S T A T E O F N E W Y O R K

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2706

2011-2012 Regular Sessions

I N S E N A T E

January 28, 2011

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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

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1 FOR THE COMING FISCAL YEAR APPLICABLE TO SUCH LOCAL GOVERNMENT, BY

2 ADDING THE ANNUAL COSTS OF SUCH SETTLEMENT TO THE TAX LEVY LIMITATION.

3 (E) THE STATE COMPTROLLER SHALL DETERMINE THE PORTION OF THE TAX LEVY

4 OF EACH COUNTY THAT IS ATTRIBUTABLE TO ANY INCREASE OR DECREASE OVER THE

5 PRIOR YEAR IN THE COST OF THE COUNTY SHARE OF DIRECT CASH ASSISTANCE TO

6 PERSONS ELIGIBLE FOR THE FEDERAL-STATE-LOCAL TEMPORARY ASSISTANCE TO

7 NEEDY FAMILIES PROGRAM OR THE STATE-LOCAL SAFETY NET ASSISTANCE PROGRAM

8 AND SHALL ADJUST THE TAX LEVY LIMITATION FOR SUCH COUNTY TO REFLECT SUCH

9 CHANGE.

10 (F) WHENEVER THE RESPONSIBILITY AND ASSOCIATED COST OF A LOCAL GOVERN-

11 MENT ACTIVITY IS TRANSFERRED TO ANOTHER LOCAL GOVERNMENT, THE STATE

12 COMPTROLLER SHALL DETERMINE THE COSTS AND SAVINGS ON THE AFFECTED LOCAL

13 GOVERNMENTS ATTRIBUTABLE TO SUCH TRANSFER FOR THE FIRST FISCAL YEAR

14 FOLLOWING THE TRANSFER, AND ADJUST THE TAX LEVY LIMITATIONS OF SUCH

15 LOCAL GOVERNMENTS ACCORDINGLY.

16 4. A LOCAL GOVERNMENT MAY ADOPT A BUDGET THAT REQUIRES A TAX LEVY THAT

17 IS GREATER THAN THE TAX LEVY LIMITATION FOR THE COMING FISCAL YEAR ONLY

18 IF THE GOVERNING BODY OF SUCH LOCAL GOVERNMENT FIRST ENACTS, BY A

19 TWO-THIRDS VOTE OF THE TOTAL VOTING POWER OF SUCH BODY, A LOCAL LAW TO

20 OVERRIDE SUCH LIMITATION FOR SUCH COMING FISCAL YEAR ONLY, OR IN THE

21 CASE OF A DISTRICT OR FIRE DISTRICT, A RESOLUTION TO OVERRIDE SUCH LIMI-

22 TATION FOR SUCH COMING FISCAL YEAR ONLY.

23 5. (A) WHEN TWO OR MORE LOCAL GOVERNMENTS CONSOLIDATE, THE STATE COMP-

24 TROLLER SHALL DETERMINE THE TAX LEVY LIMITATION CONSOLIDATED LOCAL

25 GOVERNMENT FOR THE FIRST FISCAL YEAR FOLLOWING THE CONSOLIDATION BASED

26 ON THE RESPECTIVE TAX LEVY LIMITATIONS OF THE COMPONENT LOCAL GOVERN-

27 MENTS THAT FORMED SUCH CONSOLIDATED LOCAL GOVERNMENT FROM THE LAST

28 FISCAL YEAR PRIOR TO THE CONSOLIDATION.

29 (B) WHEN A LOCAL GOVERNMENT DISSOLVES, THE STATE COMPTROLLER SHALL

30 DETERMINE THE TAX LEVY LIMITATION FOR THE LOCAL GOVERNMENT THAT ASSUMES

31 THE DEBTS, LIABILITIES, AND OBLIGATIONS OF SUCH DISSOLVED LOCAL GOVERN-

32 MENT FOR THE FIRST FISCAL YEAR FOLLOWING THE DISSOLUTION BASED ON THE

33 RESPECTIVE TAX LEVY LIMITATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT AND

34 SUCH LOCAL GOVERNMENT THAT ASSUMES THE DEBTS, LIABILITIES, AND OBLI-

35 GATIONS OF SUCH DISSOLVED LOCAL GOVERNMENT FROM THE LAST FISCAL YEAR

36 PRIOR TO THE DISSOLUTION.

37 (C) THE TAX LIMITATION ESTABLISHED BY THIS SECTION SHALL NOT APPLY TO

38 THE FIRST FISCAL YEAR AFTER A LOCAL GOVERNMENT IS NEWLY ESTABLISHED OR

39 CONSTITUTED THROUGH A PROCESS OTHER THAN CONSOLIDATION OR DISSOLUTION.

40 6. IN THE EVENT A LOCAL GOVERNMENT'S ACTUAL TAX LEVY FOR A GIVEN

41 FISCAL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTABLISHED PURSUANT

42 TO THIS SECTION DUE TO CLERICAL OR TECHNICAL ERRORS, THE LOCAL GOVERN-

43 MENT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN ACCORDANCE

44 WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY PRESCRIBE, AND SHALL

45 USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO OFFSET THE TAX LEVY

46 FOR THE ENSUING FISCAL YEAR.

47 S 2. The education law is amended by adding a new section 2023-a to

48 read as follows:

49 S 2023-A. LIMITATIONS UPON SCHOOL DISTRICT TAX LEVIES. 1. GENERALLY.

50 UNLESS OTHERWISE PROVIDED BY LAW, THE AMOUNT OF TAXES THAT MAY BE LEVIED

51 BY OR ON BEHALF OF ANY SCHOOL DISTRICT, OTHER THAN A CITY SCHOOL

52 DISTRICT OF A CITY WITH ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS OR

53 MORE, SHALL NOT EXCEED THE TAX LEVY LIMITATIONS ESTABLISHED PURSUANT TO

54 THIS SECTION. IT SHALL BE THE RESPONSIBILITY OF THE COMMISSIONER TO

55 ANNUALLY DETERMINE THE TAX LEVY LIMIT OF EACH SCHOOL DISTRICT IN ACCORD-

56 ANCE WITH THE PROVISIONS OF THIS SECTION.

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1 2. DEFINITIONS. AS USED IN THIS SECTION:

2 A. "ALLOWABLE LEVY GROWTH FACTOR" SHALL BE THE LESSER OF: (I) ONE AND

3 TWO ONE-HUNDREDTHS; OR (II) THE SUM OF ONE PLUS THE INFLATION FACTOR;

4 PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE LEVY GROWTH FACTOR BE LESS

5 THAN ONE.

6 B. "AVAILABLE CARRYOVER" MEANS THE SUM OF THE AMOUNTS BY WHICH THE TAX

7 LEVY FOR THE PRIOR SCHOOL YEAR WAS BELOW THE APPLICABLE TAX LEVY LIMIT

8 FOR SUCH SCHOOL YEAR, IF ANY, BUT NO MORE THAN ONE AND ONE-HALF PERCENT

9 OF THE TAX LEVY LIMIT FOR SUCH SCHOOL YEAR.

10 C. "CAPITAL LOCAL EXPENDITURES" MEANS THE TAXES ASSOCIATED WITH BUDG-

11 ETED EXPENDITURES RESULTING FROM THE CONSTRUCTION, ACQUISITION, RECON-

12 STRUCTION, REHABILITATION OR IMPROVEMENT OF SCHOOL BUILDINGS, INCLUDING

13 DEBT SERVICE AND LEASE EXPENDITURES, SUBJECT TO THE APPROVAL OF THE

14 QUALIFIED VOTERS WHERE REQUIRED BY LAW.

15 D. "CAPITAL TAX LEVY" MEANS THE TAX LEVY NECESSARY TO SUPPORT CAPITAL

16 LOCAL EXPENDITURES, IF ANY.

17 E. "COMING SCHOOL YEAR" MEANS THE SCHOOL YEAR FOR WHICH TAX LEVY

18 LIMITS ARE BEING DETERMINED PURSUANT TO THIS SECTION.

19 F. "INFLATION FACTOR" MEANS THE QUOTIENT OF: (I) THE AVERAGE OF THE

20 NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED STATES DEPART-

21 MENT OF LABOR FOR THE TWELVE-MONTH PERIOD PRECEDING JANUARY FIRST OF THE

22 CURRENT YEAR MINUS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES

23 DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH

24 PERIOD PRECEDING JANUARY FIRST OF THE PRIOR YEAR, DIVIDED BY: (II) THE

25 AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE UNITED

26 STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD PRECEDING JANUARY

27 FIRST OF THE PRIOR YEAR, WITH THE RESULT EXPRESSED AS A DECIMAL TO FOUR

28 PLACES.

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

30 COMING SCHOOL YEAR.

31 H. "SCHOOL DISTRICT" MEANS A COMMON SCHOOL DISTRICT, UNION FREE SCHOOL

32 DISTRICT, CENTRAL SCHOOL DISTRICT, CENTRAL HIGH SCHOOL DISTRICT OR A

33 CITY SCHOOL DISTRICT IN A CITY WITH LESS THAN ONE HUNDRED TWENTY-FIVE

34 THOUSAND INHABITANTS.

35 I. "TAX LEVY BASE" MEANS THE AMOUNT OF TAXES A SCHOOL DISTRICT WOULD

36 BE AUTHORIZED TO LEVY WITHOUT THE ADDITION OF ANY AVAILABLE CARRYOVER

37 AMOUNT.

38 J. "TAX LEVY LIMIT" MEANS THE AMOUNT OF TAXES A SCHOOL DISTRICT IS

39 AUTHORIZED TO LEVY PURSUANT TO THIS SECTION, PROVIDED, HOWEVER, THAT THE

40 TAX LEVY LIMIT SHALL NOT INCLUDE THE DISTRICT'S CAPITAL TAX LEVY, IF

41 ANY.

42 3. COMPUTATION OF TAX LEVY LIMITS. A. THE TAX LEVY BASE FOR EACH

43 SCHOOL YEAR SHALL BE DETERMINED AS FOLLOWS:

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

45 YEAR.

46 (2) ADD ANY PAYMENTS IN LIEU OF TAXES THAT WERE RECEIVABLE IN THE

47 PRIOR SCHOOL YEAR.

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

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

50 (5) SUBTRACT ANY PAYMENTS IN LIEU OF TAXES RECEIVABLE IN THE COMING

51 FISCAL YEAR.

52 B. THE TAX LEVY LIMIT FOR THE COMING SCHOOL YEAR SHALL BE THE SUM OF

53 THE TAX LEVY BASE AND THE AVAILABLE CARRYOVER, IF ANY. NO LATER THAN

54 MARCH FIRST OF EACH YEAR, THE COMMISSIONER SHALL CALCULATE THE TAX LEVY

55 LIMIT FOR EACH SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR, AND SHALL

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1 NOTIFY EACH SCHOOL DISTRICT OF THE ALLOWABLE LEVY GROWTH FACTOR, THE

2 DISTRICT'S TAX LEVY BASE AND THE DISTRICT'S TAX LEVY LIMIT.

3 4. REORGANIZED SCHOOL DISTRICTS. WHEN TWO OR MORE SCHOOL DISTRICTS

4 REORGANIZE, THE COMMISSIONER SHALL DETERMINE THE TAX LEVY LIMIT FOR THE

5 REORGANIZED SCHOOL DISTRICT FOR THE FIRST SCHOOL YEAR FOLLOWING THE

6 REORGANIZATION BASED ON THE RESPECTIVE TAX LEVY LIMITS OF THE SCHOOL

7 DISTRICTS THAT FORMED THE REORGANIZED DISTRICT FROM THE LAST SCHOOL YEAR

8 IN WHICH THEY WERE SEPARATE DISTRICTS, PROVIDED THAT IN THE EVENT OF

9 FORMATION OF A NEW CENTRAL HIGH SCHOOL DISTRICT, THE TAX LEVY LIMITS FOR

10 THE NEW CENTRAL HIGH SCHOOL DISTRICT AND ITS COMPONENT SCHOOL DISTRICTS

11 SHALL BE DETERMINED IN ACCORDANCE WITH A METHODOLOGY PRESCRIBED BY THE

12 COMMISSIONER.

13 5. ERRONEOUS LEVIES. IN THE EVENT A SCHOOL DISTRICT'S ACTUAL TAX LEVY

14 FOR A GIVEN SCHOOL YEAR EXCEEDS THE MAXIMUM ALLOWABLE LEVY AS ESTAB-

15 LISHED PURSUANT TO THIS SECTION DUE TO CLERICAL OR TECHNICAL ERRORS, THE

16 SCHOOL DISTRICT SHALL PLACE THE EXCESS AMOUNT OF THE LEVY IN RESERVE IN

17 ACCORDANCE WITH SUCH REQUIREMENTS AS THE STATE COMPTROLLER MAY

18 PRESCRIBE, AND SHALL USE SUCH FUNDS AND ANY INTEREST EARNED THEREON TO

19 OFFSET THE TAX LEVY FOR THE ENSUING SCHOOL YEAR.

20 S 3. The education law is amended by adding a new section 2023-b to

21 read as follows:

22 S 2023-B. VOTER APPROVAL OF TAX LEVY LIMITATIONS. 1. THE TAX LEVY FOR

23 ANY SCHOOL DISTRICT SUBJECT TO THE TAX LEVY LIMITATIONS ESTABLISHED BY

24 SECTION TWO THOUSAND TWENTY-THREE-A OF THIS ARTICLE SHALL BE APPROVED BY

25 THE QUALIFIED VOTERS OF THE SCHOOL DISTRICT AS PROVIDED IN THIS SECTION.

26 AS USED IN THIS SECTION, THE TERM "TAX LEVY PROPOSITION" MEANS A PROPO-

27 SITION TO AUTHORIZE A TAX LEVY SUFFICIENT TO SUPPORT THE PROPOSED SCHOOL

28 DISTRICT BUDGET, EXCLUDING ANY PROPOSED CAPITAL TAX LEVY.

29 2. A. THE TRUSTEE, TRUSTEES OR BOARD OF EDUCATION OF A SCHOOL DISTRICT

30 SHALL PRESENT AT THE ANNUAL MEETING AND ELECTION A TAX LEVY PROPOSITION

31 IN SUBSTANTIALLY THE FOLLOWING FORM: "SHALL THE SCHOOL DISTRICT BE

32 AUTHORIZED TO IMPOSE A TAX LEVY FOR THE SCHOOL YEAR, EXCLUDING ANY CAPI-

33 TAL TAX LEVY, OF \_\_\_\_\_\_ WHEN THE STATUTORY TAX LEVY LIMIT FOR THAT

34 SCHOOL YEAR IS \_\_\_\_\_\_?"

35 B. EXCEPT AS OTHERWISE PROVIDED IN SECTION TWO THOUSAND TWENTY-THREE-A

36 OF THIS ARTICLE, IF THE PROPOSED TAX LEVY DOES NOT EXCEED THE TAX LEVY

37 LIMIT DETERMINED PURSUANT TO SECTION TWO THOUSAND TWENTY-THREE-A OF THIS

38 ARTICLE, THEN THE PROPOSITION SHALL BE APPROVED IF OVER FIFTY PERCENT OF

39 THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE. IF THE PROPOSED TAX LEVY

40 EXCEEDS THE TAX LEVY LIMIT DETERMINED PURSUANT TO SECTION TWO THOUSAND

41 TWENTY-THREE-A OF THIS ARTICLE, THEN THE PROPOSITION SHALL BE APPROVED

42 IF OVER SIXTY PERCENT OF THE VOTES CAST THEREON ARE IN THE AFFIRMATIVE.

43 C. IF THE TAX LEVY PROPOSITION IS APPROVED BY THE QUALIFIED VOTERS,

44 THE TAX LEVY LIMIT IMPOSED THEREBY SHALL BE DEEMED TO BE THE TAX LEVY

45 LIMIT FOR THE SCHOOL DISTRICT FOR THE COMING SCHOOL YEAR, AND THE TRUS-

46 TEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT COMPLIES WITH SUCH

47 TAX LEVY LIMIT. IF THE TAX LEVY PROPOSITION IS NOT APPROVED BY THE

48 QUALIFIED VOTERS, THEN THE TRUSTEES OR BOARD OF EDUCATION SHALL PRESENT

49 ON THE THIRD TUESDAY OF JUNE A TAX LEVY PROPOSITION IN ACCORDANCE WITH

50 PARAGRAPHS A AND B OF THIS SUBDIVISION. IF, HOWEVER, THE TAX LEVY

51 PROPOSITION IS THEN NOT APPROVED BY THE QUALIFIED VOTERS, THEN THE TRUS-

52 TEES OR BOARD OF EDUCATION SHALL ADOPT A BUDGET THAT REQUIRES A TAX LEVY

53 NO GREATER THAN THAT FOR THE PRIOR SCHOOL YEAR.

54 S 4. Subdivisions 1 and 3 of section 416 of the education law, subdi-

55 vision 1 as amended by chapter 687 of the laws of 1949 and subdivision 3

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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].

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1 15. To make any repairs and abate any nuisances, pursuant to the

2 direction of the district superintendent as herein provided, and provide

3 fuel, stoves or other heating apparatus, pails, brooms and other imple-

4 ments necessary to keep the schoolhouses and the schoolrooms clean, and

5 make them reasonably comfortable for use[, when no provision has been

6 made therefor by a vote of the district, or the sum voted by the

7 district for said purposes shall have proved insufficient].

8 18. To [expend in the] purchase [of] a dictionary, books, reprod-

9 uctions of standard works of art, maps, globes or other school appara-

10 tus, including implements, apparatus and supplies for instruction in

11 agriculture, or for conducting athletic playgrounds and social center

12 activities[, a sum not exceeding fifty dollars in any one year, without

13 a vote of the district].

14 24. To furnish lighting facilities, janitorial care and supervision

15 for highway underpasses [when authorized to do so by vote of a district

16 meeting under the provisions of subdivision twenty of section two thou-

17 sand fifteen of this chapter].

18 S 6. Section 1608 of the education law, as amended by section 5 of

19 part A of chapter 436 of the laws of 1997, subdivisions 2 and 4 as

20 amended by chapter 640 of the laws of 2008, subdivision 7 as amended by

21 section 4 of part H of chapter 83 of the laws of 2002 and paragraph a of

22 subdivision 7 as amended by chapter 238 of the laws of 2007, is amended

23 to read as follows:

24 S 1608. Estimated expenses for ensuing year. 1. It shall be the duty

25 of the trustees of each common school district to present at the annual

26 budget hearing a detailed statement in writing of the amount of money

27 which will be required for the ensuing year for school purposes, speci-

28 fying the several purposes and the amount for each. The amount for each

29 purpose estimated necessary for payments to boards of cooperative educa-

30 tional services shall be shown in full, with no deduction of estimated

31 state aid. The amount of state aid provided and its percentage relation-

32 ship to the total expenditures shall also be shown. This section shall

33 not be construed to prevent the trustees from presenting such statement

34 at a budget hearing held not less than seven nor more than fourteen days

35 prior to a special meeting called for the purpose, nor from presenting a

36 supplementary and amended statement or estimate at any time.

37 2. Such statement shall be completed at least seven days before the

38 budget hearing at which it is to be presented and copies thereof shall

39 be prepared and made available, upon request and at the school district

40 offices, at any public library or free association library within the

41 district and on the school district's internet website, if one exists,

42 to residents within the district during the period of fourteen days

43 immediately preceding the annual meeting [and election or special

44 district meeting at which the budget vote will occur] and at such meet-

45 ing or hearing. The board shall also as a part of the notice required by

46 section two thousand three of this chapter give notice of the date, time

47 and place of the budget hearing and that a copy of such statement may be

48 obtained by any resident in the district at each schoolhouse in the

49 district in which school is maintained during certain designated hours

50 on each day other than a Saturday, Sunday or holiday during the fourteen

51 days immediately preceding such meeting. The board shall include notice

52 of the availability of such statement at least once during the school

53 year in any district-wide mailing distributed.

54 3. Commencing with the proposed budget for the nineteen hundred nine-

55 ty-seven--ninety-eight school year, such proposed budget shall be in

56 plain language and shall be consistent with regulations promulgated by

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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

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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

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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].

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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-

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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

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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]

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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

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1 fourteen days before such meeting and any required posting to be four-

2 teen days before the time of such meeting. [If the qualified voters at

3 such special district meeting defeat the school district budget, the

4 trustees or board of education shall adopt a contingency budget pursuant

5 to section two thousand twenty-three of this part. Notwithstanding any

6 other provision in law, the trustees or board of education following the

7 adoption of a contingency budget may call a special district meeting for

8 a second vote on the proposed budget pursuant to the requirements of

9 subdivision three of section two thousand seven or subdivision three of

10 section two thousand six of this chapter.]

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

12 S 12. Subdivision 3 of section 2007 of the education law, as amended

13 by section 5 of part M of chapter 57 of the laws of 2005, is amended to

14 read as follows:

15 3. a. Notwithstanding the provisions of subdivisions one and two of

16 this section, and of section two thousand four of this part, whenever

17 the [voters of the district shall have defeated the budget of the

18 district, in whole or in part, or whenever the] board of education shall

19 have rejected all bids for a contract or contracts for public work,

20 transportation or purchase[,] and [whenever in either such case the

21 board of education shall deem] DEEMS it necessary and proper to call a

22 special meeting to take appropriate action, the board of education shall

23 be authorized to give the notices required by subdivision one of section

24 two thousand four of this part by publishing such notices once in each

25 week within the two weeks next preceding such special meeting, the first

26 publication to be at least fourteen days before such meeting and any

27 required posting to be fourteen days before the time of such meeting.

28 b. [A school budget revote called pursuant to paragraph a of this

29 subdivision shall be held on the third Tuesday of June, provided, howev-

30 er that such budget revote shall be held on the second Tuesday in June

31 if the commissioner at the request of a local school board certifies no

32 later than March first that such vote would conflict with religious

33 observances.

34 c.] Notwithstanding the provisions of section two thousand fourteen of

35 this part, where a school district shall have adopted personal registra-

36 tion, the board of registration shall meet on such day or days as shall

37 be fixed by the board of education, the last day of which, however,

38 shall not be more than seven nor less than two days preceding any school

39 district meeting notices for which shall have been given as provided in

40 this subdivision.

41 S 13. Section 2008 of the education law is amended by adding a new

42 subdivision 3 to read as follows:

43 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IT

44 SHALL NOT BE WITHIN THE POWER OF THE VOTERS OF A SCHOOL DISTRICT TO

45 SUBMIT A PROPOSITION THAT REQUIRES THE EXPENDITURE OF MONEY, PROVIDED

46 THAT THE VOTERS MAY SUBMIT A PROPOSITION TO CHANGE THE MILEAGE LIMITA-

47 TIONS ON TRANSPORTATION PURSUANT TO SUBDIVISION NINETEEN OF SECTION TWO

48 THOUSAND TWENTY-ONE OF THIS PART.

49 S 14. Subdivisions 10, 11, 12, 15, 16, 17, 18, 20 and 21 of section

50 2021 of the education law are REPEALED and subdivisions 8 and 19, such

51 section as renumbered by chapter 801 of the laws of 1953, are amended to

52 read as follows:

53 8. To vote a tax upon the taxable property of the district, to

54 purchase, lease and improve such sites or an addition to such sites and

55 grounds for the purposes specified in [the preceding] subdivision SEVEN

56 OF THIS SECTION, to hire or purchase rooms or buildings for school rooms

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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

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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

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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

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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

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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

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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

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1 capital component than the lesser of (1) the percentage the administra-

2 tive component had comprised in the prior year budget exclusive of the

3 capital component; or (2) the percentage the administrative component

4 had comprised in the last proposed defeated budget exclusive of the

5 capital component. Such contingency budget shall include the sum deter-

6 mined by the board to be necessary for:

7 (a) teachers' salaries, including the salaries of all members of the

8 teaching and supervising staff;

9 (b) items of expense specifically authorized by statute to be incurred

10 by the board of education, including, but not limited to, expenditures

11 for transportation to and from regular school programs included as ordi-

12 nary contingent expenses in subdivision twelve of section twenty-five

13 hundred three of this chapter, expenditures for textbooks, required

14 services for non-public school students, school health services, special

15 education services, kindergarten and nursery school programs, and the

16 district's share of the administrative costs and costs of services

17 provided by a board of cooperative educational services;

18 (c) items of expense for legal obligations of the district, including,

19 but not limited to, contractual obligations, debt service, court orders

20 or judgments, orders of administrative bodies or officers, and standards

21 and requirements of the board of regents and the commissioner that have

22 the force and effect of law;

23 (d) the purchase of library books and other instructional materials

24 associated with a library;

25 (e) items of expense necessary to maintain the educational programs of

26 the district, preserve the property of the district or protect the

27 health and safety of students and staff, including, but not limited to,

28 support services, pupil personnel services, the necessary salaries for

29 the necessary number of non-teaching employees, necessary legal

30 expenses, water and utility charges, instructional supplies for teach-

31 ers' use, emergency repairs, temporary rental of essential classroom

32 facilities, and expenditures necessary to advise school district voters

33 concerning school matters; and

34 (f) expenses incurred for interschool athletics, field trips and other

35 extracurricular activities; and

36 (g) any other item of expense determined by the commissioner to be an

37 ordinary contingent expense in any school district.

38 6. The commissioner shall determine appeals raising questions as to

39 what items of expenditure are ordinary contingent expenses pursuant to

40 subdivision five of this section in accordance with section two thousand

41 twenty-four and three hundred ten of this chapter.

42 7.] 4. Each year, the board of education shall prepare a school

43 district report card, pursuant to regulations of the commissioner, and

44 shall make it publicly available by transmitting it to local newspapers

45 of general circulation, appending it to copies of the proposed budget

46 made publicly available as required by law, making it available for

47 distribution at the annual meeting, and otherwise disseminating it as

48 required by the commissioner. Such report card shall include measures of

49 the academic performance of the school district, on a school by school

50 basis, and measures of the fiscal performance of the district, as

51 prescribed by the commissioner. Pursuant to regulations of the commis-

52 sioner, the report card shall also compare these measures to statewide

53 averages for all public schools, and statewide averages for public

54 schools of comparable wealth and need, developed by the commissioner.

55 Such report card shall include, at a minimum, any information on the

56 school district regarding pupil performance and expenditure per pupil

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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

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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)

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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 munici-

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.