

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.

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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.