITATIONS ESTABLISHED BY
5 SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW SHALL BE
6 APPROVED BY THE QUALIFIED VOTERS OF THE SCHOOL DISTRICT AS PROVIDED IN
7 THIS SECTION. AS USED IN THIS SECTION, THE TERM "TAX LEVY PROPOSITION"
8 MEANS A PROPOSITION TO AUTHORIZE A TAX LEVY SUFFICIENT TO SUPPORT THE
9 PROPOSED SCHOOL DISTRICT BUDGET, EXCLUDING ANY PROPOSED CAPITAL TAX LEVY
10 AND ANY PENSION SUPPORT TAX LEVY; THE TERM "UNDERRIDE PROPOSITION" MEANS
11 A PROPOSITION TO IMPOSE A MORE RESTRICTIVE TAX LEVY LIMIT UPON A SCHOOL
12 DISTRICT THAN THE TAX LEVY LIMIT ESTABLISHED PURSUANT TO SECTION THIR-
13 TEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW; AND THE TERM "GENERAL
14 PURPOSE STATE AID" MEANS ALL FORMS OF STATE AID WHICH ARE PAYABLE TO A
15 SCHOOL DISTRICT AS GENERAL SUPPORT FOR THE PUBLIC SCHOOLS, WITH THE
16 EXCEPTION OF BUILDING AID, LIBRARY AID, COMPUTER HARDWARE AND SOFTWARE
17 AID, UNIVERSAL PRE-KINDERGARTEN AID, TEXTBOOK AID, PUBLIC HIGH COST
18 EXCESS COST AID AND PRIVATE EXCESS COST AID. THE DIRECTOR OF THE BUDGET
19 SHALL ANNUALLY CERTIFY THE AMOUNT OF GENERAL PURPOSE STATE AID PAYABLE
20 TO EACH SCHOOL DISTRICT.

21 2. A. THE QUALIFIED VOTERS OF A COMMON SCHOOL DISTRICT, UNION FREE
22 SCHOOL DISTRICT, CENTRAL SCHOOL DISTRICT, CENTRAL HIGH SCHOOL DISTRICT
23 OR A CITY SCHOOL DISTRICT IN A CITY WITH LESS THAN ONE HUNDRED
24 TWENTY-FIVE THOUSAND INHABITANTS, UPON FILING OF A VALID PETITION PURSU-
25 ANT TO PARAGRAPH B OF THIS SUBDIVISION, MAY VOTE TO IMPOSE TAX LEVY
26 LIMITS FOR THE ENSUING SCHOOL YEAR THAT ARE MORE RESTRICTIVE THAN THOSE
27 OTHERWISE IMPOSED BY SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY
28 TAX LAW. NO SUCH VOTE SHALL APPLY TO MORE THAN ONE SCHOOL YEAR.

29 B. UPON THE FILING WITH THE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION OF
30 ONE OR MORE PETITIONS PURSUANT TO THIS SUBDIVISION REQUESTING THAT AN
31 UNDERRIDE PROPOSITION BE SUBMITTED FOR A VOTE AT A SPECIAL DISTRICT
32 MEETING, SUCH OFFICERS SHALL CALL A SPECIAL DISTRICT MEETING TO BE HELD
33 ON THE FIRST TUESDAY IN MAY, OR THE LAST TUESDAY IN APRIL WHERE THERE
34 WOULD BE A CONFLICT WITH RELIGIOUS OBSERVANCES, IN ACCORDANCE WITH THE
35 APPLICABLE PROVISIONS OF SUBDIVISION THREE OF SECTION TWO THOUSAND SEVEN
36 OR SUBDIVISION THREE OF SECTION TWO THOUSAND SIX OF THIS ARTICLE, FOR
37 THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS AN UNDERRIDE PROPOSI-
38 TION. SUCH OFFICERS SHALL SUBMIT FOR A VOTE OF THE QUALIFIED VOTERS THE
39 PROPOSITION THAT WAS SIGNED BY THE GREATEST NUMBER OF QUALIFIED VOTERS,
40 OR, IF THERE IS A TIE, THE PROPOSITION SIGNED BY THE GREATEST NUMBER OF
41 QUALIFIED VOTERS THAT WAS FILED FIRST. A PETITION FOR AN UNDERRIDE
42 PROPOSITION SHALL BE SIGNED BY: (I) AT LEAST TEN PERCENT OF THE REGIS-
43 TERED VOTERS OF THE SCHOOL DISTRICT BASED ON THE REGISTER PREPARED AT
44 THE LAST ANNUAL MEETING AND ELECTION OF THE SCHOOL DISTRICT; OR (II) IF
45 THE SCHOOL DISTRICT DOES NOT PROVIDE FOR THE PERSONAL REGISTRATION OF
46 VOTERS, BY TWO HUNDRED FIFTY QUALIFIED VOTERS OR TWENTY PERCENT OF THE
47 NUMBER OF VOTERS WHO VOTED IN THE PREVIOUS ANNUAL ELECTION OF THE
48 MEMBERS OF THE BOARD OF EDUCATION OR TRUSTEES, WHICHEVER IS LESS. SUCH
49 PETITION SHALL BE FILED IN THE OFFICE OF THE CLERK OF THE DISTRICT
50 BETWEEN THE HOURS OF NINE A.M. AND FIVE P.M., NOT LATER THAN THE TWENTI-
51 ETH DAY PRECEDING THE SPECIAL DISTRICT MEETING AT WHICH AN UNDERRIDE
52 VOTE MAY OCCUR.

53 C. WHERE A PROPOSITION TO UNDERRIDE A TAX LEVY LIMITATION IS TO BE
54 SUBMITTED FOR A VOTE AT A SPECIAL DISTRICT MEETING CALLED FOR THIS
55 PURPOSE, THE CLERK OF THE DISTRICT SHALL GIVE NOTICE OF THE TIME AND
56 PLACE OF THE SPECIAL DISTRICT MEETING BY PUBLISHING A NOTICE AT LEAST

FOURTEEN DAYS PRIOR TO THE SPECIAL DISTRICT MEETING IN TWO NEWSPAPERS IF THERE SHALL BE TWO, OR IN ONE NEWSPAPER IF THERE SHALL BE BUT ONE, HAVING GENERAL CIRCULATION WITHIN SUCH DISTRICT, PROVIDED, HOWEVER, THAT IF THERE IS NO NEWSPAPER HAVING GENERAL CIRCULATION WITHIN THE DISTRICT, THE SAID NOTICE SHALL BE POSTED IN AT LEAST TWENTY OF THE MOST PUBLIC PLACES IN SAID DISTRICT FOURTEEN DAYS BEFORE THE TIME OF SUCH MEETING.

D. AN UNDERRIDE PROPOSITION SHALL BE A SEPARATE PROPOSITION IN SUBSTANTIALLY THE FOLLOWING FORM:

"SHALL THE SCHOOL DISTRICT BE REQUIRED TO IMPOSE A TAX LEVY FOR THE SCHOOL YEAR, EXCLUDING ANY CAPITAL TAX LEVY AND ANY PENSION SUPPORT TAX LEVY, THAT IS NO GREATER THAN , EVEN THOUGH THE STATUTORY TAX LEVY LIMIT FOR THAT SCHOOL YEAR IS ?"

E. AN UNDERRIDE PROPOSITION SHALL BE APPROVED IF OVER FIFTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE. IF SUCH UNDERRIDE PROPOSITION IS APPROVED BY THE QUALIFIED VOTERS, THE TAX LEVY LIMIT IMPOSED THEREBY SHALL BE DEEMED TO BE THE TAX LEVY LIMIT FOR THE SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR FOR PURPOSES OF SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, AND THE TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH TAX LEVY LIMIT. UPON APPROVAL OF AN UNDERRIDE PROPOSITION, NO OTHER TAX LEVY PROPOSITION MAY BE SUBMITTED TO THE VOTERS FOR THAT SAME SCHOOL YEAR.

3. A. UNLESS AN UNDERRIDE PROPOSITION HAS BEEN APPROVED PURSUANT TO SUBDIVISION TWO OF THIS SECTION, THE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION OF A SCHOOL DISTRICT SHALL PRESENT AT THE ANNUAL MEETING AND ELECTION A TAX LEVY PROPOSITION IN SUBSTANTIALLY THE FOLLOWING FORM:

"SHALL THE SCHOOL DISTRICT BE AUTHORIZED TO IMPOSE A TAX LEVY FOR THE SCHOOL YEAR, EXCLUDING ANY CAPITAL TAX LEVY AND ANY PENSION SUPPORT TAX LEVY, OF , WHEN THE STATUTORY TAX LEVY LIMIT FOR THAT SCHOOL YEAR IS ?"

B. EXCEPT AS OTHERWISE PROVIDED IN SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, IF THE PROPOSED TAX LEVY DOES NOT EXCEED THE TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, THEN THE PROPOSITION SHALL BE APPROVED IF OVER FIFTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE. IF THE PROPOSED TAX LEVY WOULD EXCEED THE TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, THEN THE VOTING MARGIN NECESSARY FOR SUCH A PROPOSITION TO BE APPROVED SHALL BE AS FOLLOWS:

(I) IF THE GENERAL PURPOSE STATE AID PAYABLE TO THE SCHOOL DISTRICT FOR THE ENSUING YEAR IS TO INCREASE BY AT LEAST FIVE PERCENT OVER SUCH AID FOR THE PRIOR YEAR, THEN SIXTY PERCENT OF THE VOTES CAST ON THE PROPOSITION BY QUALIFIED VOTERS MUST BE IN THE AFFIRMATIVE IN ORDER FOR THE PROPOSITION TO BE APPROVED.

(II) IF THE GENERAL PURPOSE STATE AID PAYABLE TO THE SCHOOL DISTRICT FOR THE ENSUING SCHOOL YEAR IS TO INCREASE BY LESS THAN FIVE PERCENT OVER SUCH AID FOR THE PRIOR YEAR, THEN OVER FIFTY-FIVE PERCENT OF THE VOTES CAST ON THE PROPOSITION MUST BE IN THE AFFIRMATIVE IN ORDER FOR THE PROPOSITION TO BE APPROVED.

(III) IF THE AMOUNT OF GENERAL PURPOSE STATE AID WHICH WILL BE PAYABLE TO A SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR HAS NOT BEEN CERTIFIED BY THE DIRECTOR OF THE BUDGET, THEN FIFTY PERCENT OF THE VOTES CAST ON THE PROPOSITION BY QUALIFIED VOTERS MUST BE IN THE AFFIRMATIVE IN ORDER FOR THE PROPOSITION TO BE APPROVED.

C. IF THE TAX LEVY PROPOSITION IS APPROVED BY THE QUALIFIED VOTERS, THE TAX LEVY LIMIT IMPOSED THEREBY SHALL BE DEEMED TO BE THE TAX LEVY LIMIT FOR THE SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR, AND THE TRUS-

TEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH TAX LEVY LIMIT. IF, HOWEVER, THE TAX LEVY PROPOSITION IS NOT APPROVED BY THE QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY EXCLUDING ANY CAPITAL TAX LEVY AND ANY PENSION SUPPORT TAX LEVY, THAT IS NO GREATER THAN THE TAX LEVY BASE DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW.

S 3. Subdivisions 1 and 3 of section 416 of the education law, subdivision 1 as amended by chapter 687 of the laws of 1949 and subdivision 3 as amended by chapter 171 of the laws of 1996, are amended to read as follows:

1. A majority of the voters of any school district, present and voting at any annual or special district meeting, duly convened, may authorize such acts and vote such taxes as they shall deem expedient for making additions, alterations, repairs or improvements, to the sites or buildings belonging to the district, or for altering and equipping for library use any former schoolhouse belonging to the district, or for the purchase of other sites or buildings, or for a change of sites, or for the purchase of land and buildings for agricultural, athletic, playground or social center purposes, or for the erection of new buildings, or for building a bus garage, or for [buying apparatus, implements, or fixtures, or for paying the wages of teachers, and the necessary expenses of the school, or for the purpose of paying any judgment, or for] the payment or refunding of an outstanding bonded indebtedness[, or for such other purpose relating to the support and welfare of the school as they may, by resolution, approve].

3. No addition to or change of site or purchase of a new site or tax for the purchase of any new site or structure, or for grading or improving a school site, or for the purchase of an addition to the site of any schoolhouse, or for the purchase of lands and buildings for agricultural, athletic, playground or social center purposes, or for building any new schoolhouse or for the erection of an addition to any schoolhouse already built, or for the payment or refunding of an outstanding bonded indebtedness, shall be voted at any such meeting in a union free school district or a city school district [which conducts annual budget votes in accordance with article forty-one of this chapter pursuant to section twenty-six hundred one-a of this chapter] IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS, unless a notice by the board of education stating that such tax will be proposed, and specifying the object thereof and the amount to be expended therefor, shall have been given in the manner provided herein for the notice of an annual meeting. In a common school district the notice of a special meeting to authorize any of the improvements enumerated in this section shall be given as provided in section two thousand six OF THIS CHAPTER. The board of education of a union free school district or a city school district [which conducts annual budget votes in accordance with article forty-one of this chapter pursuant to section twenty-six hundred one-a of this chapter] IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS, may determine that the vote upon any question to be submitted at a special meeting as provided in this section shall be by ballot, in which case it shall state in the notice of such special meeting the hours during which the polls shall be kept open. Printed ballots may be prepared by the board in advance of the meeting and the proposition or propositions called for in the notice of the meeting may be submitted in substantially the same manner as propositions to be voted upon at a general election.

1 S 4. Subdivisions 14, 15, 18 and 24 of section 1604 of the education
2 law, subdivisions 14 and 18 as amended by chapter 654 of the laws of
3 1953, are amended to read as follows:

4 14. To keep each of the schoolhouses under their charge, and its
5 furniture, school apparatus and appurtenances, in necessary and proper
6 repair, and make the same reasonably comfortable for use[, but shall not
7 expend therefor without vote of the district an amount to exceed one
8 hundred dollars in any one year].

9 15. To make any repairs and abate any nuisances, pursuant to the
10 direction of the district superintendent as herein provided, and provide
11 fuel, stoves or other heating apparatus, pails, brooms and other imple-
12 ments necessary to keep the schoolhouses and the schoolrooms clean, and
13 make them reasonably comfortable for use[, when no provision has been
14 made therefor by a vote of the district, or the sum voted by the
15 district for said purposes shall have proved insufficient].

16 18. To [expend in the] purchase [of] a dictionary, books, reprod-
17 uctions of standard works of art, maps, globes or other school appara-
18 tus, including implements, apparatus and supplies for instruction in
19 agriculture, or for conducting athletic playgrounds and social center
20 activities[, a sum not exceeding fifty dollars in any one year, without
21 a vote of the district].

22 24. To furnish lighting facilities, janitorial care and supervision
23 for highway underpasses [when authorized to do so by vote of a district
24 meeting under the provisions of subdivision twenty of section two thou-
25 sand fifteen of this chapter].

26 S 5. Section 1608 of the education law, as amended by section 5 of
27 part A of chapter 436 of the laws of 1997, subdivisions 2 and 4 as
28 amended by chapter 640 of the laws of 2008, subdivision 7 as amended by
29 section 4 of part H of chapter 83 of the laws of 2002 and paragraph a of
30 subdivision 7 as amended by chapter 238 of the laws of 2007, is amended
31 to read as follows:

32 S 1608. Estimated expenses for ensuing year. 1. It shall be the duty
33 of the trustees of each common school district to present at the annual
34 budget hearing a detailed statement in writing of the amount of money
35 which will be required for the ensuing year for school purposes, speci-
36 fying the several purposes and the amount for each. WHERE A PROPOSITION
37 TO UNDERRIDE A TAX LEVY LIMITATION HAS BEEN APPROVED PURSUANT TO SECTION
38 TWO THOUSAND TWENTY-THREE-A OF THIS CHAPTER, THE TRUSTEES SHALL PRESENT
39 AT THE ANNUAL BUDGET HEARING A BUDGET THAT COMPLIES WITH THE APPROVED
40 UNDERRIDE PROPOSITION. The amount for each purpose estimated necessary
41 for payments to boards of cooperative educational services shall be
42 shown in full, with no deduction of estimated state aid. The amount of
43 state aid provided and its percentage relationship to the total expendi-
44 tures shall also be shown. This section shall not be construed to
45 prevent the trustees from presenting such statement at a budget hearing
46 held not less than seven nor more than fourteen days prior to a special
47 meeting called for the purpose, nor from presenting a supplementary and
48 amended statement or estimate at any time.

49 2. Such statement shall be completed at least seven days before the
50 budget hearing at which it is to be presented and copies thereof shall
51 be prepared and made available, upon request and at the school district
52 offices, at any public library or free association library within the
53 district and on the school district's internet website, if one exists,
54 to residents within the district during the period of fourteen days
55 immediately preceding the annual meeting [and election or special
56 district meeting at which the budget vote will occur] and at such meet-

ing or hearing. The board shall also as a part of the notice required by section two thousand three of this chapter give notice of the date, time and place of the budget hearing and that a copy of such statement may be obtained by any resident in the district at each schoolhouse in the district in which school is maintained during certain designated hours on each day other than a Saturday, Sunday or holiday during the fourteen days immediately preceding such meeting. The board shall include notice of the availability of such statement at least once during the school year in any district-wide mailing distributed.

3. Commencing with the proposed budget for the nineteen hundred ninety-seven--ninety-eight school year, such proposed budget shall be in plain language and shall be consistent with regulations promulgated by the commissioner pursuant to subdivision twenty-six of section three hundred five of this chapter. Categorization of and format for revenue, including payments in lieu of taxes, property tax refunds from certiorari proceedings, expenditure, transfer, and fund balance information and changes in such data from the prior year and, in the case of [a resubmitted or] AN amended budget, changes in such information from the prior year's submitted budget, shall be complete and accurate and set forth in such a manner as to best promote public comprehension and readability.

4. Commencing with the proposed budget for the nineteen hundred ninety-eight--ninety-nine school year, such proposed budget shall be presented in three components: a program component, a capital component and an administrative component which shall be separately delineated in accordance with regulations of the commissioner after consultation with local school district officials. The administrative component shall include, but need not be limited to, office and central administrative expenses, traveling expenses and all compensation, salaries and benefits of all school administrators and supervisors, including business administrators, superintendents of schools and deputy, assistant, associate or other superintendents under all existing employment contracts or collective bargaining agreements, any and all expenditures associated with the operation of the office of trustee or board of trustees, the office of the superintendent of schools, general administration, the school business office, consulting costs not directly related to direct student services and programs, planning and all other administrative activities. The program component shall include, but need not be limited to, all program expenditures of the school district, including the salaries and benefits of teachers and any school administrators or supervisors who spend a majority of their time performing teaching duties, and all transportation operating expenses. The capital component shall include, but need not be limited to, all transportation capital, debt service, and lease expenditures; costs resulting from judgments in tax certiorari proceedings or the payment of awards from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the school district, including facilities lease expenditures, the annual debt service and total debt for all facilities financed by bonds and notes of the school district, and the costs of construction, acquisition, reconstruction, rehabilitation or improvement of school buildings, provided that such budget shall include a rental, operations and maintenance section that includes base rent costs, total rent costs, operation and maintenance charges, cost per square foot for each facility leased by the school district, and any and all expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repairs of school facilities. [For the purposes of the development of a budget for the

1 nineteen hundred ninety-eight--ninety-nine school year, the trustee or
2 board of trustees shall separate the district's program, capital and
3 administrative costs for the nineteen hundred ninety-seven--ninety-eight
4 school year in the manner as if the budget for such year had been
5 presented in three components.]

6 5. The trustee or board of trustees shall append to the statement of
7 estimated expenditures a detailed statement of the total compensation to
8 be paid to the superintendent of schools, and any assistant or associate
9 superintendents of schools in the ensuing school year, including a
10 delineation of the salary, annualized cost of benefits and any in-kind
11 or other form of remuneration. The trustees shall also append a list of
12 all other school administrators and supervisors, if any, whose annual
13 salary will be eighty-five thousand dollars or more in the ensuing
14 school year, with the title of their positions and annual salary identi-
15 fied; provided however, that the commissioner may adjust such salary
16 level to reflect increases in administrative salaries after June thirti-
17 eth, nineteen hundred ninety-eight. The trustees shall submit a copy of
18 such list and statement, in a form prescribed by the commissioner, of
19 compensation to the commissioner within five days after their prepara-
20 tion. The commissioner shall compile such data, together with the data
21 submitted pursuant to subdivision three of section seventeen hundred
22 sixteen of this chapter, into a single statewide compilation, which
23 shall be made available to the governor, the legislature, and other
24 interested parties upon request.

25 6. Each year, the board of education shall prepare a school district
26 report card, pursuant to regulations of the commissioner, and shall make
27 it publicly available by transmitting it to local newspapers of general
28 circulation, appending it to copies of the proposed budget made publicly
29 available as required by law, making it available for distribution at
30 the annual meeting, and otherwise disseminating it as required by the
31 commissioner. Such report card shall include measures of the academic
32 performance of the school district, on a school by school basis, and
33 measures of the fiscal performance of the district, as prescribed by the
34 commissioner. Pursuant to regulations of the commissioner, the report
35 card shall also compare these measures to statewide averages for all
36 public schools, and statewide averages for public schools of comparable
37 wealth and need, developed by the commissioner. Such report card shall
38 include, at a minimum, any information on the school district regarding
39 pupil performance and expenditure per pupil required to be included in
40 the annual report by the regents to the governor and the legislature
41 pursuant to section two hundred fifteen-a of this chapter; and any other
42 information required by the commissioner. School districts (i) identi-
43 fied as having fifteen percent or more of their students in special
44 education, or (ii) which have fifty percent or more of their students
45 with disabilities in special education programs or services sixty
46 percent or more of the school day in a general education building, or
47 (iii) which have eight percent or more of their students with disabili-
48 ties in special education programs in public or private separate educa-
49 tional settings shall indicate on their school district report card
50 their respective percentages as defined in this [subparagraph] PARAGRAPH
51 and [subparagraphs] PARAGRAPHS (i) and (ii) of this [paragraph] SUBDIVI-
52 SION as compared to the statewide average.

53 7. a. Each year, commencing with the proposed budget for the two thou-
54 sand--two thousand one school year, the trustee or board of trustees
55 shall prepare a property tax report card, pursuant to regulations of the
56 commissioner, and shall make it publicly available by transmitting it to

1 local newspapers of general circulation, appending it to copies of the
2 proposed budget made publicly available as required by law, making it
3 available for distribution at the annual [meeting] BUDGET HEARING, and
4 otherwise disseminating it as required by the commissioner. Such report
5 card shall include: (i) the amount of total spending and total estimated
6 school tax levy that would result from adoption of the proposed budget
7 and the percentage increase or decrease in total spending and total
8 school tax levy from the school district budget for the preceding school
9 year; and (ii) THE DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETER-
10 MINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY
11 TAX LAW, THE TAX LEVY PROPOSED BY THE DISTRICT, THE PROPOSED CAPITAL TAX
12 LEVY, IF ANY AND THE PROPOSED PENSION SUPPORT TAX LEVY, IF ANY; AND
13 (III) the projected enrollment growth for the school year for which the
14 budget is prepared, and the percentage change in enrollment from the
15 previous year; and [(iii)] (IV) the percentage increase in the consumer
16 price index, as defined in paragraph c of this subdivision; and [(iv)]
17 (V) the projected amount of the unappropriated unreserved fund balance
18 that will be retained if the proposed budget is adopted, the projected
19 amount of the reserved fund balance, the projected amount of the appro-
20 priated fund balance, the percentage of the proposed budget that the
21 unappropriated unreserved fund balance represents, the actual unappro-
22 priated unreserved fund balance retained in the school district budget
23 for the preceding school year, and the percentage of the school district
24 budget for the preceding school year that the actual unappropriated
25 unreserved fund balance represents.

26 b. A copy of the property tax report card prepared for the annual
27 [district meeting] BUDGET HEARING shall be submitted to the department
28 in the manner prescribed by the department by the end of the business
29 day next following approval of the report card by the trustee or board
30 of trustees, but no later than twenty-four days prior to the statewide
31 uniform voting day. The department shall compile such data for all
32 school districts [whose budgets are subject to a vote of the qualified
33 voters] SUBJECT TO A TAX LEVY LIMITATION PURSUANT TO SECTION THIRTEEN
34 HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW and shall make such compila-
35 tion available electronically at least ten days prior to the statewide
36 uniform voting day.

37 c. For purposes of this subdivision, "percentage increase in the
38 consumer price index" shall mean the percentage that represents the
39 product of one hundred and the quotient of: (i) the average of the
40 national consumer price indexes determined by the United States depart-
41 ment of labor for the twelve-month period preceding January first of the
42 current year minus the average of the national consumer price indexes
43 determined by the United States department of labor for the twelve-month
44 period preceding January first of the prior year, divided by (ii) the
45 average of the national consumer price indexes determined by the United
46 States department of labor for the twelve-month period preceding January
47 first of the prior year, with the result expressed as a decimal to two
48 places.

49 S. 6. Subdivisions 22 and 28 of section 1709 of the education law,
50 subdivision 22 as amended by chapter 682 of the laws of 2002, are
51 amended to read as follows:

52 22. To provide, purchase, lease, furnish and maintain buildings or
53 other suitable accommodations for the use of teachers or other employees
54 of the district [when duly authorized by a meeting of the district],
55 SUBJECT TO APPROVAL OF THE VOTERS WHERE OTHERWISE REQUIRED BY LAW, and
56 to raise by tax upon the taxable property of the district and moneys

1 necessary for such purposes; and also to provide, maintain and operate a
2 cafeteria or restaurant service for the use of pupils and teachers while
3 at school. Such cafeteria may be used by the community for school
4 related functions and activities and to furnish meals to the elderly
5 residents, sixty years of age or older, of the district. Such CAFETERIA
6 OR RESTAURANT SERVICE AND SUCH utilization shall be subject to the
7 approval of the board of education. Charges shall be sufficient to meet
8 the direct cost of preparing and serving such meals, reducible by avail-
9 able reimbursements.

10 28. To furnish lighting facilities, janitorial care and supervision
11 for highway underpasses [when authorized to do so by vote of a district
12 meeting under the provisions of subdivision twenty of section two thou-
13 sand fifteen of this chapter].

14 S 7. Section 1716 of the education law, as amended by section 7 of
15 part A of chapter 436 of the laws of 1997, subdivisions 2 and 4 as
16 amended by chapter 640 of the laws of 2008, subdivision 7 as amended by
17 section 5 of part H of chapter 83 of the laws of 2002 and paragraph a of
18 subdivision 7 as amended by chapter 238 of the laws of 2007, is amended
19 to read as follows:

20 S 1716. Estimated expenses for ensuing year. 1. It shall be the duty
21 of the board of education of each district to present at the annual
22 budget hearing a detailed statement in writing of the amount of money
23 which will be required for the ensuing year for school purposes, speci-
24 fying the several purposes and the amount for each. WHERE A PROPOSITION
25 TO UNDERRIDE A TAX LEVY LIMITATION HAS BEEN APPROVED PURSUANT TO SECTION
26 TWO THOUSAND TWENTY-THREE-A OF THIS CHAPTER, THE BOARD OF EDUCATION
27 SHALL PRESENT AT THE ANNUAL BUDGET HEARING A BUDGET THAT COMPLIES WITH
28 THE APPROVED UNDERRIDE PROPOSITION. The amount for each purpose esti-
29 mated necessary for payments to boards of cooperative educational
30 services shall be shown in full, with no deduction of estimated state
31 aid. The amount of state aid provided and its percentage relationship to
32 the total expenditures shall also be shown. This section shall not be
33 construed to prevent the board from presenting such statement at a budg-
34 et hearing held not less than seven nor more than fourteen days prior to
35 a special meeting called for the purpose, nor from presenting a supple-
36 mentary and amended statement or estimate at any time.

37 2. Such statement shall be completed at least seven days before the
38 budget hearing at which it is to be presented and copies thereof shall
39 be prepared and made available, upon request and at the school district
40 offices, at any public library or free association library within the
41 district and on the school district's internet website, if one exists,
42 to residents within the district during the period of fourteen days
43 immediately preceding the annual meeting [and election or special
44 district meeting at which the budget vote will occur] and at such meet-
45 ing or hearing. The board shall also as a part of the notice required by
46 section two thousand four of this chapter give notice of the date, time
47 and place of the budget hearing and that a copy of such statement may be
48 obtained by any resident in the district at each schoolhouse in the
49 district in which school is maintained during certain designated hours
50 on each day other than a Saturday, Sunday or holiday during the fourteen
51 days immediately preceding such meeting. The board shall include notice
52 of the availability of such statement at least once during the school
53 year in any district-wide mailing distributed.

54 3. Commencing with the proposed budget for the nineteen hundred nine-
55 ty-seven--ninety-eight school year, such proposed budget shall be in
56 plain language and shall be consistent with regulations promulgated by

1 the commissioner pursuant to subdivision twenty-six of section three
2 hundred five of this chapter. Categorization of and format for revenue,
3 including payments in lieu of taxes, property tax refunds from certior-
4 ari proceedings, expenditure, transfer, and fund balance information and
5 changes in such data from the prior year and, in the case of [a resub-
6 mitted or] AN amended budget, changes in such information from the prior
7 year submitted budget, shall be complete and accurate and set forth in
8 such a manner as to best promote public comprehension and readability.

9 4. Commencing with the proposed budget for the nineteen hundred nine-
10 ty-eight--ninety-nine school year, such proposed budget shall be
11 presented in three components: a program component, a capital component
12 and an administrative component which shall be separately delineated in
13 accordance with regulations of the commissioner after consultation with
14 local school district officials. The administrative component shall
15 include, but need not be limited to, office and central administrative
16 expenses, traveling expenses and all compensation, salaries and benefits
17 of all school administrators and supervisors, including business admin-
18 istrators, superintendents of schools and deputy, assistant, associate
19 or other superintendents under all existing employment contracts or
20 collective bargaining agreements, any and all expenditures associated
21 with the operation of the board of education, the office of the super-
22 intendent of schools, general administration, the school business
23 office, consulting costs not directly related to direct student services
24 and programs, planning and all other administrative activities. The
25 program component shall include, but need not be limited to, all program
26 expenditures of the school district, including the salaries and benefits
27 of teachers and any school administrators or supervisors who spend a
28 majority of their time performing teaching duties, and all transporta-
29 tion operating expenses. The capital component shall include, but need
30 not be limited to, all transportation capital, debt service, and lease
31 expenditures; costs resulting from judgments in tax certiorari
32 proceedings or the payment of awards from court judgments, administra-
33 tive orders or settled or compromised claims; and all facilities costs
34 of the school district, including facilities lease expenditures, the
35 annual debt service and total debt for all facilities financed by bonds
36 and notes of the school district, and the costs of construction, acqui-
37 sition, reconstruction, rehabilitation or improvement of school build-
38 ings, provided that such budget shall include a rental, operations and
39 maintenance section that includes base rent costs, total rent costs,
40 operation and maintenance charges, cost per square foot for each facili-
41 ty leased by the school district, and any and all expenditures associ-
42 ated with custodial salaries and benefits, service contracts, supplies,
43 utilities, and maintenance and repairs of school facilities. [For the
44 purposes of the development of a budget for the nineteen hundred nine-
45 ty-eight--ninety-nine school year, the board of education shall separate
46 the district's program, capital and administrative costs for the nine-
47 teen hundred ninety-seven--ninety-eight school year in the manner as if
48 the budget for such year had been presented in three components.]

49 5. The board of education shall append to the statement of estimated
50 expenditures a detailed statement of the total compensation to be paid
51 to the superintendent of schools, and any assistant or associate super-
52 intendents of schools in the ensuing school year, including a deline-
53 ation of the salary, annualized cost of benefits and any in-kind or
54 other form of remuneration. The board shall also append a list of all
55 other school administrators and supervisors, if any, whose annual salary
56 will be eighty-five thousand dollars or more in the ensuing school year,

1 with the title of their positions and annual salary identified; provided
2 however, that the commissioner may adjust such salary level to reflect
3 increases in administrative salaries after June thirtieth, nineteen
4 hundred ninety-eight. The board of education shall submit a copy of such
5 list and statement, in a form prescribed by the commissioner, of compen-
6 sation to the commissioner within five days after their preparation. The
7 commissioner shall compile such data, together with the data submitted
8 pursuant to subdivision four of section sixteen hundred eight of this
9 chapter, into a single statewide compilation, which shall be made avail-
10 able to the governor, the legislature, and other interested parties upon
11 request.

12 6. Each year, the board of education shall prepare a school district
13 report card, pursuant to regulations of the commissioner, and shall make
14 it publicly available by transmitting it to local newspapers of general
15 circulation, appending it to copies of the proposed budget made publicly
16 available as required by law, making it available for distribution at
17 the annual meeting, and otherwise disseminating it as required by the
18 commissioner. Such report card shall include measures of the academic
19 performance of the school district, on a school by school basis, and
20 measures of the fiscal performance of the district, as prescribed by the
21 commissioner. Pursuant to regulations of the commissioner, the report
22 card shall also compare these measures to statewide averages for all
23 public schools, and statewide averages for public schools of comparable
24 wealth and need, developed by the commissioner. Such report card shall
25 include, at a minimum, any information of the school district regarding
26 pupil performance and expenditure per pupil required to be included in
27 the annual report by the regents to the governor and the legislature
28 pursuant to section two hundred fifteen-a of this chapter; and any other
29 information required by the commissioner. School districts (i) identi-
30 fied as having fifteen percent or more of their students in special
31 education, or (ii) which have fifty percent or more of their students
32 with disabilities in special education programs or services sixty
33 percent or more of the school day in a general education building, or
34 (iii) which have eight percent or more of their students with disabili-
35 ties in special education programs in public or private separate educa-
36 tional settings shall indicate on their school district report card
37 their respective percentages as defined in this paragraph and paragraphs
38 (i) and (ii) of this subdivision as compared to the statewide average.

39 7. a. Each year, commencing with the proposed budget for the two thou-
40 sand--two thousand one school year, the board of education shall prepare
41 a property tax report card, pursuant to regulations of the commissioner,
42 and shall make it publicly available by transmitting it to local newspa-
43 pers of general circulation, appending it to copies of the proposed
44 budget made publicly available as required by law, making it available
45 for distribution at the annual [meeting] BUDGET HEARING, and otherwise
46 disseminating it as required by the commissioner. Such report card shall
47 include: (i) the amount of total spending and total estimated school tax
48 levy that would result from adoption of the proposed budget and the
49 percentage increase or decrease in total spending and total school tax
50 levy from the school district budget for the preceding school year; and
51 (ii) THE DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETERMINED PURSUANT
52 TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, THE TAX
53 LEVY PROPOSED BY THE DISTRICT, AND THE PROPOSED CAPITAL TAX LEVY, IF
54 ANY; AND (III) the projected enrollment growth for the school year for
55 which the budget is prepared, and the percentage change in enrollment
56 from the previous year; and [(iii)] (IV) the percentage increase in the

1 consumer price index, as defined in paragraph c of this subdivision; and
2 [(iv)] (V) the projected amount of the unappropriated unreserved fund
3 balance that will be retained if the proposed budget is adopted, the
4 projected amount of the reserved fund balance, the projected amount of
5 the appropriated fund balance, the percentage of the proposed budget
6 that the unappropriated unreserved fund balance represents, the actual
7 unappropriated unreserved fund balance retained in the school district
8 budget for the preceding school year, and the percentage of the school
9 district budget for the preceding school year that the actual unappro-
10 priated unreserved fund balance represents.

11 b. A copy of the property tax report card prepared for the annual
12 [district meeting] BUDGET HEARING shall be submitted to the department
13 in the manner prescribed by the department by the end of the business
14 day next following approval of the report card by the board of educa-
15 tion, but no later than twenty-four days prior to the statewide uniform
16 voting day. The department shall compile such data for all school
17 districts [whose budgets are subject to a vote of the qualified voters]
18 SUBJECT TO A TAX LEVY LIMITATION PURSUANT TO SECTION THIRTEEN HUNDRED
19 SEVEN OF THE REAL PROPERTY TAX LAW and shall make such compilation
20 available electronically at least ten days prior to the statewide
21 uniform voting day.

22 c. For purposes of this subdivision, "percentage increase in the
23 consumer price index" shall mean the percentage that represents the
24 product of one hundred and the quotient of: (i) the average of the
25 national consumer price indexes determined by the United States depart-
26 ment of labor for the twelve-month period preceding January first of the
27 current year minus the average of the national consumer price indexes
28 determined by the United States department of labor for the twelve-month
29 period preceding January first of the prior year, divided by (ii) the
30 average of the national consumer price indexes determined by the United
31 States department of labor for the twelve-month period preceding January
32 first of the prior year, with the result expressed as a decimal to two
33 places.

34 S 8. Section 1718 of the education law, as amended by chapter 774 of
35 the laws of 1965, subdivision 2 as amended by chapter 82 of the laws of
36 1995, is amended to read as follows:

37 S 1718. Limitation upon expenditures. 1. No board of education shall
38 incur a district liability in excess of the amount appropriated [by a
39 district meeting] IN THE BUDGET APPROVED BY THE BOARD OF EDUCATION
40 unless such board is specially authorized by law to incur such liabil-
41 ity.

42 2. Notwithstanding the provisions of subdivision one of this section,
43 grants in aid received from the state and federal governments for
44 specific purposes, other state AID OR grants in aid [identified by the
45 commissioner] for general use [as specified by the board of education],
46 other gifts which are required to be spent for particular objects or
47 purposes and insurance proceeds received for the loss, theft, damage or
48 destruction of real or personal property, when proposed to be used or
49 applied to repair or replace such property, may be appropriated by
50 resolution of the board of education at any time for such objects or
51 purposes.

52 S 9. Section 2005 of the education law, as amended by section 3 of
53 part M of chapter 57 of the laws of 2005, is amended to read as follows:

54 S 2005. Special meeting to transact business of annual meeting. When-
55 ever the time for holding the annual meeting in a school district shall
56 pass without such meeting being held, a special meeting[, to be held on

1 the date specified for a school budget revote pursuant to subdivision
2 three of section two thousand seven of this part,] shall thereafter be
3 called by the trustees or by the clerk of such district for the purpose
4 of transacting the business of the annual meeting; and if no such meet-
5 ing be called by the trustees or the clerk within ten days after such
6 time shall have passed, the district superintendent of the supervisory
7 district in which said school district is situated or the commissioner
8 [of education] may order any inhabitant of such district to give notice
9 of such meeting in the manner provided in section two thousand one of
10 this part, and the officers of the district shall make to such meeting
11 the reports required to be made at the annual meeting, subject to the
12 same penalty in case of neglect; and the officers elected at such meet-
13 ing shall hold their respective offices only until the next annual meet-
14 ing and until their successors are elected and shall have qualified.
15 Notice of such annual meeting shall comply with the requirements of
16 section two thousand three or section two thousand four of this part by
17 publishing such notices once in each week within the two weeks next
18 preceding such special meeting, the first publication to be at least
19 fourteen days before such meeting and any required posting to be four-
20 teen days before the time of such meeting. [If the qualified voters at
21 such special district meeting defeat the school district budget, the
22 trustees or board of education shall adopt a contingency budget pursuant
23 to section two thousand twenty-three of this part. Notwithstanding any
24 other provision in law, the trustees or board of education following the
25 adoption of a contingency budget may call a special district meeting for
26 a second vote on the proposed budget pursuant to the requirements of
27 subdivision three of section two thousand seven or subdivision three of
28 section two thousand six of this chapter.]

29 S 10. Subdivision 3 of section 2006 of the education law is REPEALED.

30 S 11. Subdivision 3 of section 2007 of the education law, as amended
31 by section 5 of part M of chapter 57 of the laws of 2005, is amended to
32 read as follows:

33 3. a. Notwithstanding the provisions of subdivisions one and two of
34 this section, and of section two thousand four of this part, whenever
35 the [voters of the district shall have defeated the budget of the
36 district, in whole or in part, or whenever the] board of education shall
37 have rejected all bids for a contract or contracts for public work,
38 transportation or purchase[,] and [whenever in either such case the
39 board of education shall deem] DEEMS it necessary and proper to call a
40 special meeting to take appropriate action, the board of education shall
41 be authorized to give the notices required by subdivision one of section
42 two thousand four of this part by publishing such notices once in each
43 week within the two weeks next preceding such special meeting, the first
44 publication to be at least fourteen days before such meeting and any
45 required posting to be fourteen days before the time of such meeting.

46 b. [A school budget revote called pursuant to paragraph a of this
47 subdivision shall be held on the third Tuesday of June, provided, howev-
48 er that such budget revote shall be held on the second Tuesday in June
49 if the commissioner at the request of a local school board certifies no
50 later than March first that such vote would conflict with religious
51 observances.

52 c.] Notwithstanding the provisions of section two thousand fourteen of
53 this part, where a school district shall have adopted personal registra-
54 tion, the board of registration shall meet on such day or days as shall
55 be fixed by the board of education, the last day of which, however,
56 shall not be more than seven nor less than two days preceding any school

1 district meeting notices for which shall have been given as provided in
2 this subdivision.

3 S 12. Section 2008 of the education law is amended by adding a new
4 subdivision 3 to read as follows:

5 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IT
6 SHALL NOT BE WITHIN THE POWERS OF THE VOTERS OF A SCHOOL DISTRICT TO
7 SUBMIT A PROPOSITION THAT REQUIRES THE EXPENDITURE OF MONEY, PROVIDED
8 THAT THE VOTERS MAY SUBMIT A TAX LEVY LIMIT UNDERRIDE PROPOSITION AS
9 AUTHORIZED PURSUANT TO SUBDIVISION TWO OF SECTION TWO THOUSAND
10 TWENTY-THREE-A OF THIS PART OR A PROPOSITION TO CHANGE THE MILEAGE LIM-
11 TATIONS ON TRANSPORTATION PURSUANT TO SUBDIVISION NINETEEN OF SECTION
12 TWO THOUSAND TWENTY-ONE OF THIS PART.

13 S 13. Subdivisions 10, 11, 12, 15, 16, 17, 18, 20 and 21 of section
14 2021 of the education law, such section as renumbered by chapter 801 of
15 the laws of 1953, are REPEALED and subdivisions 8 and 19 are amended to
16 read as follows:

17 8. To vote a tax upon the taxable property of the district, to
18 purchase, lease and improve such sites or an addition to such sites and
19 grounds for the purposes specified in the preceding subdivision, to hire
20 or purchase rooms or buildings for school rooms or schoolhouses, or to
21 build schoolhouses[; to keep in repair and furnish the same with neces-
22 sary fuel, furniture and appurtenances, and to purchase such implements,
23 apparatus and supplies as may be necessary to provide instruction in
24 agriculture and other subjects, and for the organization and conduct of
25 athletic, playground and other social center work].

26 19. To [provide, by tax or otherwise, for the conveyance of] DETERMINE
27 WHETHER TRANSPORTATION SHOULD BE PROVIDED PURSUANT TO PARAGRAPH A OF
28 SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED THIRTY-FIVE OF THIS CHAP-
29 TER TO pupils residing in [a] THE school district WHO ARE IN GRADES
30 KINDERGARTEN THROUGH EIGHT AND LIVE LESS THAN TWO MILES FROM THE SCHOOL
31 THEY LEGALLY ATTEND OR ARE IN GRADES NINE THROUGH TWELVE AND LIVE LESS
32 THAN THREE MILES FROM SUCH SCHOOL OR TO PUPILS IN ANY GRADE WHO LIVE
33 MORE THAN FIFTEEN MILES FROM THE SCHOOL THEY LEGALLY ATTEND, (a) to the
34 elementary or high schools, or both, maintained in such district and/or
35 (b) to the elementary or high schools, or both, in any city or district
36 with which an education contract shall have been made, and/or (c) to the
37 elementary or high schools, or both, other than public, situated within
38 the district or an adjacent district or city, whenever such district
39 shall have contracted with the school authorities of any city, or with
40 another school district, for the education therein of the pupils resid-
41 ing in such school district, or whenever in any school district pupils
42 of school age shall reside so remote from the schoolhouse therein or the
43 elementary or high school they legally attend, within or without the
44 district, that they are practically deprived of school advantages during
45 any portion of the school year.

46 S 14. Section 2022 of the education law, as amended by section 23 of
47 part A of chapter 436 of the laws of 1997, subdivisions 1 and 3 as
48 amended by section 8 of part C of chapter 58 of the laws of 1998, subdivi-
49 sion 2-a as amended by section 3 of part A of chapter 60 of the laws
50 of 2000, paragraph b of subdivision 2-a as amended by section 5 of part
51 W of chapter 57 of the laws of 2008, subdivision 4 as amended by section
52 7 of part M of chapter 57 of the laws of 2005 and subdivision 6 as added
53 by chapter 61 of the laws of 2003, is amended to read as follows:

54 S 2022. [Vote on] ADOPTION OF school district budgets [and on the];
55 ANNUAL DISTRICT MEETING AND election of school district trustees and
56 board of education members. 1. Notwithstanding any law, rule or regu-

lation to the contrary, the ANNUAL DISTRICT MEETING AND election of trustees or members of the board of education, and the TAX LEVY PROPOSITION vote [upon the appropriation of the necessary funds to meet the estimated expenditures,] in any common school district, union free school district, central school district or central high school district shall be held [at the annual meeting and election] on the third Tuesday in May, provided, however, that such election shall be held on the second Tuesday in May if the commissioner at the request of a local school board certifies no later than March first that such election would conflict with religious observances. [When such election or vote is taken by recording the ayes and noes of the qualified voters attending, a majority of the qualified voters present and voting, by a hand or voice vote, may determine to take up the question of voting the necessary funds to meet the estimated expenditures for a specific item separately, and the qualified voters present and voting may increase the amount of any estimated expenditures or reduce the same, except for teachers' salaries, and the ordinary contingent expenses of the schools.] The sole trustee, board of trustees or board of education of every common, union free, central or central high school district and every city school district to which this article applies shall hold a budget hearing not less than seven nor more than fourteen days prior to the annual meeting and election [or special district meeting at which a school budget vote will occur], and shall prepare and present to the voters at such budget hearing a proposed school district budget for the ensuing school year. IF THE QUALIFIED VOTERS HAVE APPROVED A TAX LEVY PROPOSITION OR UNDERRIDE PROPOSITION IN ACCORDANCE WITH SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART, SUCH TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH PROPOSITION. IF NO TAX LEVY PROPOSITION OR UNDERRIDE PROPOSITION HAS BEEN APPROVED BY THE QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY, EXCLUDING ANY CAPITAL TAX LEVY AND ANY PENSION SUPPORT TAX LEVY, THAT IS NO GREATER THAN THE TAX LEVY BASE DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW.

2. [Except as provided in subdivision four of this section, nothing] NOTHING in this section shall preclude the trustees or board of education, in their discretion, from submitting additional items of expenditure to the voters for approval as separate propositions or the voters from submitting propositions pursuant to [section] SECTIONS two thousand eight and two thousand thirty-five of this [article] PART.

2-a. Every common, union free, central, central high school district and city school district to which this article applies shall mail a school budget notice to all qualified voters of the school district after the date of the budget hearing, but no later than six days prior to the annual meeting and election [or special district meeting at which a school budget vote will occur]. The school budget notice shall compare the percentage increase or decrease in total spending under the proposed budget over total spending under the school district budget adopted for the current school year, with the percentage increase or decrease in the consumer price index, from January first of the prior school year to January first of the current school year, and shall also include [the information required by paragraphs a and b of this subdivision. The notice shall also set forth the date, time and place of the school budget vote, in the same manner as in the notice of annual meeting] THE DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROPERTY TAX LAW, THE TAX

1 LEVY PROPOSED BY THE DISTRICT, THE PROPOSED CAPITAL TAX LEVY, IF ANY,
2 AND THE PROPOSED PENSION SUPPORT TAX LEVY, IF ANY. Such notice shall be
3 in a form prescribed by the commissioner.

4 [a. Commencing with the proposed budget for the two thousand one--two
5 thousand two school year, such notice shall also include a description
6 of how total spending and the tax levy resulting from the proposed budg-
7 et would compare with a projected contingency budget adopted pursuant to
8 section two thousand twenty-three of this article, assuming that such
9 contingency budget is adopted on the same day as the vote on the
10 proposed budget. Such comparison shall be in total and by component
11 (program, capital and administrative), and shall include a statement of
12 the assumptions made in estimating the projected contingency budget.

13 b.] Commencing with the proposed budget for the two thousand eight--
14 two thousand nine school year, such notice shall also include, in a
15 format prescribed by the commissioner, an estimate of the tax savings
16 that would be available to an eligible homeowner under the basic school
17 tax relief (STAR) exemption authorized by section four hundred twenty-
18 five of the real property tax law if the proposed budget were adopted.
19 Such estimate shall be made in the manner prescribed by the commission-
20 er, in consultation with the office of real property services.

21 3. In all elections for trustees or members of boards of education or
22 votes ON PROPOSITIONS involving the expenditure of money, or authorizing
23 the levy of taxes, OR VOTES ON PROPOSITIONS TO UNDERRIDE A TAX LEVY
24 LIMITATION PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART,
25 the vote thereon shall be by ballot, or, in school districts that prior
26 to nineteen hundred ninety-eight conducted their vote at the annual
27 meeting, may be ascertained by taking and recording the ayes and noes of
28 such qualified voters attending and voting at such district meetings.

29 4. [In the event that the original proposed budget is not approved by
30 the voters, the sole trustee, trustees or board of education may adopt a
31 final budget pursuant to subdivision five of this section or resubmit to
32 the voters the original or a revised budget pursuant to subdivision
33 three of section two thousand seven of this part. Upon one defeat of
34 such resubmitted budget, the sole trustee, trustees or board of educa-
35 tion shall adopt a final budget pursuant to subdivision five of this
36 section.] Notwithstanding any other provision of law to the contrary,
37 [the school district budget for any school year, or any part of such
38 budget or] any propositions involving the expenditure of money for such
39 school year shall not be submitted for a vote of the qualified voters
40 more than twice.

41 [5. If the qualified voters fail to approve the proposed school
42 district budget upon resubmission or upon a determination not to resub-
43 mit for a second vote pursuant to subdivision four of this section, the
44 sole trustee, trustees or board of education, after applying thereto the
45 public school moneys and other moneys received or to be received for
46 that purpose, shall levy a tax for the sum necessary for teachers' sala-
47 ries and other ordinary contingent expenses in accordance with the
48 provisions of this subdivision and section two thousand twenty-three of
49 this article.

50 6. Notwithstanding the provisions of subdivision four of section eigh-
51 teen hundred four and subdivision five of section nineteen hundred six
52 of this title, subdivision one of section two thousand two of this arti-
53 cle, subdivision one of this section, subdivision two of section twen-
54 ty-six hundred one-a of this title and any other provision of law to the
55 contrary, the annual district meeting and election of every common,
56 union free, central and central high school district and the annual

1 meeting of every city school district in a city having a population of
2 less than one hundred twenty-five thousand inhabitants that is scheduled
3 to be held on the third Tuesday of May, two thousand three is hereby
4 adjourned until the first Tuesday in June, two thousand three. The trus-
5 tees or board of education of each such school district shall provide
6 notice of such adjourned meeting to the qualified voters in the manner
7 prescribed for notice of the annual meeting, and such notice shall
8 provide for an adjourned budget hearing. The adjourned district meeting
9 or district meeting and election shall be deemed the annual meeting or
10 annual meeting and election of the district for all purposes under this
11 title and the date of the adjourned meeting shall be deemed the state-
12 wide uniform voting day for all purposes under this title. Notwith-
13 standing the provisions of subdivision seven of section sixteen hundred
14 eight or subdivision seven of section seventeen hundred sixteen of this
15 title or any other provision of law, rule or regulation to the contrary,
16 in two thousand three the property tax report card shall be submitted to
17 the department no later than twenty days prior to the date of the
18 adjourned meeting and the department shall make its compilation avail-
19 able electronically at least seven days prior to such date.]

20 S 15. Section 2023 of the education law is REPEALED.

21 S 16. Subdivision 2 of section 2035 of the education law, as amended
22 by chapter 111 of the laws of 1979, is amended to read as follows:

23 2. In common school districts the manner of making nominations or
24 submitting propositions by anyone other than the trustees and in union
25 free school districts the manner of submitting propositions by anyone
26 other than the board of education for the purpose of preparing ballots
27 for the machine shall be prescribed by a rule previously adopted by the
28 trustees or board of education; provided, however, that the petition,
29 certificate, declaration, notice or other paper required by such rule,
30 for the making of any such nomination or submission, except as to a
31 question or proposition required by law to be stated in the published or
32 posted notice of the meeting shall be filed with the trustees or board
33 of education not later than thirty days before the meeting or election.
34 Any nomination may be rejected by the trustees if the candidate is inel-
35 ible for the office or has declared his unwillingness to serve; any
36 proposition may be rejected by the trustees or board of education if the
37 purpose of the proposition is not within the power of the voters, or
38 where A PROPOSITION TO CHANGE THE MILEAGE LIMITATIONS ON TRANSPORTATION
39 PURSUANT TO SUBDIVISION NINETEEN OF SECTION TWO THOUSAND TWENTY-ONE OF
40 THIS PART WOULD REQUIRE the expenditure of ADDITIONAL moneys [is
41 required by the proposition], if the proposition fails to include the
42 necessary specific appropriation. Any such rule may be amended from
43 time to time and may state that a reasonable minimum number of signa-
44 tures shall be required for submission. The trustees or board of educa-
45 tion shall cause such rule, and amendments from time to time, to be
46 printed for general distribution in the district. Provided, however,
47 that the provisions of any special law relating to nominations and
48 elections in any union free school district shall continue to remain in
49 force, and the manner of making nominations and the conduct of meetings
50 and elections, shall conform to such special law.

51 S 17. Paragraph a of subdivision 9 and paragraphs a and b of subdivi-
52 sion 12 of section 2503 of the education law, as amended by chapter 171
53 of the laws of 1996, are amended to read as follows:

54 a. Shall promote the best interests of the schools and other activ-
55 ities committed to its care, and shall authorize, or in its discretion
56 conduct, and maintain such extra classroom activities, including the

1 operation of cafeterias or restaurant service for use by pupils and
2 teachers, as the board, from time to time, shall deem proper. Such
3 cafeterias or restaurant service may be used by the community for school
4 related functions and activities and to furnish meals to the elderly
5 residents, sixty years of age or older, of the district. Such utiliza-
6 tion AND THE OPERATION OF CAFETERIAS OR RESTAURANT SERVICE shall be
7 subject to the approval of the board of education[, and shall be subject
8 to voter approval unless the cafeteria or restaurant service was oper-
9 ated during the preceding school year and requires no tax levy]. Charges
10 shall be sufficient to meet the direct cost of preparing and serving
11 such meals, reducible by available reimbursements.

12 a. to and from schools within the school district for distances
13 greater than two or three miles, as applicable, and to and from schools
14 outside the district within the mileage limitations prescribed in para-
15 graph a of subdivision one of section thirty-six hundred thirty-five of
16 this chapter shall always be [an ordinary contingent expense] A CHARGE
17 UPON THE SCHOOL DISTRICT, and

18 b. for distances less than two or three miles, as applicable, or for
19 greater than fifteen miles to and from schools outside the district
20 shall be [an ordinary contingent expense] A CHARGE UPON THE SCHOOL
21 DISTRICT if: (i) such transportation was provided during the preceding
22 school year and the qualified voters have not passed a special proposi-
23 tion constricting the mileage limitations for the current school year
24 from those in effect in the prior year, or (ii) the qualified voters
25 have passed a special proposition expanding the mileage limitations in
26 effect in the prior year.

27 S 18. Section 2601-a of the education law, as added by chapter 171 of
28 the laws of 1996, subdivision 2 as amended by section 6 of part M of
29 chapter 57 of the laws of 2005, subdivision 3 as amended by chapter 640
30 of the laws of 2008, subdivision 4 as amended by section 8 of part M of
31 chapter 57 of the laws of 2005, subdivision 5 as amended by section 29
32 of part A of chapter 436 of the laws of 1997, subdivision 6 as amended
33 and subdivision 7 as added by chapter 474 of the laws of 1996, is
34 amended to read as follows:

35 S 2601-a. Procedures for [adoption of school budgets] ANNUAL AND
36 SPECIAL DISTRICT MEETINGS in small city school districts. 1. The board
37 of education of each city school district subject to this article [shall
38 provide for the submission of a budget for approval of the voters pursu-
39 ant to the provisions of this section.

40 2. The board of education] shall ADOPT A SCHOOL DISTRICT BUDGET AND
41 conduct all annual and special school district meetings for the purpose
42 of [adopting a school district budget] VOTING ON PROPOSITIONS FOR THE
43 EXPENDITURE OF MONEY, INCLUDING BUT NOT LIMITED TO VOTES PURSUANT TO
44 SECTION FOUR HUNDRED SIXTEEN OF THIS CHAPTER, AND VOTING ON TAX LEVY
45 PROPOSITIONS AND UNDERRIDE PROPOSITIONS PURSUANT TO SECTION TWO THOUSAND
46 TWENTY-THREE-A OF THIS TITLE, in the same manner as a union free school
47 district in accordance with the provisions of article forty-one of this
48 title, except as otherwise provided by this section. The annual meeting
49 and election of each such city school district shall be held on the
50 third Tuesday of May in each year, provided, however that such annual
51 meeting and election shall be held on the second Tuesday in May if the
52 commissioner at the request of a local school board certifies no later
53 than March first that such election would conflict with religious obser-
54 vances[, and any school budget revote shall be held on the date and in
55 the same manner specified in subdivision three of section two thousand
56 seven of this title]. The provisions of this article, and where applica-

1 ble subdivisions nine and nine-a of section twenty-five hundred two of
2 this title, governing the qualification and registration of voters, and
3 procedures for the nomination and election of members of the board of
4 education shall continue to apply, and shall govern the qualification
5 and registration of voters and voting procedures with respect to the
6 adoption of a school district budget.

7 [3.] 2. The board of education shall prepare a proposed school
8 district budget for the ensuing year in accordance with the provisions
9 of section seventeen hundred sixteen of this chapter, including all
10 provisions relating to required notices and appendices to the statement
11 of expenditures. No board of education shall incur a school district
12 liability except as authorized by the provisions of section seventeen
13 hundred eighteen of this chapter. Such proposed budget shall be
14 presented in three components: a program component, a capital component
15 and an administrative component which shall be separately delineated in
16 accordance with regulations of the commissioner after consultation with
17 local school district officials. The administrative component shall
18 include, but need not be limited to, office and central administrative
19 expenses, traveling expenses and all compensation, salaries and benefits
20 of all school administrators and supervisors, including business admin-
21 istrators, superintendents of schools and deputy, assistant, associate
22 or other superintendents under all existing employment contracts or
23 collective bargaining agreements, any and all expenditures associated
24 with the operation of the board of education, the office of the super-
25 intendent of schools, general administration, the school business
26 office, consulting costs not directly related to direct student services
27 and programs, planning and all other administrative activities. The
28 program component shall include, but need not be limited to, all program
29 expenditures of the school district, including the salaries and benefits
30 of teachers and any school administrators or supervisors who spend a
31 majority of their time performing teaching duties, and all transporta-
32 tion operating expenses. The capital component shall include, but need
33 not be limited to, all transportation capital, debt service, and lease
34 expenditures; costs resulting from judgments in tax certiorari
35 proceedings or the payment of awards from court judgments, administra-
36 tive orders or settled or compromised claims; and all facilities costs
37 of the school district, including facilities lease expenditures, the
38 annual debt service and total debt for all facilities financed by bonds
39 and notes of the school district, and the costs of construction, acqui-
40 sition, reconstruction, rehabilitation or improvement of school build-
41 ings, provided that such budget shall include a rental, operations and
42 maintenance section that includes base rent costs, total rent costs,
43 operation and maintenance charges, cost per square foot for each facili-
44 ty leased by the school district, and any and all expenditures associ-
45 ated with custodial salaries and benefits, service contracts, supplies,
46 utilities, and maintenance and repairs of school facilities. [For the
47 purposes of the development of a budget for the nineteen hundred nine-
48 ty-seven--ninety-eight school year, the board of education shall sepa-
49 rate its program, capital and administrative costs for the nineteen
50 hundred ninety-six--ninety-seven school year in the manner as if the
51 budget for such year had been presented in three components.] Except as
52 provided in subdivision [four] THREE of this section, nothing in this
53 section shall preclude the board, in its discretion, from submitting
54 additional items of expenditure to the voters for approval as separate
55 propositions or the voters from submitting propositions [pursuant] to

1 THE EXTENT AUTHORIZED BY sections two thousand eight and two thousand
2 thirty-five of this chapter.

3 [4. In the event the qualified voters of the district reject the budg-
4 et proposed pursuant to subdivision three of this section, the board may
5 propose to the voters a revised budget pursuant to subdivision three of
6 section two thousand seven of this title or may adopt a contingency
7 budget pursuant to subdivision five of this section and subdivision five
8 of section two thousand twenty-two of this title.] 3. The [school
9 district budget for any school year, or any part of such budget or]
10 BOARD OF EDUCATION SHALL NOT SUBMIT any propositions involving the
11 expenditure of money for such school year [shall not be submitted] for a
12 vote of the qualified voters more than twice. [In the event the quali-
13 fied voters reject the resubmitted budget, the board shall adopt a
14 contingency budget in accordance with subdivision five of this section
15 and subdivision five of such section two thousand twenty-two of this
16 title.

17 5. If the qualified voters fail or refuse to vote the sum estimated to
18 be necessary for teachers' salaries and other ordinary contingent
19 expenses, the board shall adopt a contingency budget in accordance with
20 this subdivision and shall levy a tax for that portion of such sum
21 remaining after applying thereto the moneys received or to be received
22 from state, federal or other sources, in the same manner as if the budg-
23 et had been approved by the qualified voters; subject to the limitations
24 imposed in subdivision four of section two thousand twenty-three of this
25 chapter and this subdivision. The administrative component shall not
26 comprise a greater percentage of the contingency budget exclusive of the
27 capital component than the lesser of (1) the percentage the administra-
28 tive component had comprised in the prior year budget exclusive of the
29 capital component; or (2) the percentage the administrative component
30 had comprised in the last proposed defeated budget exclusive of the
31 capital component. Such contingency budget shall include the sum deter-
32 mined by the board to be necessary for:

33 (a) teachers' salaries, including the salaries of all members of the
34 teaching and supervising staff;

35 (b) items of expense specifically authorized by statute to be incurred
36 by the board of education, including, but not limited to, expenditures
37 for transportation to and from regular school programs included as ordi-
38 nary contingent expenses in subdivision twelve of section twenty-five
39 hundred three of this chapter, expenditures for textbooks, required
40 services for non-public school students, school health services, special
41 education services, kindergarten and nursery school programs, and the
42 district's share of the administrative costs and costs of services
43 provided by a board of cooperative educational services;

44 (c) items of expense for legal obligations of the district, including,
45 but not limited to, contractual obligations, debt service, court orders
46 or judgments, orders of administrative bodies or officers, and standards
47 and requirements of the board of regents and the commissioner that have
48 the force and effect of law;

49 (d) the purchase of library books and other instructional materials
50 associated with a library;

51 (e) items of expense necessary to maintain the educational programs of
52 the district, preserve the property of the district or protect the
53 health and safety of students and staff, including, but not limited to,
54 support services, pupil personnel services, the necessary salaries for
55 the necessary number of non-teaching employees, necessary legal
56 expenses, water and utility charges, instructional supplies for teach-

ers' use, emergency repairs, temporary rental of essential classroom facilities, and expenditures necessary to advise school district voters concerning school matters; and

(f) expenses incurred for interschool athletics, field trips and other extracurricular activities; and

(g) any other item of expense determined by the commissioner to be an ordinary contingent expense in any school district.

6. The commissioner shall determine appeals raising questions as to what items of expenditure are ordinary contingent expenses pursuant to subdivision five of this section in accordance with section two thousand twenty-four and three hundred ten of this chapter.

7.] Each year, the board of education shall prepare a school district report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include measures of the academic performance of the school district, on a school by school basis, and measures of the fiscal performance of the district, as prescribed by the commissioner. Pursuant to regulations of the commissioner, the report card shall also compare these measures to statewide averages for all public schools, and statewide averages for public schools of comparable wealth and need, developed by the commissioner. Such report card shall include, at a minimum, any information on the school district regarding pupil performance and expenditure per pupil required to be included in the annual report by the regents to the governor and the legislature pursuant to section two hundred fifteen-a of this chapter; and any other information required by the commissioner. School districts (i) identified as having fifteen percent or more of their students in special education, or (ii) which have fifty percent or more of their students with disabilities in special education programs or services sixty percent or more of the school day in a general education building, or (iii) which have eight percent or more of their students with disabilities in special education programs in public or private separate educational settings shall indicate on their school district report card their respective percentages as defined in this paragraph and paragraphs (i) and (ii) of this subdivision as compared to the statewide average.

S 19. Subdivision 11 of section 3602-e of the education law, as amended by section 19 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

11. Notwithstanding the provisions of subdivision ten of this section, where the district serves fewer children during the current year than in the base year, the school district shall have its apportionment reduced in an amount proportional to such deficiency in the current year or in the succeeding school year, as determined by the commissioner, except such reduction shall not apply to school districts which have fully implemented a universal pre-kindergarten program by making such program available to all eligible children. [Expenses incurred by the school district in implementing a pre-kindergarten program plan pursuant to this subdivision shall be deemed ordinary contingent expenses.]

S 20. Paragraphs a and b of subdivision 1 of section 3635 of the education law, paragraph a as amended by chapter 69 of the laws of 1992, paragraph b as amended by chapter 718 of the laws of 1990 and subparagraph (i) of paragraph b as amended by chapter 571 of the laws of 1994, are amended to read as follows:

1 a. Sufficient transportation facilities (including the operation and
2 maintenance of motor vehicles) shall be provided by the school district
3 for all the children residing within the school district to and from the
4 school they legally attend, who are in need of such transportation
5 because of the remoteness of the school to the child or for the
6 promotion of the best interest of such children. Such transportation
7 shall be provided for all children attending grades kindergarten through
8 eight who live more than two miles from the school which they legally
9 attend and for all children attending grades nine through twelve who
10 live more than three miles from the school which they legally attend and
11 shall be provided for each such child up to a distance of fifteen miles,
12 the distances in each case being measured by the nearest available route
13 from home to school. The cost of providing such transportation between
14 two or three miles, as the case may be, and fifteen miles shall be
15 considered for the purposes of this chapter to be a charge upon the
16 district [and an ordinary contingent expense of the district]. Transpor-
17 tation for a lesser distance than two miles in the case of children
18 attending grades kindergarten through eight or three miles in the case
19 of children attending grades nine through twelve and for a greater
20 distance than fifteen miles may be provided by the district WITH THE
21 APPROVAL OF THE QUALIFIED VOTERS, and, if provided, shall be offered
22 equally to all children in like circumstances residing in the district;
23 provided, however, that this requirement shall not apply to transporta-
24 tion offered pursuant to section thirty-six hundred thirty-five-b of
25 this [article] PART.

26 b. (i) School districts providing transportation to a nonpublic school
27 for pupils living within a specified distance from such school shall
28 designate one or more public schools as centralized pick-up points and
29 shall provide transportation between such points and such nonpublic
30 schools for students residing in the district who live too far from such
31 nonpublic schools to qualify for transportation between home and school.
32 The district shall not be responsible for the provision of transporta-
33 tion for pupils between their home and such pick-up points. The
34 district may provide school bus transportation to a pupil if the resi-
35 dence of the pupil is located on an established route for the transpor-
36 tation of pupils to the centralized pick-up point provided such trans-
37 portation does not result in additional costs to the district. [The cost
38 of providing transportation between such pick-up points and such nonpub-
39 lic schools shall be an ordinary contingent expense.]

40 (ii) A board of education may, at its discretion, provide transporta-
41 tion for pupils residing within the district to a nonpublic school
42 located more than fifteen miles from the home of any such pupil provided
43 that such transportation has been provided to such nonpublic school
44 pursuant to this subdivision in at least one of the immediately preced-
45 ing three school years and such transportation is provided from one or
46 more centralized pick-up points designated pursuant to this paragraph
47 and that the distance from such pick-up points to the nonpublic school
48 is not more than fifteen miles. The district shall not be responsible
49 for the provision of transportation for pupils between [pupils] PUPILS'
50 homes and such pick-up points. [The cost of providing transportation
51 between such pick-up points and such nonpublic schools shall be an ordi-
52 nary contingent expense.]

53 S 21. Subdivision 10 of section 3635-b of the education law, as
54 amended by chapter 422 of the laws of 2004, is amended to read as
55 follows:

10. The cost of providing transportation, pursuant to the provisions of this section, shall [be an ordinary contingent expense and shall] be included as an item of expense for purposes of determining the transportation quota of such district.

S 22. Subdivisions 1, 3, 3-a, 4 and 5 of section 3651 of the education law, subdivision 1 as amended by chapter 504 of the laws of 1949, subdivisions 3 and 4 as added by chapter 782 of the laws of 1948, subdivision 3-a as added by chapter 588 of the laws of 1988, and subdivision 5 as amended by chapter 976 of the laws of 1963, are amended to read as follows:

1. A reserve fund may be established by the school authorities of any school district, [provided, however, that no such fund shall be established (a) until approved by a majority vote of the qualified voters of the district voting on a proposition therefor submitted at a regular or special school district meeting, or in school districts which do not have such meetings, at an election called for such purpose, and (b) unless the notice of such meeting or election shall have stated that a proposition to establish a reserve fund would be so submitted, the purpose of the fund, the ultimate amount thereof, its probable term and the source from which the funds would be obtained] AS DEFINED IN SUBDIVISION TWELVE OF SECTION TWO OF THIS CHAPTER. Such reserve fund may be established for financing, in whole or in part, the cost of any object or purpose for which bonds may be issued by, or for the objects or purposes of, the school district pursuant to the local finance law. The [proposition] RESOLUTION OF THE SCHOOL AUTHORITIES ESTABLISHING THE RESERVE FUND shall specify the purpose for which the fund is established, the ultimate amount, the probable term and the source from which the funds are to be obtained. There shall be paid into any such fund an annual amount sufficient to meet the requirements of the proposition OR RESOLUTION. In addition, the [voters] SCHOOL AUTHORITIES may from time to time direct the [school authorities to pay] PAYMENT into such fund OF moneys derived from any other source.

3. An expenditure shall be made from a reserve fund only by authorization of the [voters] SCHOOL AUTHORITIES and for the specific purpose specified in the proposition OR RESOLUTION WHICH ESTABLISHED THE RESERVE FUND.

[3-a. Notwithstanding the provisions of subdivision three of this section, any school district which establishes a reserve fund in accordance with subdivision one-a of this section may make expenditures from such fund for the purposes specified in such subdivision without authorization of the voters.]

4. The [voters] SCHOOL AUTHORITIES may authorize the transfer of all or any part of any reserve fund to any other reserve fund established pursuant to this section.

5. Whenever the [voters] SCHOOL AUTHORITIES shall determine that the original purpose for which a reserve fund has been established is no longer desirable, [the school authorities] THEY may liquidate the fund by first applying its proceeds to any outstanding bonded indebtedness and applying the balance, if any, to the annual tax levy, provided, however, that the amount so applied in any one year shall not be greater than the amount which will reduce the tax rate for school purposes below five mills on actual valuation; provided, however, that the school authorities in any school district having no outstanding bonded indebtedness may, in any year in which no state aid is payable thereto under the provisions of this chapter, liquidate such fund by applying the balance thereof to the annual tax levy, regardless of the tax rate for

1 school purposes[, subject to the approval of a majority of the qualified
2 electors of the district voting on a proposition therefor submitted at a
3 regular or special school district meeting, or in school districts which
4 do not have such meetings, at an election called for such purpose].
5 S 23. This act shall take effect on the thirtieth day after it shall
6 have become a law, and shall first apply to the levy of taxes by school
7 districts for the 2010-2011 school year and to school district meetings
8 and elections held on and after such effective date; provided, however,
9 that sections eight, fifteen, nineteen, twenty and twenty-one of this
10 act shall take effect July 1, 2010.