

5666

2015-2016 Regular Sessions

I N A S S E M B L Y

March 3, 2015

Introduced by M. of A. KOLB, MONTESANO -- Multi-Sponsored by -- M. of A. BARCLAY, BUTLER, CROUCH, DUPREY, FINCH, FITZPATRICK, GOODELL, HAWLEY, McDONOUGH, McKEVITT, OAKS, RAI, SALADINO, TEDISCO, TENNEY -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law and the education law in relation to extending the state fiscal year; and to amend the state finance law in relation to requiring the use of generally accepted accounting principles in the state fiscal plan

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

1 Section 1. Section 3 of the state finance law, as added by chapter 1
2 of the laws of 1943 and as separately renumbered by chapters 405 and 957
3 of the laws of 1981, is amended to read as follows:

4 S 3. Fiscal year. 1. The current fiscal year of the state which
5 commenced with the first day of [July, nineteen hundred forty-two]
6 APRIL, TWO THOUSAND FOURTEEN, is hereby [abridged] EXTENDED and shall
7 end with the [thirty-first] THIRTIETH day of [March, nineteen hundred
8 forty-three] APRIL, TWO THOUSAND FIFTEEN. For all purposes of determin-
9 ing annual increments of state employees pursuant to the education law,
10 the civil service law or other state law, and for all purposes whenever
11 by law some act is to be performed or time is to be measured by the
12 fiscal year of the state, the current fiscal year, as so [abridged]
13 EXTENDED, shall be deemed to be a full year unless the context clearly
14 requires a contrary construction.

15 On and after the first day of [April, nineteen hundred forty-three]
16 MAY, TWO THOUSAND FIFTEEN, the fiscal year of the state, for the purpose
17 of budget, appropriations, receipts and disbursements of state moneys
18 and all other state affairs which are regulated in accordance with or
19 based on fiscal years, including the fiscal affairs of all state depart-
20 ments, commissions, boards, agencies, offices and institutions, shall

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

LBD03503-02-5

1 begin with the first day of [April] MAY and end with the next following
2 [thirty-first] THIRTIETH day of [March] APRIL.

3 2. All books and accounts in the offices of the comptroller and the
4 department of taxation and finance shall be kept by fiscal years. All
5 annual accounts required to be rendered to the comptroller or to such
6 department by any person shall be closed on the [thirty-first] THIRTIETH
7 day of [March] APRIL in each year, and be rendered as soon thereafter as
8 practicable, if no time is specially prescribed by law.

9 3. Where any statute provides, in terms or effect, that any inventory
10 or account, or a report relating in whole or in part to receipts and
11 disbursements of money, be made to the legislature or any state officer
12 annually, or for a year, by a department, commission, board, or officer
13 under the state government, such inventory or account, and such report
14 so far as it relates to such receipts and disbursements, shall be for
15 the preceding fiscal year, unless the calendar year be expressly
16 mentioned.

17 4. Existing provisions of other laws describing or referring to a
18 fiscal year of the state as beginning July first and ending June thirti-
19 eth OR AS BEGINNING APRIL FIRST AND ENDING MARCH THIRTY-FIRST, or making
20 any requirement with respect to such fiscal year, or referring to any
21 year so beginning and ending which applies to inventories or accounts in
22 state matters, or to reports relating to state money or property, shall
23 be deemed modified by and be construed in connection with this section,
24 and be deemed to refer to a fiscal or to another year or period begin-
25 ning and ending as [herein] prescribed IN THIS SECTION for a fiscal
26 year.

27 S 2. Subdivision 1 of section 2022 of the education law, as amended by
28 section 7 of part A of chapter 97 of the laws of 2011, is amended to
29 read as follows:

30 1. Notwithstanding any law, rule or regulation to the contrary, the
31 election of trustees or members of the board of education, and the vote
32 upon the appropriation of the necessary funds to meet the estimated
33 expenditures, in any common school district, union free school district,
34 central school district or central high school district shall be held at
35 the annual meeting and election on the third Tuesday in [May] JUNE,
36 provided, however, that such election shall be held on the second Tues-
37 day in [May] JUNE if the commissioner at the request of a local school
38 board certifies no later than March first that such election would
39 conflict with religious observances. The sole trustee, board of trustees
40 or board of education of every common, union free, central or central
41 high school district and every city school district to which this arti-
42 cle applies shall hold a budget hearing not less than seven nor more
43 than fourteen days prior to the annual meeting and election or special
44 district meeting at which a school budget vote will occur, and shall
45 prepare and present to the voters at such budget hearing a proposed
46 school district budget for the ensuing school year.

47 S 3. Subdivision 1 of section 2022 of the education law, as amended by
48 section 8 of part C of chapter 58 of the laws of 1998, is amended to
49 read as follows:

50 1. Notwithstanding any law, rule or regulation to the contrary, the
51 election of trustees or members of the board of education, and the vote
52 upon the appropriation of the necessary funds to meet the estimated
53 expenditures, in any common school district, union free school district,
54 central school district or central high school district shall be held at
55 the annual meeting and election on the third Tuesday in [May] JUNE,
56 provided, however, that such election shall be held on the second Tues-

1 day in [May] JUNE if the commissioner at the request of a local school
2 board certifies no later than March first that such election would
3 conflict with religious observances. When such election or vote is taken
4 by recording the ayes and noes of the qualified voters attending, a
5 majority of the qualified voters present and voting, by a hand or voice
6 vote, may determine to take up the question of voting the necessary
7 funds to meet the estimated expenditures for a specific item separately,
8 and the qualified voters present and voting may increase the amount of
9 any estimated expenditures or reduce the same, except for teachers'
10 salaries, and the ordinary contingent expenses of the schools. The sole
11 trustee, board of trustees or board of education of every common, union
12 free, central or central high school district and every city school
13 district to which this article applies shall hold a budget hearing not
14 less than seven nor more than fourteen days prior to the annual meeting
15 and election or special district meeting at which a school budget vote
16 will occur, and shall prepare and present to the voters at such budget
17 hearing a proposed school district budget for the ensuing school year.

18 S 4. Subdivision 2 of section 2601-a of the education law, as amended
19 by section 9 of part A of chapter 97 of the laws of 2011, is amended to
20 read as follows:

21 2. The board of education shall conduct all annual and special school
22 district meetings for the purpose of adopting a school district budget
23 in the same manner as a union free school district in accordance with
24 the provisions of article forty-one of this title, except as otherwise
25 provided by this section. The annual meeting and election of each such
26 city school district shall be held on the third Tuesday of [May] JUNE in
27 each year, provided, however that such annual meeting and election shall
28 be held on the second Tuesday in [May] JUNE if the commissioner at the
29 request of a local school board certifies no later than March first that
30 such election would conflict with religious observances, and any school
31 budget revote shall be held on the date and in the same manner specified
32 in subdivision three of section two thousand seven of this title. The
33 provisions of this article, and where applicable subdivisions nine and
34 nine-a of section twenty-five hundred two of this title, governing the
35 qualification and registration of voters, and procedures for the nomi-
36 nation and election of members of the board of education shall continue
37 to apply, and shall govern the qualification and registration of voters
38 and voting procedures with respect to the adoption of a school district
39 budget.

40 S 5. Subdivision 2 of section 2601-a of the education law, as amended
41 by section 6 of part M of chapter 57 of the laws of 2005, is amended to
42 read as follows:

43 2. The board of education shall conduct all annual and special school
44 district meetings for the purpose of adopting a school district budget
45 in the same manner as a union free school district in accordance with
46 the provisions of article forty-one of this title, except as otherwise
47 provided by this section. The annual meeting and election of each such
48 city school district shall be held on the third Tuesday of [May] JUNE in
49 each year, provided, however that such annual meeting and election shall
50 be held on the second Tuesday in [May] JUNE if the commissioner at the
51 request of a local school board certifies no later than March first that
52 such election would conflict with religious observances, and any school
53 budget revote shall be held on the date and in the same manner specified
54 in subdivision three of section two thousand seven of this title. The
55 provisions of this article, and where applicable subdivisions nine and
56 nine-a of section twenty-five hundred two of this title, governing the

1 qualification and registration of voters, and procedures for the nomi-
 2 nation and election of members of the board of education shall continue
 3 to apply, and shall govern the qualification and registration of voters
 4 and voting procedures with respect to the adoption of a school district
 5 budget.

6 S 6. Section 2515 of the education law, as added by chapter 171 of the
 7 laws of 1996, is amended to read as follows:

8 S 2515. Fiscal year. The fiscal year for city school districts of
 9 cities with less than one hundred twenty-five thousand inhabitants shall
 10 be the period commencing with [July] AUGUST first and ending with [June
 11 thirtieth] JULY THIRTY-FIRST next following.

12 S 7. Subdivision 3 of section 2006 of the education law, as added by
 13 section 4 of part M of chapter 57 of the laws of 2005, is amended to
 14 read as follows:

15 3. Whenever the voters shall have defeated the budget of the school
 16 district at the annual meeting and election, the trustees may call a
 17 special district meeting for a school budget revote to be held on the
 18 third Tuesday of [June] JULY, provided, however that such budget revote
 19 shall be held on the second Tuesday in [June] JULY if the commissioner
 20 at the request of a local school board certifies no later than March
 21 first that such vote would conflict with religious observances. The
 22 trustees shall give the notices required by subdivision one of section
 23 two thousand three of this part and this section by publishing such
 24 notices once in each week within the two weeks next preceding such
 25 special meeting, the first publication to be at least fourteen days
 26 before such meeting, with any required posting to be fourteen days
 27 before the time of such meeting.

28 S 8. Paragraph b of subdivision 3 of section 2007 of the education
 29 law, as amended by section 5 of part M of chapter 57 of the laws of
 30 2005, is amended to read as follows:

31 b. A school budget revote called pursuant to paragraph a of this
 32 subdivision shall be held on the third Tuesday of [June] JULY, provided,
 33 however that such budget revote shall be held on the second Tuesday in
 34 [June] JULY if the commissioner at the request of a local school board
 35 certifies no later than March first that such vote would conflict with
 36 religious observances.

37 S 9. The state finance law is amended by adding a new article 3-A to
 38 read as follows:

39 ARTICLE III-A

40 BALANCED BUDGETING ACCORDING TO GENERALLY ACCEPTED ACCOUNTING 41 PRINCIPLES

42 SECTION 35. DEFINITION.

43 36. COMPTROLLER ADVICE TO THE DIRECTOR OF BUDGET; LEGISLATURE.

44 37. IDENTIFYING BUDGET GAPS; PRO RATA SPENDING REDUCTIONS.

45 S 35. DEFINITION. AS USED IN THIS ARTICLE: "GENERALLY ACCEPTED
 46 ACCOUNTING PRINCIPLES" MEANS THE SET OF ACCOUNTING PRINCIPLES FOR FINAN-
 47 CIAL REPORTING ESTABLISHED BY THE FINANCIAL ACCOUNTING STANDARDS ADVI-
 48 SORY BOARD AND GOVERNED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC
 49 ACCOUNTANTS FOR FEDERAL REPORTING ENTITIES.

50 S 36. COMPTROLLER ADVICE TO THE DIRECTOR OF BUDGET; LEGISLATURE. UPON
 51 RECEIPT OF A FINANCIAL PLAN AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN,
 52 THE STATE COMPTROLLER SHALL, WITHIN SEVEN DAYS, PROVIDE ADVICE TO THE
 53 DIRECTOR OF THE BUDGET, THE CHAIR OF THE SENATE FINANCE COMMITTEE, THE
 54 CHAIR OF THE ASSEMBLY WAYS AND MEANS COMMITTEE, THE RANKING MINORITY
 55 MEMBER OF THE SENATE FINANCE COMMITTEE, AND THE RANKING MINORITY MEMBER
 56 OF THE ASSEMBLY WAYS AND MEANS COMMITTEE OR THEIR DESIGNEES, CONCERNING

1 PRESENT "CASH-BASIS" BALANCED BUDGET ISSUES AND INCREMENTAL STEPS IN
2 MOVEMENT TOWARD ACHIEVING A BALANCED BUDGET ACCORDING TO GENERALLY
3 ACCEPTED ACCOUNTING PRINCIPLES BY THE THIRTIETH DAY OF APRIL, TWO THOU-
4 SAND FIFTEEN.

5 S 37. IDENTIFYING BUDGET GAPS; PRO RATA SPENDING REDUCTIONS. 1. UPON
6 RECEIPT OF EACH FINANCIAL PLAN AND QUARTERLY FINANCIAL PLAN UPDATE
7 DURING THE FIRST OR THIRD QUARTER OF A STATE FISCAL YEAR AFTER JANUARY
8 FIRST, TWO THOUSAND FIFTEEN, THE STATE COMPTROLLER SHALL, WITHIN SEVEN
9 DAYS, DETERMINE IF THE SUBMITTED FINANCIAL PLAN IS BALANCED ACCORDING TO
10 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

11 2. IF THE STATE COMPTROLLER DETERMINES THAT THE CURRENT YEAR PORTION
12 OF A FINANCIAL PLAN OR QUARTERLY FINANCIAL PLAN UPDATE DURING THE FIRST
13 OR THIRD QUARTER OF A STATE FISCAL YEAR IDENTIFIES A BUDGET GAP, THE
14 STATE COMPTROLLER SHALL ADVISE THE DIRECTOR OF THE BUDGET, THE CHAIR OF
15 THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS AND MEANS
16 COMMITTEE, THE RANKING MINORITY MEMBER OF THE SENATE FINANCE COMMITTEE,
17 AND THE RANKING MINORITY MEMBER OF THE ASSEMBLY WAYS AND MEANS COMMITTEE
18 OR THEIR DESIGNEES OF HIS OR HER FINDINGS AND MAKE RECOMMENDATIONS
19 CONCERNING ACTIONS TO CLOSE SUCH BUDGET GAPS.

20 3. IF WITHIN THIRTY DAYS, THE GOVERNOR AND THE LEGISLATURE DO NOT
21 ENACT MEASURES TO CLOSE SUCH GAPS, THE GOVERNOR WILL BE GRANTED THE
22 AUTHORITY TO MAKE PRO RATA SPENDING REDUCTIONS TO CLOSE SUCH GAPS,
23 EXCEPTING APPROPRIATIONS FOR THE OPERATION OF THE LEGISLATIVE AND JUDI-
24 CIAL BRANCHES OF STATE GOVERNMENT.

25 S 10. Subdivision 1 of section 22 of the state finance law, as amended
26 by chapter 762 of the laws of 1992, is amended and a new subdivision 1-d
27 is added to read as follows:

28 1. include (A) BOTH THE CURRENT YEAR PLAN AND A FIVE YEAR FINANCIAL
29 PLAN THAT EMPLOYS GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, AS SUCH TERM
30 IS DEFINED IN SECTION THIRTY-FIVE OF THIS CHAPTER, IDENTIFIES CURRENT
31 AND FUTURE BUDGET GAPS, AND PROPOSES ACTIONS TO CLOSE GAPS; (B) a summa-
32 ry financial plan showing for each of the governmental fund types: [(a)]
33 (I) the disbursements estimated to be made before the close of the
34 current fiscal year and the moneys estimated to be available from
35 receipts and other sources therefor; and [(b)] (II) the disbursements
36 proposed to be made during the ensuing fiscal year, and the moneys esti-
37 mated to be available from receipts and other sources therefor inclusive
38 of any receipts which are expected to result from proposed legislation
39 which he OR SHE deems necessary to provide receipts sufficient to meet
40 such proposed disbursements. For the purposes of this summary financial
41 plan, disbursements shall be presented by the following purposes: state
42 purposes, local assistance, capital projects, debt service, and general
43 state charges; receipts shall be presented for each fund type by each
44 revenue source which accounts for at least one per centum of all such
45 receipts and otherwise by categories of revenue sources; receipts and
46 disbursements for special revenue funds shall be presented separately
47 for federal funds and all other special revenue funds. Whenever receipts
48 or disbursements are proposed to be moved to a different fund type, each
49 significant amount so moved shall be identified.

50 1-D. PROVIDE THAT QUARTERLY UPDATES TO BOTH THE CURRENT YEAR AND THE
51 FIVE YEAR FINANCIAL PLANS REQUIRED BY PARAGRAPH (A) OF SUBDIVISION ONE
52 OF THIS SECTION SHALL BE SUBMITTED TO THE STATE COMPTROLLER, THE CHAIR
53 OF THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS AND
54 MEANS COMMITTEE, THE RANKING MINORITY MEMBER OF THE SENATE FINANCE
55 COMMITTEE, AND THE RANKING MINORITY MEMBER OF THE ASSEMBLY WAYS AND

1 MEANS COMMITTEE OR THEIR DESIGNEES, WITHIN TEN DAYS AFTER THE COMMENCE-
2 MENT OF EACH QUARTER OF THE STATE FISCAL YEAR.

3 S 11. Separability. If any clause, sentence, paragraph, section, or
4 part of this act shall be adjudged by any court of competent jurisdic-
5 tion to be invalid, such judgment shall not affect, impair or invalidate
6 the remainder thereof, but shall be confined in its operation to the
7 clause, sentence, paragraph, section, or part thereof involved in the
8 controversy in which such judgment shall have been rendered.

9 S 12. This act shall take effect immediately, provided that the amend-
10 ments to subdivision 1 of section 2022 of the education law made by
11 section two of this act shall be subject to the expiration and reversion
12 of such section pursuant to chapter 97 of the laws of 2011 as amended,
13 when upon such date the provisions of section three of this act shall
14 take effect; and provided further that the amendments to subdivision 2
15 of section 2601-a of the education law made by section four of this act
16 shall be subject to the expiration and reversion of such section pursu-
17 ant to chapter 97 of the laws of 2011 as amended, when upon such date
18 the provisions of section five of this act shall take effect.