

8974

2009-2010 Regular Sessions

I N A S S E M B L Y

June 17, 2009

Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read
once and referred to the Committee on Ways and Means

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 ASSEM-
BLY, 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48 7. ERRONEOUS LEVIES. IN THE EVENT A SCHOOL DISTRICT'S ACTUAL TAX LEVY
49 FOR A GIVEN SCHOOL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTAB-
50 LISHED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THE EDUCATION
51 LAW DUE TO CLERICAL OR TECHNICAL ERRORS, THE SCHOOL DISTRICT SHALL PLACE
52 THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN ACCORDANCE WITH SUCH
53 REQUIREMENTS AS THE STATE COMPTROLLER MAY PRESCRIBE, AND SHALL USE SUCH
54 FUNDS AND ANY INTEREST EARNED THEREON TO OFFSET THE TAX LEVY FOR THE
55 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-

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

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

21 4. Commencing with the proposed budget for the nineteen hundred nine-
22 ty-eight--ninety-nine school year, such proposed budget shall be
23 presented in three components: a program component, a capital component
24 and an administrative component which shall be separately delineated in
25 accordance with regulations of the commissioner after consultation with
26 local school district officials. The administrative component shall
27 include, but need not be limited to, office and central administrative
28 expenses, traveling expenses and all compensation, salaries and benefits
29 of all school administrators and supervisors, including business admin-
30 istrators, superintendents of schools and deputy, assistant, associate
31 or other superintendents under all existing employment contracts or
32 collective bargaining agreements, any and all expenditures associated
33 with the operation of the office of trustee or board of trustees, the
34 office of the superintendent of schools, general administration, the
35 school business office, consulting costs not directly related to direct
36 student services and programs, planning and all other administrative
37 activities. The program component shall include, but need not be limited
38 to, all program expenditures of the school district, including the sala-
39 ries and benefits of teachers and any school administrators or supervi-
40 sors who spend a majority of their time performing teaching duties, and
41 all transportation operating expenses. The capital component shall
42 include, but need not be limited to, all transportation capital, debt
43 service, and lease expenditures; costs resulting from judgments in tax
44 certiorari proceedings or the payment of awards from court judgments,
45 administrative orders or settled or compromised claims; and all facili-
46 ties costs of the school district, including facilities lease expendi-
47 tures, the annual debt service and total debt for all facilities
48 financed by bonds and notes of the school district, and the costs of
49 construction, acquisition, reconstruction, rehabilitation or improvement
50 of school buildings, provided that such budget shall include a rental,
51 operations and maintenance section that includes base rent costs, total
52 rent costs, operation and maintenance charges, cost per square foot for
53 each facility leased by the school district, and any and all expendi-
54 tures associated with custodial salaries and benefits, service
55 contracts, supplies, utilities, and maintenance and repairs of school
56 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 sions 2 and 5 as added by section 23 of part A of chapter 436 of the
50 laws of 1997, subdivision 2-a as amended by section 3 of part A of chap-
51 ter 60 of the laws of 2000, paragraph b of subdivision 2-a as amended by
52 section 5 of part W of chapter 57 of the laws of 2008, subdivision 4 as
53 amended by section 7 of part M of chapter 57 of the laws of 2005 and
54 subdivision 6 as added by chapter 61 of the laws of 2003, is amended to
55 read as follows:

1 S 2022. [Vote on] ADOPTION OF school district budgets [and on the];
2 ANNUAL DISTRICT MEETING AND election of school district trustees and
3 board of education members. 1. Notwithstanding any law, rule or regu-
4 lation to the contrary, the ANNUAL DISTRICT MEETING AND election of
5 trustees or members of the board of education, and the TAX LEVY PROPOSI-
6 TION vote [upon the appropriation of the necessary funds to meet the
7 estimated expenditures,] in any common school district, union free
8 school district, central school district or central high school district
9 shall be held [at the annual meeting and election] on the third Tuesday
10 in May, provided, however, that such election shall be held on the
11 second Tuesday in May if the commissioner at the request of a local
12 school board certifies no later than March first that such election
13 would conflict with religious observances. [When such election or vote
14 is taken by recording the ayes and noes of the qualified voters attend-
15 ing, a majority of the qualified voters present and voting, by a hand or
16 voice vote, may determine to take up the question of voting the neces-
17 sary funds to meet the estimated expenditures for a specific item sepa-
18 rately, and the qualified voters present and voting may increase the
19 amount of any estimated expenditures or reduce the same, except for
20 teachers' salaries, and the ordinary contingent expenses of the
21 schools.] The sole trustee, board of trustees or board of education of
22 every common, union free, central or central high school district and
23 every city school district to which this article applies shall hold a
24 budget hearing not less than seven nor more than fourteen days prior to
25 the annual meeting and election [or special district meeting at which a
26 school budget vote will occur], and shall prepare and present to the
27 voters at such budget hearing a proposed school district budget for the
28 ensuing school year. IF THE QUALIFIED VOTERS HAVE APPROVED A TAX LEVY
29 PROPOSITION OR UNDERRIDE PROPOSITION IN ACCORDANCE WITH SECTION TWO
30 THOUSAND TWENTY-THREE-A OF THIS PART, SUCH TRUSTEES OR BOARD OF EDUCA-
31 TION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH PROPOSITION. IF NO
32 TAX LEVY PROPOSITION OR UNDERRIDE PROPOSITION HAS BEEN APPROVED BY THE
33 QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A
34 BUDGET THAT REQUIRES A TAX LEVY, EXCLUDING ANY CAPITAL TAX LEVY AND ANY
35 PENSION SUPPORT TAX LEVY, THAT IS NO GREATER THAN THE TAX LEVY BASE
36 DETERMINED PURSUANT TO SECTION THIRTEEN HUNDRED SEVEN OF THE REAL PROP-
37 erty TAX LAW.

38 2. [Except as provided in subdivision four of this section, nothing]
39 NOTHING in this section shall preclude the trustees or board of educa-
40 tion, in their discretion, from submitting additional items of expendi-
41 ture to the voters for approval as separate propositions or the voters
42 from submitting propositions pursuant to [section] SECTIONS two thousand
43 eight and two thousand thirty-five of this [article] PART.

44 2-a. Every common, union free, central, central high school district
45 and city school district to which this article applies shall mail a
46 school budget notice to all qualified voters of the school district
47 after the date of the budget hearing, but no later than six days prior
48 to the annual meeting and election [or special district meeting at which
49 a school budget vote will occur]. The school budget notice shall compare
50 the percentage increase or decrease in total spending under the proposed
51 budget over total spending under the school district budget adopted for
52 the current school year, with the percentage increase or decrease in the
53 consumer price index, from January first of the prior school year to
54 January first of the current school year, and shall also include [the
55 information required by paragraphs a and b of this subdivision. The
56 notice shall also set forth the date, time and place of the school budg-

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

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

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

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

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

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

6. Notwithstanding the provisions of subdivision four of section eighteen hundred four and subdivision five of section nineteen hundred six of this title, subdivision one of section two thousand two of this article, subdivision one of this section, subdivision two of section twen-

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

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

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

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

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

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

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

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

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

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

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

1 vances[, and any school budget revote shall be held on the date and in
2 the same manner specified in subdivision three of section two thousand
3 seven of this title]. The provisions of this article, and where applica-
4 ble subdivisions nine and nine-a of section twenty-five hundred two of
5 this title, governing the qualification and registration of voters, and
6 procedures for the nomination and election of members of the board of
7 education shall continue to apply, and shall govern the qualification
8 and registration of voters and voting procedures with respect to the
9 adoption of a school district budget.

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

1 additional items of expenditure to the voters for approval as separate
2 propositions or the voters from submitting propositions [pursuant] to
3 THE EXTENT AUTHORIZED BY sections two thousand eight and two thousand
4 thirty-five of this chapter.

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

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

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

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

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

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

53 (e) items of expense necessary to maintain the educational programs of
54 the district, preserve the property of the district or protect the
55 health and safety of students and staff, including, but not limited to,
56 support services, pupil personnel services, the necessary salaries for

1 the necessary number of non-teaching employees, necessary legal
2 expenses, water and utility charges, instructional supplies for teach-
3 ers' use, emergency repairs, temporary rental of essential classroom
4 facilities, and expenditures necessary to advise school district voters
5 concerning school matters; and

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

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

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

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

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

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

54 S 20. Paragraphs a and b of subdivision 1 of section 3635 of the
55 education law, paragraph a as amended by chapter 69 of the laws of 1992,
56 paragraph b as amended by chapter 718 of the laws of 1990 and subpara-

1 graph (i) of paragraph b as amended by chapter 571 of the laws of 1994,
2 are amended to read as follows:

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

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

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

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

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

8 S 22. Subdivisions 1, 3, 3-a, 4 and 5 of section 3651 of the education
9 law, subdivision 1 as amended by chapter 504 of the laws of 1949, subdivi-
10 sions 3 and 4 as added by chapter 782 of the laws of 1948, subdivision
11 3-a as added by chapter 588 of the laws of 1988, and subdivision 5 as
12 amended by chapter 976 of the laws of 1963, are amended to read as
13 follows:

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

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

40 [3-a. Notwithstanding the provisions of subdivision three of this
41 section, any school district which establishes a reserve fund in accord-
42 ance with subdivision one-a of this section may make expenditures from
43 such fund for the purposes specified in such subdivision without author-
44 ization of the voters.]

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

48 5. Whenever the [voters] SCHOOL AUTHORITIES shall determine that the
49 original purpose for which a reserve fund has been established is no
50 longer desirable, [the school authorities] THEY may liquidate the fund
51 by first applying its proceeds to any outstanding bonded indebtedness
52 and applying the balance, if any, to the annual tax levy, provided,
53 however, that the amount so applied in any one year shall not be greater
54 than the amount which will reduce the tax rate for school purposes below
55 five mills on actual valuation; provided, however, that the school
56 authorities in any school district having no outstanding bonded indebt-

1 edness may, in any year in which no state aid is payable thereto under
2 the provisions of this chapter, liquidate such fund by applying the
3 balance thereof to the annual tax levy, regardless of the tax rate for
4 school purposes[, subject to the approval of a majority of the qualified
5 electors of the district voting on a proposition therefor submitted at a
6 regular or special school district meeting, or in school districts which
7 do not have such meetings, at an election called for such purpose].
8 S 23. This act shall take effect immediately and shall first apply to
9 the levy of taxes by school districts for the 2010-2011 school year and
10 to school district meetings and elections held on and after such effec-
11 tive date; provided, however, that sections eight, fifteen, nineteen,
12 twenty and twenty-one of this act shall take effect July 1, 2010.