

2706

2011-2012 Regular Sessions

I N S E N A T E

January 28, 2011

Introduced by Sen. SKELOS -- (at request of the Governor) -- read twice
and ordered printed, and when printed to be committed to the Committee
on Finance

AN ACT to amend the general municipal law, the education law and the
municipal home rule law, in relation to establishing limitations upon
school district and local government tax levies; and to repeal 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 general municipal law is amended by adding a new
2 section 3-c to read as follows:
3 S 3-C. LIMITATION UPON REAL PROPERTY TAX LEVIES BY LOCAL GOVERNMENTS.
4 1. UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF REAL PROPERTY TAXES
5 THAT MAY BE LEVIED BY OR ON BEHALF OF ANY LOCAL GOVERNMENT, OTHER THAN
6 THE CITY OF NEW YORK AND THE COUNTIES CONTAINED THEREIN, SHALL NOT
7 EXCEED THE TAX LEVY LIMITATION ESTABLISHED PURSUANT TO THIS SECTION.
8 2. WHEN USED IN THIS SECTION:
9 (A) "ALLOWABLE LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE AND
10 TWO ONE-HUNDREDTHS; OR (II) THE SUM OF ONE PLUS THE INFLATION FACTOR;
11 PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE LEVY GROWTH FACTOR BE LESS
12 THAN ONE.
13 (B) "APPROVED CAPITAL EXPENDITURES" MEANS THE EXPENDITURES ASSOCIATED
14 WITH CAPITAL PROJECTS THAT HAVE BEEN APPROVED BY THE QUALIFIED VOTERS OF
15 THE LOCAL GOVERNMENT.
16 (C) "AVAILABLE CARRYOVER" MEANS THE SUM OF THE AMOUNT BY WHICH THE TAX
17 LEVY FOR THE PRIOR FISCAL YEAR WAS BELOW THE TAX LEVY LIMIT FOR SUCH
18 FISCAL YEAR, IF ANY, BUT NO MORE THAN ONE AND ONE-HALF PERCENT OF THE
19 TAX LEVY LIMIT FOR SUCH FISCAL YEAR.
20 (D) "CAPITAL TAX LEVY" MEANS THE TAX LEVY NECESSARY TO SUPPORT CAPITAL
21 EXPENDITURES, IF ANY.

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

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1 (E) "COMING FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT
2 FOR WHICH A TAX LEVY LIMITATION SHALL BE DETERMINED PURSUANT TO THIS
3 SECTION.

4 (F) "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE
5 NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPART-
6 MENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE
7 START OF THE COMING FISCAL YEAR MINUS THE AVERAGE OF THE NATIONAL
8 CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF
9 LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START
10 OF THE PRIOR FISCAL YEAR, DIVIDED BY: (II) THE AVERAGE OF THE NATIONAL
11 CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPARTMENT OF
12 LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX MONTHS PRIOR TO THE START
13 OF THE PRIOR FISCAL YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR
14 PLACES.

15 (G) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, VILLAGE, FIRE
16 DISTRICT, OR SPECIAL DISTRICT INCLUDING BUT NOT LIMITED TO A DISTRICT
17 CREATED PURSUANT TO ARTICLES TWELVE, TWELVE-A, TWELVE-C OR THIRTEEN OF
18 THE TOWN LAW, ARTICLES FIVE-A, FIVE-B OR FIVE-D OF THE COUNTY LAW, CHAP-
19 TER FIVE HUNDRED SIXTEEN OF THE LAWS OF NINETEEN HUNDRED TWENTY-EIGHT,
20 OR CHAPTER TWO HUNDRED SEVENTY-THREE OF THE LAWS OF NINETEEN HUNDRED
21 THIRTY-NINE, BUT SHALL NOT INCLUDE THE CITY OF NEW YORK OR THE COUNTIES
22 CONTAINED THEREIN.

23 (H) "PRIOR FISCAL YEAR" MEANS THE FISCAL YEAR OF THE LOCAL GOVERNMENT
24 IMMEDIATELY PRECEDING THE COMING FISCAL YEAR.

25 (I) "TAX LEVY LIMITATION" MEANS THE AMOUNT OF TAXES A LOCAL GOVERNMENT
26 IS AUTHORIZED TO LEVY PURSUANT TO THIS SECTION, PROVIDED, HOWEVER, THAT
27 THE TAX LEVY LIMIT SHALL NOT INCLUDE THE LOCAL GOVERNMENT'S APPROVED
28 CAPITAL TAX LEVY, IF ANY.

29 3. (A) SUBJECT TO THE PROVISIONS OF SUBDIVISION FIVE OF THIS SECTION,
30 BEGINNING WITH THE FISCAL YEAR THAT BEGINS IN TWO THOUSAND TWELVE, NO
31 LOCAL GOVERNMENT SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY THAT IS
32 GREATER THAN THE TAX LEVY LIMITATION FOR THE COMING FISCAL YEAR.

33 (B) THE STATE COMPTROLLER SHALL CALCULATE THE TAX LEVY LIMITATION FOR
34 EACH LOCAL GOVERNMENT BY THE ONE HUNDRED TWENTIETH DAY PRECEDING THE
35 COMMENCEMENT OF EACH LOCAL GOVERNMENT'S FISCAL YEAR, AND SHALL NOTIFY
36 EACH LOCAL GOVERNMENT OF THE TAX LEVY LIMITATION SO DETERMINED.

37 (C) THE TAX LEVY LIMITATION APPLICABLE TO THE COMING FISCAL YEAR SHALL
38 BE DETERMINED AS FOLLOWS:

39 (I) ASCERTAIN THE TOTAL AMOUNT OF TAXES LEVIED FOR THE PRIOR FISCAL
40 YEAR.

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

43 (III) SUBTRACT THE APPROVED CAPITAL TAX LEVY FOR THE PRIOR FISCAL
44 YEAR, IF ANY.

45 (IV) SUBTRACT THE LEVY ATTRIBUTABLE TO A LARGE LEGAL SETTLEMENT OF A
46 TORT ACTION EXCLUDED FROM THE LEVY LIMITATION IN THE PRIOR FISCAL YEAR,
47 IF ANY.

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

49 (VI) SUBTRACT ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING
50 FISCAL YEAR.

51 (VII) ADD THE AVAILABLE CARRYOVER, IF ANY.

52 (D) IN THE EVENT THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS APPROVED
53 A LEGAL SETTLEMENT OF A TORT ACTION AGAINST THE GOVERNMENT, THE ANNUAL
54 COSTS OF WHICH EXCEED TEN PERCENT OF THE PROPERTY TAXES LEVIED BY THE
55 LOCAL GOVERNMENT IN THE PRIOR FISCAL YEAR, THE STATE COMPTROLLER, UPON
56 APPLICATION BY THE LOCAL GOVERNMENT, MAY ADJUST THE TAX LEVY LIMITATION

FOR THE COMING FISCAL YEAR APPLICABLE TO SUCH LOCAL GOVERNMENT, BY ADDING THE ANNUAL COSTS OF SUCH SETTLEMENT TO THE TAX LEVY LIMITATION.

(E) THE STATE COMPTROLLER SHALL DETERMINE THE PORTION OF THE TAX LEVY OF EACH COUNTY THAT IS ATTRIBUTABLE TO ANY INCREASE OR DECREASE OVER THE PRIOR YEAR IN THE COST OF THE COUNTY SHARE OF DIRECT CASH ASSISTANCE TO PERSONS ELIGIBLE FOR THE FEDERAL-STATE-LOCAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES PROGRAM OR THE STATE-LOCAL SAFETY NET ASSISTANCE PROGRAM AND SHALL ADJUST THE TAX LEVY LIMITATION FOR SUCH COUNTY TO REFLECT SUCH CHANGE.

(F) WHENEVER THE RESPONSIBILITY AND ASSOCIATED COST OF A LOCAL GOVERNMENT ACTIVITY IS TRANSFERRED TO ANOTHER LOCAL GOVERNMENT, THE STATE COMPTROLLER SHALL DETERMINE THE COSTS AND SAVINGS ON THE AFFECTED LOCAL GOVERNMENTS ATTRIBUTABLE TO SUCH TRANSFER FOR THE FIRST FISCAL YEAR FOLLOWING THE TRANSFER, AND ADJUST THE TAX LEVY LIMITATIONS OF SUCH LOCAL GOVERNMENTS ACCORDINGLY.

4. A LOCAL GOVERNMENT MAY ADOPT A BUDGET THAT REQUIRES A TAX LEVY THAT IS GREATER THAN THE TAX LEVY LIMITATION FOR THE COMING FISCAL YEAR ONLY IF THE GOVERNING BODY OF SUCH LOCAL GOVERNMENT FIRST ENACTS, BY A TWO-THIRDS VOTE OF THE TOTAL VOTING POWER OF SUCH BODY, A LOCAL LAW TO OVERRIDE SUCH LIMITATION FOR SUCH COMING FISCAL YEAR ONLY, OR IN THE CASE OF A DISTRICT OR FIRE DISTRICT, A RESOLUTION TO OVERRIDE SUCH LIMITATION FOR SUCH COMING FISCAL YEAR ONLY.

5. (A) WHEN TWO OR MORE LOCAL GOVERNMENTS CONSOLIDATE, THE STATE COMPTROLLER SHALL DETERMINE THE TAX LEVY LIMITATION CONSOLIDATED LOCAL GOVERNMENT FOR THE FIRST FISCAL YEAR FOLLOWING THE CONSOLIDATION BASED ON THE RESPECTIVE TAX LEVY LIMITATIONS OF THE COMPONENT LOCAL GOVERNMENTS THAT FORMED SUCH CONSOLIDATED LOCAL GOVERNMENT FROM THE LAST FISCAL YEAR PRIOR TO THE CONSOLIDATION.

(B) WHEN A LOCAL GOVERNMENT DISSOLVES, THE STATE COMPTROLLER SHALL DETERMINE THE TAX LEVY LIMITATION FOR THE LOCAL GOVERNMENT THAT ASSUMES THE DEBTS, LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT FOR THE FIRST FISCAL YEAR FOLLOWING THE DISSOLUTION BASED ON THE RESPECTIVE TAX LEVY LIMITATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT AND SUCH LOCAL GOVERNMENT THAT ASSUMES THE DEBTS, LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT FROM THE LAST FISCAL YEAR PRIOR TO THE DISSOLUTION.

(C) THE TAX LIMITATION ESTABLISHED BY THIS SECTION SHALL NOT APPLY TO THE FIRST FISCAL YEAR AFTER A LOCAL GOVERNMENT IS NEWLY ESTABLISHED OR CONSTITUTED THROUGH A PROCESS OTHER THAN CONSOLIDATION OR DISSOLUTION.

6. IN THE EVENT A LOCAL GOVERNMENT'S ACTUAL TAX LEVY FOR A GIVEN FISCAL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTABLISHED PURSUANT TO THIS SECTION DUE TO CLERICAL OR TECHNICAL ERRORS, THE LOCAL GOVERNMENT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN ACCORDANCE WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY PRESCRIBE, AND SHALL USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO OFFSET THE TAX LEVY FOR THE ENSUING FISCAL YEAR.

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

S 2023-A. LIMITATIONS UPON SCHOOL DISTRICT TAX LEVIES. 1. GENERALLY. UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF TAXES THAT MAY BE LEVIED BY OR ON BEHALF OF ANY SCHOOL DISTRICT, OTHER THAN A CITY SCHOOL DISTRICT OF A CITY WITH ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS OR MORE, SHALL NOT EXCEED THE TAX LEVY LIMITATIONS ESTABLISHED PURSUANT TO THIS SECTION. IT SHALL BE THE RESPONSIBILITY OF THE COMMISSIONER TO ANNUALLY DETERMINE THE TAX LEVY LIMIT OF EACH SCHOOL DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

2. DEFINITIONS. AS USED IN THIS SECTION:

A. "ALLOWABLE LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE AND TWO ONE-HUNDREDTHS; OR (II) THE SUM OF ONE PLUS THE INFLATION FACTOR; PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE LEVY GROWTH FACTOR BE LESS THAN ONE.

B. "AVAILABLE CARRYOVER" MEANS THE SUM OF THE AMOUNTS BY WHICH THE TAX LEVY FOR THE PRIOR SCHOOL YEAR WAS BELOW THE APPLICABLE TAX LEVY LIMIT FOR SUCH SCHOOL YEAR, IF ANY, BUT NO MORE THAN ONE AND ONE-HALF PERCENT OF THE TAX LEVY LIMIT FOR SUCH SCHOOL YEAR.

C. "CAPITAL LOCAL EXPENDITURES" MEANS THE TAXES 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.

D. "CAPITAL TAX LEVY" MEANS THE TAX LEVY NECESSARY TO SUPPORT CAPITAL LOCAL EXPENDITURES, IF ANY.

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

F. "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.

G. "PRIOR SCHOOL YEAR" MEANS THE SCHOOL YEAR IMMEDIATELY PRECEDING THE COMING SCHOOL YEAR.

H. "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.

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

J. "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.

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

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

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

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

(4) MULTIPLY THE RESULT BY THE ALLOWABLE LEVY GROWTH FACTOR.

(5) SUBTRACT ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING FISCAL YEAR.

B. THE TAX LEVY LIMIT FOR THE COMING SCHOOL YEAR SHALL BE THE SUM OF THE TAX LEVY BASE AND THE AVAILABLE CARRYOVER, IF ANY. NO LATER THAN MARCH FIRST OF EACH YEAR, THE COMMISSIONER SHALL CALCULATE THE TAX LEVY LIMIT FOR EACH SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR, AND SHALL

NOTIFY EACH SCHOOL DISTRICT OF THE ALLOWABLE LEVY GROWTH FACTOR, THE DISTRICT'S TAX LEVY BASE AND THE DISTRICT'S TAX LEVY LIMIT.

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

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

S 3. The education law is amended by adding a new section 2023-b to read as follows:

S 2023-B. VOTER APPROVAL OF TAX LEVY LIMITATIONS. 1. THE TAX LEVY FOR ANY SCHOOL DISTRICT SUBJECT TO THE TAX LEVY LIMITATIONS ESTABLISHED BY SECTION TWO THOUSAND TWENTY-THREE-A OF THIS ARTICLE SHALL BE APPROVED BY THE QUALIFIED VOTERS OF THE SCHOOL DISTRICT AS PROVIDED IN THIS SECTION. AS USED IN THIS SECTION, THE TERM "TAX LEVY PROPOSITION" MEANS A PROPOSITION TO AUTHORIZE A TAX LEVY SUFFICIENT TO SUPPORT THE PROPOSED SCHOOL DISTRICT BUDGET, EXCLUDING ANY PROPOSED CAPITAL TAX LEVY.

2. A. 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, OF _____ WHEN THE STATUTORY TAX LEVY LIMIT FOR THAT SCHOOL YEAR IS _____?"

B. EXCEPT AS OTHERWISE PROVIDED IN SECTION TWO THOUSAND TWENTY-THREE-A OF THIS ARTICLE, IF THE PROPOSED TAX LEVY DOES NOT EXCEED THE TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS ARTICLE, THEN THE PROPOSITION SHALL BE APPROVED IF OVER FIFTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE. IF THE PROPOSED TAX LEVY EXCEEDS THE TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS ARTICLE, THEN THE PROPOSITION SHALL BE APPROVED IF OVER SIXTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE.

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 TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH TAX LEVY LIMIT. IF THE TAX LEVY PROPOSITION IS NOT APPROVED BY THE QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL PRESENT ON THE THIRD TUESDAY OF JUNE A TAX LEVY PROPOSITION IN ACCORDANCE WITH PARAGRAPHS A AND B OF THIS SUBDIVISION. IF, HOWEVER, THE TAX LEVY PROPOSITION IS THEN NOT APPROVED BY THE QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY NO GREATER THAN THAT FOR THE PRIOR SCHOOL YEAR.

S 4. 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

1 as amended by chapter 171 of the laws of 1996, are amended to read as
2 follows:

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

18 3. No addition to or change of site or purchase of a new site or tax
19 for the purchase of any new site or structure, or for grading or improv-
20 ing a school site, or for the purchase of an addition to the site of any
21 schoolhouse, or for the purchase of lands and buildings for agricul-
22 tural, athletic, playground or social center purposes, or for building
23 any new schoolhouse or for the erection of an addition to any school-
24 house already built, or for the payment or refunding of an outstanding
25 bonded indebtedness, shall be voted at any such meeting in a union free
26 school district or a city school district [which conducts annual budget
27 votes in accordance with article forty-one of this chapter pursuant to
28 section twenty-six hundred one-a of this chapter] IN A CITY WITH LESS
29 THAN ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS, unless a notice by
30 the board of education stating that such tax will be proposed, and spec-
31 ifying the object thereof and the amount to be expended therefor, shall
32 have been given in the manner provided herein for the notice of an annu-
33 al meeting. In a common school district the notice of a special meeting
34 to authorize any of the improvements enumerated in this section shall be
35 given as provided in [section two thousand six] THIS CHAPTER. The board
36 of education of a union free school district or a city school district
37 [which conducts annual budget votes in accordance with article forty-one
38 of this chapter pursuant to section twenty-six hundred one-a of this
39 chapter] IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE THOUSAND
40 INHABITANTS, may determine that the vote upon any question to be submit-
41 ted at a special meeting as provided in this section shall be by ballot,
42 in which case it shall state in the notice of such special meeting the
43 hours during which the polls shall be kept open. Printed ballots may be
44 prepared by the board in advance of the meeting and the proposition or
45 propositions called for in the notice of the meeting may be submitted in
46 substantially the same manner as propositions to be voted upon at a
47 general election.

48 S 5. Subdivisions 14, 15, 18 and 24 of section 1604 of the education
49 law, subdivision 14 and 18 as amended by chapter 654 of the laws of
50 1953, are amended to read as follows:

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

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

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

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

S 6. Section 1608 of the education law, as amended by section 5 of part A of chapter 436 of the laws of 1997, subdivisions 2 and 4 as amended by chapter 640 of the laws of 2008, subdivision 7 as amended by section 4 of part H of chapter 83 of the laws of 2002 and paragraph a of subdivision 7 as amended by chapter 238 of the laws of 2007, is amended to read as follows:

S 1608. Estimated expenses for ensuing year. 1. It shall be the duty of the trustees of each common school district to present at the annual budget hearing a detailed statement in writing of the amount of money which will be required for the ensuing year for school purposes, specifying the several purposes and the amount for each. The amount for each purpose estimated necessary for payments to boards of cooperative educational services shall be shown in full, with no deduction of estimated state aid. The amount of state aid provided and its percentage relationship to the total expenditures shall also be shown. This section shall not be construed to prevent the trustees from presenting such statement at a budget hearing held not less than seven nor more than fourteen days prior to a special meeting called for the purpose, nor from presenting a supplementary and amended statement or estimate at any time.

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

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

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's 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 office of trustee or board of trustees, the
22 office of the superintendent of schools, general administration, the
23 school business office, consulting costs not directly related to direct
24 student services and programs, planning and all other administrative
25 activities. The program component shall include, but need not be limited
26 to, all program expenditures of the school district, including the sala-
27 ries and benefits of teachers and any school administrators or supervi-
28 sors who spend a majority of their time performing teaching duties, and
29 all transportation operating expenses. The capital component shall
30 include, but need not be limited to, all transportation capital, debt
31 service, and lease expenditures; costs resulting from judgments in tax
32 certiorari proceedings or the payment of awards from court judgments,
33 administrative orders or settled or compromised claims; and all facili-
34 ties costs of the school district, including facilities lease expendi-
35 tures, the annual debt service and total debt for all facilities
36 financed by bonds and notes of the school district, and the costs of
37 construction, acquisition, reconstruction, rehabilitation or improvement
38 of school buildings, provided that such budget shall include a rental,
39 operations and maintenance section that includes base rent costs, total
40 rent costs, operation and maintenance charges, cost per square foot for
41 each facility leased by the school district, and any and all expendi-
42 tures associated with custodial salaries and benefits, service
43 contracts, supplies, utilities, and maintenance and repairs of school
44 facilities. [For the purposes of the development of a budget for the
45 nineteen hundred ninety-eight--ninety-nine school year, the trustee or
46 board of trustees shall separate the district's program, capital and
47 administrative costs for the nineteen hundred ninety-seven--ninety-eight
48 school year in the manner as if the budget for such year had been
49 presented in three components.]

50 5. The trustee or board of trustees shall append to the statement of
51 estimated expenditures a detailed statement of the total compensation to
52 be paid to the superintendent of schools, and any assistant or associate
53 superintendents of schools in the ensuing school year, including a
54 delineation of the salary, annualized cost of benefits and any in-kind
55 or other form of remuneration. The trustees shall also append a list of
56 all other school administrators and supervisors, if any, whose annual

1 salary will be eighty-five thousand dollars or more in the ensuing
2 school year, with the title of their positions and annual salary identi-
3 fied; provided however, that the commissioner may adjust such salary
4 level to reflect increases in administrative salaries after June thirti-
5 eth, nineteen hundred ninety-eight. The trustees shall submit a copy of
6 such list and statement, in a form prescribed by the commissioner, of
7 compensation to the commissioner within five days after their prepara-
8 tion. The commissioner shall compile such data, together with the data
9 submitted pursuant to subdivision three of section seventeen hundred
10 sixteen of this chapter, into a single statewide compilation, which
11 shall be made available to the governor, the legislature, and other
12 interested parties upon request.

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

41 7. a. Each year, commencing with the proposed budget for the two thou-
42 sand--two thousand one school year, the trustee or board of trustees
43 shall prepare a property tax report card, pursuant to regulations of the
44 commissioner, and shall make it publicly available by transmitting it to
45 local newspapers of general circulation, appending it to copies of the
46 proposed budget made publicly available as required by law, making it
47 available for distribution at the annual [meeting] BUDGET HEARING, and
48 otherwise disseminating it as required by the commissioner. Such report
49 card shall include: (i) the amount of total spending and total estimated
50 school tax levy that would result from adoption of the proposed budget
51 and the percentage increase or decrease in total spending and total
52 school tax levy from the school district budget for the preceding school
53 year; and (ii) THE DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETER-
54 MINED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS TITLE, THE
55 TAX LEVY PROPOSED BY THE DISTRICT, THE PROPOSED CAPITAL TAX LEVY, IF
56 ANY; AND (III) the projected enrollment growth for the school year for

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

13 b. A copy of the property tax report card prepared for the annual
14 [district meeting] BUDGET HEARING shall be submitted to the department
15 in the manner prescribed by the department by the end of the business
16 day next following approval of the report card by the trustee or board
17 of trustees, but no later than twenty-four days prior to the statewide
18 uniform voting day. The department shall compile such data for all
19 school districts [whose budgets are subject to a vote of the qualified
20 voters] SUBJECT TO A TAX LEVY LIMITATION PURSUANT TO SECTION TWO THOU-
21 SAND TWENTY-THREE-A OF THIS TITLE and shall make such compilation avail-
22 able electronically at least ten days prior to the statewide uniform
23 voting day.

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

36 S 7. Subdivisions 22 and 28 of section 1709 of the education law
37 subdivision 22 as amended by chapter 682 of the laws of 2002, are
38 amended to read as follows:

39 22. To provide, purchase, lease, furnish and maintain buildings or
40 other suitable accommodations for the use of teachers or other employees
41 of the district [when duly authorized by a meeting of the district]
42 SUBJECT TO THE APPROVAL OF VOTERS WHERE OTHERWISE REQUIRED BY LAW, and
43 to raise by tax upon the taxable property of the district and moneys
44 necessary for such purposes; and also to provide, maintain and operate a
45 cafeteria or restaurant service for the use of pupils and teachers while
46 at school. Such cafeteria may be used by the community for school
47 related functions and activities and to furnish meals to the elderly
48 residents, sixty years of age or older, of the district. Such CAFETERIA
49 OR RESTAURANT SERVICE AND SUCH utilization shall be subject to the
50 approval of the board of education. Charges shall be sufficient to meet
51 the direct cost of preparing and serving such meals, reducible by avail-
52 able reimbursements.

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

1 S 8. Section 1716 of the education law, as amended by section 7 of
2 part A of chapter 436 of the laws of 1997, subdivisions 2 and 4 as
3 amended by chapter 640 of the laws of 2008, subdivision 7 as amended by
4 section 5 of part H of chapter 83 of the laws of 2002 and paragraph a of
5 subdivision 7 as amended by chapter 238 of the laws of 2007, is amended
6 to read as follows:

7 S 1716. Estimated expenses for ensuing year. 1. It shall be the duty
8 of the board of education of each district to present at the annual
9 budget hearing a detailed statement in writing of the amount of money
10 which will be required for the ensuing year for school purposes, speci-
11 fying the several purposes and the amount for each. The amount for each
12 purpose estimated necessary for payments to boards of cooperative educa-
13 tional services shall be shown in full, with no deduction of estimated
14 state aid. The amount of state aid provided and its percentage relation-
15 ship to the total expenditures shall also be shown. This section shall
16 not be construed to prevent the board from presenting such statement at
17 a budget hearing held not less than seven nor more than fourteen days
18 prior to a special meeting called for the purpose, nor from presenting a
19 supplementary and amended statement or estimate at any time.

20 2. Such statement shall be completed at least seven days before the
21 budget hearing at which it is to be presented and copies thereof shall
22 be prepared and made available, upon request and at the school district
23 offices, at any public library or free association library within the
24 district and on the school district's internet website, if one exists,
25 to residents within the district during the period of fourteen days
26 immediately preceding the annual meeting [and election or special
27 district meeting at which the budget vote will occur] and at such meet-
28 ing or hearing. The board shall also as a part of the notice required by
29 section two thousand four of this chapter give notice of the date, time
30 and place of the budget hearing and that a copy of such statement may be
31 obtained by any resident in the district at each schoolhouse in the
32 district in which school is maintained during certain designated hours
33 on each day other than a Saturday, Sunday or holiday during the fourteen
34 days immediately preceding such meeting. The board shall include notice
35 of the availability of such statement at least once during the school
36 year in any district-wide mailing distributed.

37 3. Commencing with the proposed budget for the nineteen hundred nine-
38 ty-seven--ninety-eight school year, such proposed budget shall be in
39 plain language and shall be consistent with regulations promulgated by
40 the commissioner pursuant to subdivision twenty-six of section three
41 hundred five of this chapter. Categorization of and format for revenue,
42 including payments in lieu of taxes, property tax refunds from certior-
43 ari proceedings, expenditure, transfer, and fund balance information and
44 changes in such data from the prior year and, in the case of [a resub-
45 mitted or] AN amended budget, changes in such information from the prior
46 year submitted budget, shall be complete and accurate and set forth in
47 such a manner as to best promote public comprehension and readability.

48 4. Commencing with the proposed budget for the nineteen hundred nine-
49 ty-eight--ninety-nine school year, such proposed budget shall be
50 presented in three components: a program component, a capital component
51 and an administrative component which shall be separately delineated in
52 accordance with regulations of the commissioner after consultation with
53 local school district officials. The administrative component shall
54 include, but need not be limited to, office and central administrative
55 expenses, traveling expenses and all compensation, salaries and benefits
56 of all school administrators and supervisors, including business admin-

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

32 5. The board of education shall append to the statement of estimated
33 expenditures a detailed statement of the total compensation to be paid
34 to the superintendent of schools, and any assistant or associate super-
35 intendents of schools in the ensuing school year, including a deline-
36 ation of the salary, annualized cost of benefits and any in-kind or
37 other form of remuneration. The board shall also append a list of all
38 other school administrators and supervisors, if any, whose annual salary
39 will be eighty-five thousand dollars or more in the ensuing school year,
40 with the title of their positions and annual salary identified; provided
41 however, that the commissioner may adjust such salary level to reflect
42 increases in administrative salaries after June thirtieth, nineteen
43 hundred ninety-eight. The board of education shall submit a copy of such
44 list and statement, in a form prescribed by the commissioner, of compen-
45 sation to the commissioner within five days after their preparation. The
46 commissioner shall compile such data, together with the data submitted
47 pursuant to subdivision four of section sixteen hundred eight of this
48 [chapter] TITLE, into a single statewide compilation, which shall be
49 made available to the governor, the legislature, and other interested
50 parties upon request.

51 6. Each year, the board of education shall prepare a school district
52 report card, pursuant to regulations of the commissioner, and shall make
53 it publicly available by transmitting it to local newspapers of general
54 circulation, appending it to copies of the proposed budget made publicly
55 available as required by law, making it available for distribution at
56 the annual meeting, and otherwise disseminating it as required by the

1 commissioner. Such report card shall include measures of the academic
2 performance of the school district, on a school by school basis, and
3 measures of the fiscal performance of the district, as prescribed by the
4 commissioner. Pursuant to regulations of the commissioner, the report
5 card shall also compare these measures to statewide averages for all
6 public schools, and statewide averages for public schools of comparable
7 wealth and need, developed by the commissioner. Such report card shall
8 include, at a minimum, any information of the school district regarding
9 pupil performance and expenditure per pupil required to be included in
10 the annual report by the regents to the governor and the legislature
11 pursuant to section two hundred fifteen-a of this chapter; and any other
12 information required by the commissioner. School districts (i) identi-
13 fied as having fifteen percent or more of their students in special
14 education, or (ii) which have fifty percent or more of their students
15 with disabilities in special education programs or services sixty
16 percent or more of the school day in a general education building, or
17 (iii) which have eight percent or more of their students with disabili-
18 ties in special education programs in public or private separate educa-
19 tional settings shall indicate on their school district report card
20 their respective percentages as defined in this paragraph and paragraphs
21 (i) and (ii) of this subdivision as compared to the statewide average.

22 7. a. Each year, commencing with the proposed budget for the two thou-
23 sand--two thousand one school year, the board of education shall prepare
24 a property tax report card, pursuant to regulations of the commissioner,
25 and shall make it publicly available by transmitting it to local newspa-
26 pers of general circulation, appending it to copies of the proposed
27 budget made publicly available as required by law, making it available
28 for distribution at the annual [meeting] BUDGET HEARING, and otherwise
29 disseminating it as required by the commissioner. Such report card shall
30 include: (i) the amount of total spending and total estimated school tax
31 levy that would result from adoption of the proposed budget and the
32 percentage increase or decrease in total spending and total school tax
33 levy from the school district budget for the preceding school year; and
34 (ii) THE DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETERMINED PURSUANT
35 TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS TITLE, THE TAX LEVY
36 PROPOSED BY THE DISTRICT, AND THE PROPOSED CAPITAL TAX LEVY, IF ANY; AND
37 (III) the projected enrollment growth for the school year for which the
38 budget is prepared, and the percentage change in enrollment from the
39 previous year; and [(iii)] (IV) the percentage increase in the consumer
40 price index, as defined in paragraph c of this subdivision; and [(iv)]
41 (V) the projected amount of the unappropriated unreserved fund balance
42 that will be retained if the proposed budget is adopted, the projected
43 amount of the reserved fund balance, the projected amount of the appro-
44 priated fund balance, the percentage of the proposed budget that the
45 unappropriated unreserved fund balance represents, the actual unappro-
46 priated unreserved fund balance retained in the school district budget
47 for the preceding school year, and the percentage of the school district
48 budget for the preceding school year that the actual unappropriated
49 unreserved fund balance represents.

50 b. A copy of the property tax report card prepared for the annual
51 [district meeting] BUDGET HEARING shall be submitted to the department
52 in the manner prescribed by the department by the end of the business
53 day next following approval of the report card by the board of educa-
54 tion, but no later than twenty-four days prior to the statewide uniform
55 voting day. The department shall compile such data for all school
56 districts [whose budgets are subject to a vote of the qualified voters]

1 SUBJECT TO A TAX LEVY LIMITATION PURSUANT TO SECTION TWO THOUSAND TWEN-
2 TY-THREE-A OF THIS TITLE and shall make such compilation available elec-
3 tronically at least ten days prior to the statewide uniform voting day.

4 c. For purposes of this subdivision, "percentage increase in the
5 consumer price index" shall mean the percentage that represents the
6 product of one hundred and the quotient of: (i) the average of the
7 national consumer price indexes determined by the United States depart-
8 ment of labor for the twelve-month period preceding January first of the
9 current year minus the average of the national consumer price indexes
10 determined by the United States department of labor for the twelve-month
11 period preceding January first of the prior year, divided by (ii) the
12 average of the national consumer price indexes determined by the United
13 States department of labor for the twelve-month period preceding January
14 first of the prior year, with the result expressed as a decimal to two
15 places.

16 S 9. Section 1718 of the education law, as amended by chapter 774 of
17 the laws of 1965 and subdivision 2 as amended by chapter 82 of the laws
18 of 1995, is amended to read as follows:

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

24 2. Notwithstanding the provisions of subdivision one of this section,
25 grants in aid received from the state and federal governments for
26 specific purposes, other state AID OR grants in aid [identified by the
27 commissioner] for general use [as specified by the board of education],
28 other gifts which are required to be spent for particular objects or
29 purposes and insurance proceeds received for the loss, theft, damage or
30 destruction of real or personal property, when proposed to be used or
31 applied to repair or replace such property, may be appropriated by
32 resolution of the board of education at any time for such objects or
33 purposes.

34 S 10. Section 2005 of the education law, as amended by section 3 of
35 part M of chapter 57 of the laws of 2005, is amended to read as follows:

36 S 2005. Special meeting to transact business of annual meeting. When-
37 ever the time for holding the annual meeting in a school district shall
38 pass without such meeting being held, a special meeting[, to be held on
39 the date specified for a school budget revote pursuant to subdivision
40 three of section two thousand seven of this part,] shall thereafter be
41 called by the trustees or by the clerk of such district for the purpose
42 of transacting the business of the annual meeting; and if no such meet-
43 ing be called by the trustees or the clerk within ten days after such
44 time shall have passed, the district superintendent of the supervisory
45 district in which said school district is situated or the commissioner
46 [of education] may order any inhabitant of such district to give notice
47 of such meeting in the manner provided in section two thousand one of
48 this part, and the officers of the district shall make to such meeting
49 the reports required to be made at the annual meeting, subject to the
50 same penalty in case of neglect; and the officers elected at such meet-
51 ing shall hold their respective offices only until the next annual meet-
52 ing and until their successors are elected and shall have qualified.
53 Notice of such annual meeting shall comply with the requirements of
54 section two thousand three or section two thousand four of this part by
55 publishing such notices once in each week within the two weeks next
56 preceding such special meeting, the first publication to be at least

14 fourteen days before such meeting and any required posting to be four-
15 teen days before the time of such meeting. [If the qualified voters at
16 such special district meeting defeat the school district budget, the
17 trustees or board of education shall adopt a contingency budget pursuant
18 to section two thousand twenty-three of this part. Notwithstanding any
19 other provision in law, the trustees or board of education following the
20 adoption of a contingency budget may call a special district meeting for
21 a second vote on the proposed budget pursuant to the requirements of
22 subdivision three of section two thousand seven or subdivision three of
23 section two thousand six of this chapter.]

24 S 11. Subdivision 3 of section 2006 of the education law is REPEALED.

25 S 12. Subdivision 3 of section 2007 of the education law, as amended
26 by section 5 of part M of chapter 57 of the laws of 2005, is amended to
27 read as follows:

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

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

47 c.] Notwithstanding the provisions of section two thousand fourteen of
48 this part, where a school district shall have adopted personal registra-
49 tion, the board of registration shall meet on such day or days as shall
50 be fixed by the board of education, the last day of which, however,
51 shall not be more than seven nor less than two days preceding any school
52 district meeting notices for which shall have been given as provided in
53 this subdivision.

54 S 13. Section 2008 of the education law is amended by adding a new
55 subdivision 3 to read as follows:

56 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IT
57 SHALL NOT BE WITHIN THE POWER OF THE VOTERS OF A SCHOOL DISTRICT TO
58 SUBMIT A PROPOSITION THAT REQUIRES THE EXPENDITURE OF MONEY, PROVIDED
59 THAT THE VOTERS MAY SUBMIT A PROPOSITION TO CHANGE THE MILEAGE LIMITA-
60 TIONS ON TRANSPORTATION PURSUANT TO SUBDIVISION NINETEEN OF SECTION TWO
61 THOUSAND TWENTY-ONE OF THIS PART.

62 S 14. Subdivisions 10, 11, 12, 15, 16, 17, 18, 20 and 21 of section
63 2021 of the education law are REPEALED and subdivisions 8 and 19, such
64 section as renumbered by chapter 801 of the laws of 1953, are amended to
65 read as follows:

66 8. To vote a tax upon the taxable property of the district, to
67 purchase, lease and improve such sites or an addition to such sites and
68 grounds for the purposes specified in [the preceding] subdivision SEVEN
69 OF THIS SECTION, to hire or purchase rooms or buildings for school rooms

1 or schoolhouses, or to build schoolhouses[; to keep in repair and
2 furnish the same with necessary fuel, furniture and appurtenances, and
3 to purchase such implements, apparatus and supplies as may be necessary
4 to provide instruction in agriculture and other subjects, and for the
5 organization and conduct of athletic, playground and other social center
6 work].

7 19. To [provide, by tax or otherwise, for the conveyance of] DETERMINE
8 WHETHER TRANSPORTATION SHOULD BE PROVIDED PURSUANT TO PARAGRAPH A OF
9 SUBDIVISION ONE OF SECTION THIRTY-SIX HUNDRED THIRTY-FIVE OF THIS CHAP-
10 TER TO pupils residing in [a] THE school district WHO ARE IN GRADES
11 KINDERGARTEN THROUGH EIGHT AND LIVE LESS THAN TWO MILES FROM THE SCHOOL
12 THEY LEGALLY ATTEND OR ARE IN GRADES NINE THROUGH TWELVE AND LIVE LESS
13 THAN THREE MILES FROM SUCH SCHOOL OR TO PUPILS IN ANY GRADE WHO LIVE
14 MORE THAN FIFTEEN MILES FROM THE SCHOOL THEY LEGALLY ATTEND, (a) to the
15 elementary or high schools, or both, maintained in such district and/or
16 (b) to the elementary or high schools, or both, in any city or district
17 with which an education contract shall have been made, and/or (c) to the
18 elementary or high schools, or both, other than public, situated within
19 the district or an adjacent district or city, whenever such district
20 shall have contracted with the school authorities of any city, or with
21 another school district, for the education therein of the pupils resid-
22 ing in such school district, or whenever in any school district pupils
23 of school age shall reside so remote from the schoolhouse therein or the
24 elementary or high school they legally attend, within or without the
25 district, that they are practically deprived of school advantages during
26 any portion of the school year.

27 S 15. Section 2022 of the education law, as amended by section 23 of
28 part A of chapter 436 of the laws of 1997, subdivisions 1 and 3 as
29 amended by section 8 of part C of chapter 58 of the laws of 1998, subdi-
30 vision 2-a as amended by section 3 of part A of chapter 60 of the laws
31 of 2000, paragraph b of subdivision 2-a as amended by section 5 of part
32 W of chapter 57 of the laws of 2008, subdivision 4 as amended by section
33 7 of part M of chapter 57 of the laws of 2005 and subdivision 6 as added
34 by chapter 61 of the laws of 2003, is amended to read as follows:

35 S 2022. [Vote on] ADOPTION OF school district budgets [and on the];
36 ANNUAL DISTRICT MEETING AND election of school district trustees and
37 board of education members. 1. Notwithstanding any law, rule or regu-
38 lation to the contrary, the ANNUAL DISTRICT MEETING AND election of
39 trustees or members of the board of education, and the TAX LEVY PROPOSI-
40 TION vote [upon the appropriation of the necessary funds to meet the
41 estimated expenditures,] in any common school district, union free
42 school district, central school district or central high school district
43 shall be held [at the annual meeting and election] on the third Tuesday
44 in May, provided, however, that such election shall be held on the
45 second Tuesday in May if the commissioner at the request of a local
46 school board certifies no later than March first that such election
47 would conflict with religious observances. [When such election or vote
48 is taken by recording the ayes and noes of the qualified voters attend-
49 ing, a majority of the qualified voters present and voting, by a hand or
50 voice vote, may determine to take up the question of voting the neces-
51 sary funds to meet the estimated expenditures for a specific item sepa-
52 rately, and the qualified voters present and voting may increase the
53 amount of any estimated expenditures or reduce the same, except for
54 teachers' salaries, and the ordinary contingent expenses of the
55 schools.] The sole trustee, board of trustees or board of education of
56 every common, union free, central or central high school district and

1 every city school district to which this article applies shall hold a
2 budget hearing not less than seven nor more than fourteen days prior to
3 the annual meeting and election [or special district meeting at which a
4 school budget vote will occur], and shall prepare and present to the
5 voters at such budget hearing a proposed school district budget for the
6 ensuing school year. IF THE QUALIFIED VOTERS HAVE APPROVED A TAX LEVY
7 PROPOSITION IN ACCORDANCE WITH SECTION TWO THOUSAND TWENTY-THREE-B OF
8 THIS PART, SUCH TRUSTEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT
9 COMPLIES WITH SUCH PROPOSITION. IF NO TAX LEVY PROPOSITION HAS BEEN
10 APPROVED BY THE QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCA-
11 TION SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY, EXCLUDING ANY CAPI-
12 TAL TAX LEVY, THAT IS NO GREATER THAN THE TAX LEVY BASE DETERMINED
13 PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART.

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

20 2-a. Every common, union free, central, central high school district
21 and city school district to which this article applies shall mail a
22 school budget notice to all qualified voters of the school district
23 after the date of the budget hearing, but no later than six days prior
24 to the annual meeting and election [or special district meeting at which
25 a school budget vote will occur]. The school budget notice shall compare
26 the percentage increase or decrease in total spending under the proposed
27 budget over total spending under the school district budget adopted for
28 the current school year, with the percentage increase or decrease in the
29 consumer price index, from January first of the prior school year to
30 January first of the current school year, and shall also include [the
31 information required by paragraphs a and b of this subdivision. The
32 notice shall also set forth the date, time and place of the school budg-
33 et vote, in the same manner as in the notice of annual meeting] THE
34 DISTRICT'S TAX LEVY LIMIT AND TAX LEVY BASE DETERMINED PURSUANT TO
35 SECTION TWO THOUSAND TWENTY-THREE-A OF THIS PART, THE TAX LEVY PROPOSED
36 BY THE DISTRICT AND THE PROPOSED CAPITAL TAX LEVY, IF ANY. Such notice
37 shall be in a form prescribed by the commissioner.

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

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

55 3. In all elections for trustees or members of boards of education or
56 votes involving the expenditure of money, or authorizing the levy of

1 taxes, the vote thereon shall be by ballot, or, in school districts that
2 prior to nineteen hundred ninety-eight conducted their vote at the annu-
3 al meeting, may be ascertained by taking and recording the ayes and noes
4 of such qualified voters attending and voting at such district meetings.

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

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

26 6. Notwithstanding the provisions of subdivision four of section eigh-
27 teen hundred four and subdivision five of section nineteen hundred six
28 of this title, subdivision one of section two thousand two of this arti-
29 cle, subdivision one of this section, subdivision two of section twen-
30 ty-six hundred one-a of this title and any other provision of law to the
31 contrary, the annual district meeting and election of every common,
32 union free, central and central high school district and the annual
33 meeting of every city school district in a city having a population of
34 less than one hundred twenty-five thousand inhabitants that is scheduled
35 to be held on the third Tuesday of May, two thousand three is hereby
36 adjourned until the first Tuesday in June, two thousand three. The trus-
37 tees or board of education of each such school district shall provide
38 notice of such adjourned meeting to the qualified voters in the manner
39 prescribed for notice of the annual meeting, and such notice shall
40 provide for an adjourned budget hearing. The adjourned district meeting
41 or district meeting and election shall be deemed the annual meeting or
42 annual meeting and election of the district for all purposes under this
43 title and the date of the adjourned meeting shall be deemed the state-
44 wide uniform voting day for all purposes under this title. Notwith-
45 standing the provisions of subdivision seven of section sixteen hundred
46 eight or subdivision seven of section seventeen hundred sixteen of this
47 title or any other provision of law, rule or regulation to the contrary,
48 in two thousand three the property tax report card shall be submitted to
49 the department no later than twenty days prior to the date of the
50 adjourned meeting and the department shall make its compilation avail-
51 able electronically at least seven days prior to such date.]

52 S 16. Section 2023 of the education law is REPEALED.

53 S 17. Subdivision 2 of section 2035 of the education law, as amended
54 by chapter 111 of the laws of 1979, is amended to read as follows:

55 2. In common school districts the manner of making nominations or
56 submitting propositions by anyone other than the trustees and in union

1 free school districts the manner of submitting propositions by anyone
2 other than the board of education for the purpose of preparing ballots
3 for the machine shall be prescribed by a rule previously adopted by the
4 trustees or board of education; provided, however, that the petition,
5 certificate, declaration, notice or other paper required by such rule,
6 for the making of any such nomination or submission, except as to a
7 question or proposition required by law to be stated in the published or
8 posted notice of the meeting shall be filed with the trustees or board
9 of education not later than thirty days before the meeting or election.
10 Any nomination may be rejected by the trustees if the candidate is inel-
11 igible for the office or has declared his unwillingness to serve; any
12 proposition may be rejected by the trustees or board of education if the
13 purpose of the proposition is not within the power of the voters, or
14 where A PROPOSITION TO CHANGE THE MILEAGE LIMITATIONS ON TRANSPORTATION
15 PURSUANT TO SUBDIVISION NINETEEN OF SECTION TWO THOUSAND TWENTY-ONE OF
16 THIS PART WOULD REQUIRE the expenditure of ADDITIONAL moneys [is
17 required by the proposition], if the proposition fails to include the
18 necessary specific appropriation. Any such rule may be amended from
19 time to time and may state that a reasonable minimum number of signa-
20 tures shall be required for submission. The trustees or board of educa-
21 tion shall cause such rule, and amendments from time to time, to be
22 printed for general distribution in the district. Provided, however,
23 that the provisions of any special law relating to nominations and
24 elections in any union free school district shall continue to remain in
25 force, and the manner of making nominations and the conduct of meetings
26 and elections, shall conform to such special law.

27 S 18. Paragraph a of subdivision 9 and paragraphs a and b of subdivi-
28 sion 12 of section 2503 of the education law, as amended by chapter 171
29 of the laws of 1996, are amended to read as follows:

30 a. Shall promote the best interests of the schools and other activ-
31 ities committed to its care, and shall authorize, or in its discretion
32 conduct, and maintain such extra classroom activities, including the
33 operation of cafeterias or restaurant service for use by pupils and
34 teachers, as the board, from time to time, shall deem proper. Such
35 cafeterias or restaurant service may be used by the community for school
36 related functions and activities and to furnish meals to the elderly
37 residents, sixty years of age or older, of the district. Such utiliza-
38 tion AND THE OPERATION OF CAFETERIAS OR RESTAURANT SERVICE shall be
39 subject to the approval of the board of education[, and shall be subject
40 to voter approval unless the cafeteria or restaurant service was oper-
41 ated during the preceding school year and requires no tax levy]. Charges
42 shall be sufficient to meet the direct cost of preparing and serving
43 such meals, reducible by available reimbursements.

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

50 b. for distances less than two or three miles, as applicable, or for
51 greater than fifteen miles to and from schools outside the district
52 shall be [an ordinary contingent expense] A CHARGE UPON THE SCHOOL
53 DISTRICT if: (i) such transportation was provided during the preceding
54 school year and the qualified voters have not passed a special proposi-
55 tion constricting the mileage limitations for the current school year
56 from those in effect in the prior year, or (ii) the qualified voters

1 have passed a special proposition expanding the mileage limitations in
2 effect in the prior year.

3 S 19. Section 2601-a of the education law, as added by chapter 171 of
4 the laws of 1996, subdivision 2 as amended by section 6 and subdivision
5 4 as amended by section 8 of part M of chapter 57 of the laws of 2005,
6 subdivision 3 as amended by chapter 640 of the laws of 2008, subdivision
7 5 as amended by section 29 of part A of chapter 436 of the laws of 1997,
8 subdivision 6 as amended and subdivision 7 as added by chapter 474 of
9 the laws of 1996, is amended to read as follows:

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

15 2. The board of education] shall ADOPT A SCHOOL DISTRICT BUDGET AND
16 conduct all annual and special school district meetings for the purpose
17 of [adopting a school district budget] VOTING ON PROPOSITIONS FOR THE
18 EXPENDITURE OF MONEY, INCLUDING BUT NOT LIMITED TO VOTES PURSUANT TO
19 SECTION FOUR HUNDRED SIXTEEN OF THIS CHAPTER, AND VOTING ON TAX LEVY
20 PROPOSITIONS PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-B OF THIS
21 TITLE, in the same manner as a union free school district in accordance
22 with the provisions of article forty-one of this title, except as other-
23 wise provided by this section. The annual meeting and election of each
24 such city school district shall be held on the third Tuesday of May in
25 each year, provided, however that such annual meeting and election shall
26 be held on the second Tuesday in May if the commissioner at the request
27 of a local school board certifies no later than March first that such
28 election would conflict with religious observances[, and any school
29 budget revote shall be held on the date and in the same manner specified
30 in subdivision three of section two thousand seven of this title]. The
31 provisions of this article, and where applicable subdivisions nine and
32 nine-a of section twenty-five hundred two of this title, governing the
33 qualification and registration of voters, and procedures for the nomi-
34 nation and election of members of the board of education shall continue
35 to apply, and shall govern the qualification and registration of voters
36 and voting procedures with respect to the adoption of a school district
37 budget.

38 [3.] 2. The board of education shall prepare a proposed school
39 district budget for the ensuing year in accordance with the provisions
40 of section seventeen hundred sixteen of this chapter, including all
41 provisions relating to required notices and appendices to the statement
42 of expenditures. No board of education shall incur a school district
43 liability except as authorized by the provisions of section seventeen
44 hundred eighteen of this chapter. Such proposed budget shall be
45 presented in three components: a program component, a capital component
46 and an administrative component which shall be separately delineated in
47 accordance with regulations of the commissioner after consultation with
48 local school district officials. The administrative component shall
49 include, but need not be limited to, office and central administrative
50 expenses, traveling expenses and all compensation, salaries and benefits
51 of all school administrators and supervisors, including business admin-
52 istrators, superintendents of schools and deputy, assistant, associate
53 or other superintendents under all existing employment contracts or
54 collective bargaining agreements, any and all expenditures associated
55 with the operation of the board of education, the office of the super-
56 intendent of schools, general administration, the school business

1 office, consulting costs not directly related to direct student services
2 and programs, planning and all other administrative activities. The
3 program component shall include, but need not be limited to, all program
4 expenditures of the school district, including the salaries and benefits
5 of teachers and any school administrators or supervisors who spend a
6 majority of their time performing teaching duties, and all transporta-
7 tion operating expenses. The capital component shall include, but need
8 not be limited to, all transportation capital, debt service, and lease
9 expenditures; costs resulting from judgments in tax certiorari
10 proceedings or the payment of awards from court judgments, administra-
11 tive orders or settled or compromised claims; and all facilities costs
12 of the school district, including facilities lease expenditures, the
13 annual debt service and total debt for all facilities financed by bonds
14 and notes of the school district, and the costs of construction, acqui-
15 sition, reconstruction, rehabilitation or improvement of school build-
16 ings, provided that such budget shall include a rental, operations and
17 maintenance section that includes base rent costs, total rent costs,
18 operation and maintenance charges, cost per square foot for each facili-
19 ty leased by the school district, and any and all expenditures associ-
20 ated with custodial salaries and benefits, service contracts, supplies,
21 utilities, and maintenance and repairs of school facilities. [For the
22 purposes of the development of a budget for the nineteen hundred nine-
23 ty-seven--ninety-eight school year, the board of education shall sepa-
24 rate its program, capital and administrative costs for the nineteen
25 hundred ninety-six--ninety-seven school year in the manner as if the
26 budget for such year had been presented in three components.] Except as
27 provided in subdivision [four] THREE of this section, nothing in this
28 section shall preclude the board, in its discretion, from submitting
29 additional items of expenditure to the voters for approval as separate
30 propositions or the voters from submitting propositions [pursuant] to
31 THE EXTENT AUTHORIZED BY sections two thousand eight and two thousand
32 thirty-five of this chapter.

33 [4. In the event the qualified voters of the district reject the budg-
34 et proposed pursuant to subdivision three of this section, the board may
35 propose to the voters a revised budget pursuant to subdivision three of
36 section two thousand seven of this title or may adopt a contingency
37 budget pursuant to subdivision five of this section and subdivision five
38 of section two thousand twenty-two of this title.] 3. The [school
39 district budget for any school year, or any part of such budget or]
40 BOARD OF EDUCATION SHALL NOT SUBMIT any propositions involving the
41 expenditure of money for such school year [shall not be submitted] for a
42 vote of the qualified voters more than twice. [In the event the quali-
43 fied voters reject the resubmitted budget, the board shall adopt a
44 contingency budget in accordance with subdivision five of this section
45 and subdivision five of such section two thousand twenty-two of this
46 title.

47 5. If the qualified voters fail or refuse to vote the sum estimated to
48 be necessary for teachers' salaries and other ordinary contingent
49 expenses, the board shall adopt a contingency budget in accordance with
50 this subdivision and shall levy a tax for that portion of such sum
51 remaining after applying thereto the moneys received or to be received
52 from state, federal or other sources, in the same manner as if the budg-
53 et had been approved by the qualified voters; subject to the limitations
54 imposed in subdivision four of section two thousand twenty-three of this
55 chapter and this subdivision. The administrative component shall not
56 comprise a greater percentage of the contingency budget exclusive of the

capital component than the lesser of (1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or (2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component. Such contingency budget shall include the sum determined by the board to be necessary for:

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

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

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

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

(e) items of expense necessary to maintain the educational programs of the district, preserve the property of the district or protect the health and safety of students and staff, including, but not limited to, support services, pupil personnel services, the necessary salaries for the necessary number of non-teaching employees, necessary legal expenses, water and utility charges, instructional supplies for teachers' use, emergency repairs, temporary rental of essential classroom facilities, and expenditures necessary to advise school district voters concerning school matters; and

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

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

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

7.] 4. Each year, the board of education shall prepare a school district report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include measures of the academic performance of the school district, on a school by school basis, and measures of the fiscal performance of the district, as prescribed by the commissioner. Pursuant to regulations of the commissioner, the report card shall also compare these measures to statewide averages for all public schools, and statewide averages for public schools of comparable wealth and need, developed by the commissioner. Such report card shall include, at a minimum, any information on the school district regarding pupil performance and expenditure per pupil

1 required to be included in the annual report by the regents to the
2 governor and the legislature pursuant to section two hundred fifteen-a
3 of this chapter; and any other information required by the commissioner.
4 School districts (i) identified as having fifteen percent or more of
5 their students in special education, or (ii) which have fifty percent or
6 more of their students with disabilities in special education programs
7 or services sixty percent or more of the school day in a general educa-
8 tion building, or (iii) which have eight percent or more of their
9 students with disabilities in special education programs in public or
10 private separate educational settings shall indicate on their school
11 district report card their respective percentages as defined in this
12 paragraph and paragraphs (i) and (ii) of this subdivision as compared to
13 the statewide average.

14 S 20. Paragraph b-1 of subdivision 4 of section 3602 of the education
15 law, as amended by section 13 of part A of chapter 57 of the laws of
16 2009, is amended to read as follows:

17 b-1. Notwithstanding any other provision of law to the contrary, for
18 the two thousand seven--two thousand eight through two thousand thir-
19 teen--two thousand fourteen school years, the additional amount payable
20 to each school district pursuant to this subdivision in the current year
21 as total foundation aid, after deducting the total foundation aid base,
22 shall be deemed a state grant in aid identified by the commissioner for
23 general use for purposes of [sections] SECTION seventeen hundred eigh-
24 teen [and two thousand twenty-three] of this chapter.

25 S 21. Subdivision 11 of section 3602-e of the education law, as
26 amended by section 19 of part B of chapter 57 of the laws of 2007, is
27 amended to read as follows:

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

38 S 22. Paragraphs a and b of subdivision 1 of section 3635 of the
39 education law, paragraph a as amended by chapter 69 of the laws of 1992,
40 paragraph b as amended by chapter 718 of the laws of 1990 and subpara-
41 graph (i) of paragraph b as amended by chapter 571 of the laws of 1994,
42 are amended to read as follows:

43 a. Sufficient transportation facilities (including the operation and
44 maintenance of motor vehicles) shall be provided by the school district
45 for all the children residing within the school district to and from the
46 school they legally attend, who are in need of such transportation
47 because of the remoteness of the school to the child or for the
48 promotion of the best interest of such children. Such transportation
49 shall be provided for all children attending grades kindergarten through
50 eight who live more than two miles from the school which they legally
51 attend and for all children attending grades nine through twelve who
52 live more than three miles from the school which they legally attend and
53 shall be provided for each such child up to a distance of fifteen miles,
54 the distances in each case being measured by the nearest available route
55 from home to school. The cost of providing such transportation between
56 two or three miles, as the case may be, and fifteen miles shall be

1 considered for the purposes of this chapter to be a charge upon the
2 district [and an ordinary contingent expense of the district]. Transpor-
3 tation for a lesser distance than two miles in the case of children
4 attending grades kindergarten through eight or three miles in the case
5 of children attending grades nine through twelve and for a greater
6 distance than fifteen miles may be provided by the district WITH THE
7 APPROVAL OF THE QUALIFIED VOTERS, and, if provided, shall be offered
8 equally to all children in like circumstances residing in the district;
9 provided, however, that this requirement shall not apply to transporta-
10 tion offered pursuant to section thirty-six hundred thirty-five-b of
11 this [article] PART.

12 b. (i) School districts providing transportation to a nonpublic school
13 for pupils living within a specified distance from such school shall
14 designate one or more public schools as centralized pick-up points and
15 shall provide transportation between such points and such nonpublic
16 schools for students residing in the district who live too far from such
17 nonpublic schools to qualify for transportation between home and school.
18 The district shall not be responsible for the provision of transporta-
19 tion for pupils between their home and such pick-up points. The
20 district may provide school bus transportation to a pupil if the resi-
21 dence of the pupil is located on an established route for the transpor-
22 tation of pupils to the centralized pick-up point provided such trans-
23 portation does not result in additional costs to the district. [The cost
24 of providing transportation between such pick-up points and such nonpub-
25 lic schools shall be an ordinary contingent expense.]

26 (ii) A board of education may, at its discretion, provide transporta-
27 tion for pupils residing within the district to a nonpublic school
28 located more than fifteen miles from the home of any such pupil provided
29 that such transportation has been provided to such nonpublic school
30 pursuant to this subdivision in at least one of the immediately preced-
31 ing three school years and such transportation is provided from one or
32 more centralized pick-up points designated pursuant to this paragraph
33 and that the distance from such pick-up points to the nonpublic school
34 is not more than fifteen miles. The district shall not be responsible
35 for the provision of transportation for pupils between [pupils] PUPILS'
36 homes and such pick-up points. [The cost of providing transportation
37 between such pick-up points and such nonpublic schools shall be an ordi-
38 nary contingent expense.]

39 S 23. Subdivision 10 of section 3635-b of the education law, as
40 amended by chapter 422 of the laws of 2004, is amended to read as
41 follows:

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

46 S 24. Subdivision 3-a of section 3651 of the education law is REPEALED
47 and subdivisions 1, 3, 4 and 5, subdivision 1 as amended by chapter 504
48 of the laws of 1949, subdivisions 3 and 4 as added by chapter 782 of the
49 laws of 1948 and subdivision 5 as amended by chapter 976 of the laws of
50 1963, are amended to read as follows:

51 1. A reserve fund may be established by the school authorities of any
52 school district, [provided, however, that no such fund shall be estab-
53 lished (a) until approved by a majority vote of the qualified voters of
54 the district voting on a proposition therefor submitted at a regular or
55 special school district meeting, or in school districts which do not
56 have such meetings, at an election called for such purpose, and (b)

1 unless the notice of such meeting or election shall have stated that a
2 proposition to establish a reserve fund would be so submitted, the
3 purpose of the fund, the ultimate amount thereof, its probable term and
4 the source from which the funds would be obtained] AS DEFINED IN SUBDI-
5 VISION TWELVE OF SECTION TWO OF THIS CHAPTER. Such reserve fund may be
6 established for financing, in whole or in part, the cost of any object
7 or purpose for which bonds may be issued by, or for the objects or
8 purposes of, the school district pursuant to the local finance law. The
9 [proposition] RESOLUTION OF THE SCHOOL AUTHORITIES ESTABLISHING THE
10 RESERVE FUND shall specify the purpose for which the fund is estab-
11 lished, the ultimate amount, the probable term and the source from which
12 the funds are to be obtained. There shall be paid into any such fund an
13 annual amount sufficient to meet the requirements of the proposition OR
14 RESOLUTION. In addition, the [voters] SCHOOL AUTHORITIES may from time
15 to time direct the [school authorities to pay] PAYMENT into such fund OF
16 moneys derived from any other source.

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

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

24 5. Whenever the [voters] SCHOOL AUTHORITIES shall determine that the
25 original purpose for which a reserve fund has been established is no
26 longer desirable, [the school authorities] THEY may liquidate the fund
27 by first applying its proceeds to any outstanding bonded indebtedness
28 and applying the balance, if any, to the annual tax levy, provided,
29 however, that the amount so applied in any one year shall not be greater
30 than the amount which will reduce the tax rate for school purposes below
31 five mills on actual valuation; provided, however, that the school
32 authorities in any school district having no outstanding bonded indebt-
33 edness may, in any year in which no state aid is payable thereto under
34 the provisions of this chapter, liquidate such fund by applying the
35 balance thereof to the annual tax levy, regardless of the tax rate for
36 school purposes[, subject to the approval of a majority of the qualified
37 electors of the district voting on a proposition therefor submitted at a
38 regular or special school district meeting, or in school districts which
39 do not have such meetings, at an election called for such purpose].

40 S 25. Paragraphs j and k of subdivision 2 of section 23 of the municipi-
41 pal home rule law are relettered k and l, and a new paragraph j is added
42 to read as follows:

43 J. OVERRIDES THE TAX LEVY LIMITATION APPLICABLE FOR THE COMING FISCAL
44 YEAR IN ACCORDANCE WITH SECTION THREE-C OF THE GENERAL MUNICIPAL LAW.

45 S 26. This act shall take effect immediately and shall first apply to
46 the levy of taxes by school districts for the 2012-2013 school year and
47 to school district meetings and elections held on and after such effec-
48 tive date; provided, however, that sections eight, fifteen, twenty,
49 twenty-one and twenty-two of this act shall take effect July 1, 2012;
50 and provided further, that section one of this act shall first apply to
51 the levy of taxes by local governments for the fiscal year that begins
52 in 2012.