

STATE OF NEW YORK

8736

IN SENATE

August 5, 2008

Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the real property tax law and the education law, in relation to establishing limitations upon school district tax levies; and repealing certain provisions of the education law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The real property tax law is amended by adding a new
2 section 1307 to read as follows:

3 § 1307. Limitations upon school district tax levies. 1. Generally.
4 Unless otherwise provided by law, the amount of taxes that may be levied
5 by or on behalf of any school district, other than a city school
6 district of a city with one hundred twenty-five thousand inhabitants or
7 more, shall not exceed the tax levy limitations established pursuant to
8 section two thousand twenty-three-a of the education law. It shall be
9 the responsibility of the commissioner of education to annually deter-
10 mine the tax levy limit of each school district in accordance with the
11 provisions of this section.

12 2. Definitions. As used in this section:

13 (a) "Available carryover" means the sum of the amounts by which the
14 tax levy for each school year from the two thousand nine--two thousand
15 ten school year through the prior school year was below the applicable
16 tax levy limit for such school year, if any.

17 (b) "Capital local expenditures" means the taxes associated with budg-
18 eted expenditures resulting from the construction, acquisition, recon-
19 struction, rehabilitation or improvement of school buildings, including
20 debt service and lease expenditures, subject to the approval of the
21 qualified voters where required by law.

22 (c) "Capital tax levy" means the tax levy necessary to support capital
23 local expenditures, if any.

24 (d) "Coming school year" means the school year for which tax levy
25 limits are being determined pursuant to this section.

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

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1 (e) "Inflation factor" means the quotient of: (i) the average of the
2 national consumer price indexes determined by the United States depart-
3 ment of labor for the twelve month period preceding January first of the
4 current year minus the average of the national consumer price indexes
5 determined by the United States department of labor for the twelve-month
6 period preceding January first of the prior year, divided by: (ii) the
7 average of the national consumer price indexes determined by the United
8 States department of labor for the twelve-month period preceding January
9 first of the prior year, with the result expressed as a decimal to two

10 places.

11 (f) "Levy growth factor" shall be the lesser of: (i) one hundred four
12 percent; or (ii) the sum of one plus one hundred twenty percent of the
13 inflation factor.

14 (g) "Prior school year" means the school year immediately preceding
15 the coming school year.

16 (h) "School district" means a common school district, union free
17 school district, central school district, central high school district
18 or a city school district in a city with less than one hundred twenty-
19 five thousand inhabitants.

20 (i) "Tax levy base" means the amount of taxes a school district would
21 be authorized to levy without the addition of any available carryover
22 amount.

23 (j) "Tax levy limit" means the amount of taxes a school district is
24 authorized to levy pursuant to this section, provided, however, that the
25 tax levy limit shall not include the district's capital tax levy, if
26 any.

27 3. Tax base growth factor. (a) No later than March first of each year,
28 the state board shall identify those school districts for which tax base
29 growth factors must be determined for the coming school year, and shall
30 notify the commissioner of education of the tax base growth factors so
31 determined, if any.

32 (b) The state board shall calculate a quantity change factor for each
33 school district for the coming school year based upon the physical or
34 quantity change, as defined by section twelve hundred twenty of this
35 chapter, reported to the state board by the assessor or assessors pursu-
36 ant to section five hundred seventy-five of this chapter. The quantity
37 change factor shall show the percentage by which the full value of the
38 taxable real property in the school district has changed due to physical
39 or quantity change between the second final assessment roll or rolls
40 preceding the final assessment roll or rolls upon which taxes are to be
41 levied, and the final assessment roll or rolls immediately preceding the
42 final assessment roll or rolls upon which taxes are to be levied.

43 (c) After determining the quantity change factor for a school
44 district, the state board shall proceed as follows:

45 (i) If the quantity change factor is negative, the state board shall
46 not determine a tax base growth factor for the school district.

47 (ii) If the quantity change factor is positive, the state board shall
48 determine a tax base growth factor for the school district which is
49 equal to one plus the quantity change factor, provided that in no case
50 shall a tax base growth factor be in excess of one hundred ten percent.

51 4. Computation of tax levy limits. (a) The tax levy base for each
52 school year shall be determined as follows:

53 (i) Ascertain the total amount of taxes levied for the prior school
54 year.

55 (ii) Add any payments in lieu of taxes that were receivable in the
56 prior school year.

1 (iii) Subtract the capital tax levy for the prior school year, if any.

2 (iv) Multiply the result by the levy growth factor.

3 (v) Multiply the result by the tax base growth factor, if any.

4 (b) The tax levy base shall be adjusted by adding the available carry-
5 over, if any, provided that in no event shall the amount of added carry-
6 over exceed one and one-half percent of the tax levy for the prior
7 school year.

8 (c) The tax levy limit for the coming school year shall be the
9 adjusted tax levy base, less any payments in lieu of taxes receivable in
10 the coming school year. No later than March first of each year, the
11 commissioner of education shall calculate the tax levy limit for each
12 school district, and shall notify each school district of the levy
13 growth factor, the district's tax base growth factor, if any, the
14 district's tax levy base and the district's tax levy limit.

15 5. Voter overrides. The qualified voters of a school district may
16 vote to reduce (or override) the limitations imposed by this section
17 for such school district for the coming school year in the manner
18 provided by section two thousand twenty-three-a of the education law.

19 6. Reorganized school districts. When two or more school districts
20 reorganize, the commissioner of education shall determine the tax levy
21 limit for the reorganized school district based on the respective tax
22 levy limits of the school districts that formed the reorganized district
23 from the last school year in which they were separate districts,
24 provided that in the event of formation of a new central high school
25 district, the tax levy limits for the new central high school district
26 and its component school districts shall be determined in accordance
27 with a methodology prescribed by the commissioner of education.

28 7. Erroneous levies. In the event a school district's actual tax levy
29 for a given school year exceeds the maximum allowable levy as estab-
30 lished pursuant to section two thousand twenty-three-a of the education
31 law due to clerical or technical errors, the school district shall place
32 the excess amount of the levy in reserve in accordance with such
33 requirements as the state comptroller may prescribe, and shall use such
34 funds and any interest earned thereon to offset the tax levy for the
35 ensuing school year.

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

38 § 2023-a. Voter approval of tax levy limitations. 1. The tax levy for
39 any school district subject to the tax levy limitations established by
40 section thirteen hundred seven of the real property tax law shall be
41 approved by the qualified voters of the school district as provided in
42 this section. As used in this section, the term "tax levy proposition"
43 means a proposition to authorize a tax levy sufficient to support the
44 proposed school district budget, excluding any proposed capital tax
45 levy; the term "override proposition" means a proposition to impose a
46 more restrictive tax levy limit upon a school district than the tax levy
47 limit established pursuant to section thirteen hundred seven of the real
48 property tax law; and the term "general purpose state aid" means all
49 forms of state aid which are payable to a school district as general
50 support for the public schools, with the exception of building aid,
51 library aid, computer hardware and software aid, universal pre-kinder-
52 garten aid and textbook aid. The director of the budget shall annually
53 certify the amount of general purpose state aid payable to each school
54 district.

55 2. a. The qualified voters of a common school district, union free
56 school district, central school district, central high school district

1 or a city school district in a city with less than one hundred twenty-
2 five thousand inhabitants, upon filing of a valid petition pursuant to
3 paragraph b of this subdivision, may vote to impose tax levy limits for
4 the ensuing school year that are more restrictive than those otherwise
5 imposed by section thirteen hundred seven of the real property tax law.
6 No such vote shall apply to more than one school year.

7 b. Upon the filing with the trustee, trustees or board of education of
8 one or more petitions pursuant to this subdivision requesting that an
9 underride proposition be submitted for a vote at a special district
10 meeting, such officers shall call a special district meeting to be held
11 on the first Tuesday in May, or the last Tuesday in April where there
12 would be a conflict with religious observances, in accordance with the
13 applicable provisions of subdivision three of section two thousand seven
14 or subdivision three of section two thousand six of this article, for
15 the purpose of submitting to the qualified voters an underride proposi-
16 tion. Such officers shall submit for a vote of the qualified voters the
17 proposition that was signed by the greatest number of qualified voters,
18 or, if there is a tie, the proposition signed by the greatest number of
19 qualified voters that was filed first. A petition for an underride
20 proposition shall be signed by: (i) at least ten percent of the regis-
21 tered voters of the school district based on the register prepared at
22 the last annual meeting and election of the school district; or (ii) if
23 the school district does not provide for the personal registration of
24 voters, by two hundred fifty qualified voters or twenty percent of the
25 number of voters who voted in the previous annual election of the
26 members of the board of education or trustees, whichever is less. Such
27 petition shall be filed in the office of the clerk of the district
28 between the hours of nine a.m. and five p.m., not later than the twenti-
29 eth day preceding the special district meeting at which an underride
30 vote may occur.

31 c. Where a proposition to underride a tax levy limitation is to be
32 submitted for a vote at a special district meeting called for this
33 purpose, the clerk of the district shall give notice of the time and
34 place of the special district meeting by publishing a notice at least
35 fourteen days prior to the special district meeting in two newspapers if
36 there shall be two, or in one newspaper if there shall be but one,
37 having general circulation within such district, provided, however, that
38 if there is no newspaper having general circulation within the district,
39 the said notice shall be posted in at least twenty of the most public
40 places in said district fourteen days before the time of such meeting.

41 d. An underride proposition shall be a separate proposition in
42 substantially the following form:

43 "Shall the _____ school district be required to impose a tax levy
44 for the _____ school year, excluding any capital tax levy, that is no
45 greater than _____, even though the statutory tax levy limit for that
46 school year is _____?"

47 e. An underride proposition shall be approved if over fifty percent of
48 the votes cast thereon are in the affirmative. If such underride propo-
49 sition is approved by the qualified voters, the tax levy limit imposed
50 thereby shall be deemed to be the tax levy limit for the school district
51 for the coming school year for purposes of section thirteen hundred
52 seven of the real property tax law, and the trustees or board of educa-
53 tion shall adopt a budget that complies with such tax levy limit. Upon
54 approval of an underride proposition, no other tax levy proposition may
55 be submitted to the voters for that same school year.

1 3. a. Unless an underride proposition has been approved pursuant to
2 subdivision two of this section, the trustee, trustees or board of
3 education of a school district shall present at the annual meeting and
4 election a tax levy proposition in substantially the following form:

5 "Shall the _____ school district be authorized to impose a tax
6 levy for the _____ school year, excluding any capital tax levy,
7 of _____, when the statutory tax levy limit for that school year
8 is _____?"

9 b. Except as otherwise provided in section thirteen hundred seven of
10 the real property tax law, if the proposed tax levy does not exceed the
11 tax levy limit determined pursuant to section thirteen hundred seven of
12 the real property tax law, then the proposition shall be approved if
13 over fifty percent of the votes cast thereon are in the affirmative. If
14 the proposed tax levy would exceed the tax levy limit determined pursu-
15 ant to section thirteen hundred seven of the real property tax law, then
16 the voting margin necessary for such a proposition to be approved shall
17 be as follows:

18 (i) If the general purpose state aid payable to the school district
19 for the ensuing year is to increase by at least five percent over such
20 aid for the prior year, then sixty percent of the votes cast on the
21 proposition by qualified voters must be in the affirmative in order for
22 the proposition to be approved.

23 (ii) If the general purpose state aid payable to the school district
24 for the ensuing school year is to increase by less than five percent
25 over such aid for the prior year, then over fifty-five percent of the
26 votes cast on the proposition must be in the affirmative in order for
27 the proposition to be approved.

28 (iii) If the amount of general purpose state aid which will be payable
29 to a school district for the coming school year has not been certified
30 by the director of the budget, then fifty percent of the votes cast on
31 the proposition by qualified voters must be in the affirmative in order
32 for the proposition to be approved.

33 c. If the tax levy proposition is approved by the qualified voters,
34 the tax levy limit imposed thereby shall be deemed to be the tax levy
35 limit for the school district for the coming school year, and the trus-
36 tees or board of education shall adopt a budget that complies with such
37 tax levy limit. If, however, the tax levy proposition is not approved by
38 the qualified voters, then the trustees or board of education shall
39 adopt a budget that requires a tax levy excluding any capital tax levy,
40 that is no greater than the tax levy base determined pursuant to section
41 thirteen hundred seven of the real property tax law.

42 § 3. Subdivisions 1 and 3 of section 416 of the education law, subdi-
43 vision 1 as amended by chapter 687 of the laws of 1949 and subdivision 3
44 as amended by chapter 171 of the laws of 1996, are amended to read as
45 follows:

46 1. A majority of the voters of any school district, present and voting
47 at any annual or special district meeting, duly convened, may authorize
48 such acts and vote such taxes as they shall deem expedient for making
49 additions, alterations, repairs or improvements, to the sites or build-
50 ings belonging to the district, or for altering and equipping for
51 library use any former schoolhouse belonging to the district, or for the
52 purchase of other sites or buildings, or for a change of sites, or for
53 the purchase of land and buildings for agricultural, athletic, play-
54 ground or social center purposes, or for the erection of new buildings,
55 or for building a bus garage, or for ~~buying apparatus, implements, or~~
56 fixtures, or for paying the wages of teachers, and the necessary

1 ~~expenses of the school, or for the purpose of paying any judgment, or~~
2 ~~for] the payment or refunding of an outstanding bonded indebtedness[, or~~
3 ~~for such other purpose relating to the support and welfare of the school~~
4 ~~as they may, by resolution, approve].~~

5 3. No addition to or change of site or purchase of a new site or tax
6 for the purchase of any new site or structure, or for grading or improv-
7 ing a school site, or for the purchase of an addition to the site of any
8 schoolhouse, or for the purchase of lands and buildings for agricul-
9 tural, athletic, playground or social center purposes, or for building
10 any new schoolhouse or for the erection of an addition to any school-
11 house already built, or for the payment or refunding of an outstanding
12 bonded indebtedness, shall be voted at any such meeting in a union free
13 school district or a city school district [~~which conducts annual budget~~
14 ~~votes in accordance with article forty one of this chapter pursuant to~~
15 ~~section twenty six hundred one a of this chapter] in a city with less
16 than one hundred twenty-five thousand inhabitants, unless a notice by
17 the board of education stating that such tax will be proposed, and spec-
18 ifying the object thereof and the amount to be expended therefor, shall
19 have been given in the manner provided herein for the notice of an annu-
20 al meeting. In a common school district the notice of a special meeting
21 to authorize any of the improvements enumerated in this section shall be
22 given as provided in section two thousand six. The board of education of
23 a union free school district or a city school district [~~which conducts~~
24 ~~annual budget votes in accordance with article forty one of this chapter~~
25 ~~pursuant to section twenty six hundred one a of this chapter] in a city
26 with less than one hundred twenty-five thousand inhabitants, may deter-
27 mine that the vote upon any question to be submitted at a special meet-
28 ing as provided in this section shall be by ballot, in which case it
29 shall state in the notice of such special meeting the hours during which
30 the polls shall be kept open. Printed ballots may be prepared by the
31 board in advance of the meeting and the proposition or propositions
32 called for in the notice of the meeting may be submitted in substantial-
33 ly the same manner as propositions to be voted upon at a general
34 election.~~~~

35 § 4. Subdivisions 14, 15, 18 and 24 of section 1604 of the education
36 law, subdivisions 14 and 18 as amended by chapter 654 of the laws of
37 1953, are amended to read as follows:

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

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

50 18. To [~~expend in the] purchase [of] a dictionary, books, reprod-~~
51 ~~uctions of standard works of art, maps, globes or other school appa-~~
52 ~~atus, including implements, apparatus and supplies for instruction in~~
53 ~~agriculture, or for conducting athletic playgrounds and social center~~
54 ~~activities[, a sum not exceeding fifty dollars in any one year, without~~
55 ~~a vote of the district].~~

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

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

10 § 1608. Estimated expenses for ensuing year. 1. It shall be the duty
11 of the trustees of each common school district to present at the annual
12 budget hearing a detailed statement in writing of the amount of money
13 which will be required for the ensuing year for school purposes, speci-
14 fying the several purposes and the amount for each. Where a proposition
15 to override a tax levy limitation has been approved pursuant to section
16 two thousand twenty-three-a of this chapter, the trustees shall present
17 at the annual budget hearing a budget that complies with the approved
18 override proposition. The amount for each purpose estimated necessary
19 for payments to boards of cooperative educational services shall be
20 shown in full, with no deduction of estimated state aid. The amount of
21 state aid provided and its percentage relationship to the total expendi-
22 tures shall also be shown. This section shall not be construed to
23 prevent the trustees from presenting such statement at a budget hearing
24 held not less than seven nor more than fourteen days prior to a special
25 meeting called for the purpose, nor from presenting a supplementary and
26 amended statement or estimate at any time.

27 2. Such statement shall be completed at least seven days before the
28 budget hearing at which it is to be presented and copies thereof shall
29 be prepared and made available, upon request, to residents within the
30 district during the period of fourteen days immediately preceding the
31 annual meeting [~~and election or special district meeting at which the~~
32 ~~budget vote will occur~~] and at such meeting or hearing. The board shall
33 also as a part of the notice required by section two thousand three of
34 this chapter give notice of the date, time and place of the budget hear-
35 ing and that a copy of such statement may be obtained by any resident in
36 the district at each schoolhouse in the district in which school is
37 maintained during certain designated hours on each day other than a
38 Saturday, Sunday or holiday during the fourteen days immediately preced-
39 ing such meeting. The board shall include notice of the availability of
40 such statement at least once during the school year in any district-wide
41 mailing distributed.

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

53 4. Commencing with the proposed budget for the nineteen hundred nine-
54 ty-eight--ninety-nine school year, such proposed budget shall be
55 presented in three components: a program component, a capital component
56 and an administrative component which shall be separately delineated in

1 accordance with regulations of the commissioner after consultation with
2 local school district officials. The administrative component shall
3 include, but need not be limited to, office and central administrative
4 expenses, traveling expenses and salaries and benefits of all certified
5 school administrators and supervisors who spend a majority of their time
6 performing administrative or supervisory duties, any and all expendi-
7 tures associated with the operation of the office of trustee or board of
8 trustees, the office of the superintendent of schools, general adminis-
9 tration, the school business office, consulting costs not directly
10 related to direct student services and programs, planning and all other
11 administrative activities. The program component shall include, but need
12 not be limited to, all program expenditures of the school district,
13 including the salaries and benefits of teachers and any school adminis-
14 trators or supervisors who spend a majority of their time performing
15 teaching duties, and all transportation operating expenses. The capital
16 component shall include, but need not be limited to, all transportation
17 capital, debt service, and lease expenditures; costs resulting from
18 judgments in tax certiorari proceedings or the payment of awards from
19 court judgments, administrative orders or settled or compromised claims;
20 and all facilities costs of the school district, including facilities
21 lease expenditures, the annual debt service and total debt for all
22 facilities financed by bonds and notes of the school district, and the
23 costs of construction, acquisition, reconstruction, rehabilitation or
24 improvement of school buildings, provided that such budget shall include
25 a rental, operations and maintenance section that includes base rent
26 costs, total rent costs, operation and maintenance charges, cost per
27 square foot for each facility leased by the school district, and any and
28 all expenditures associated with custodial salaries and benefits,
29 service contracts, supplies, utilities, and maintenance and repairs of
30 school facilities. ~~[For the purposes of the development of a budget for
31 the nineteen hundred ninety eight ninety nine school year, the trustee
32 or board of trustees shall separate the district's program, capital and
33 administrative costs for the nineteen hundred ninety seven ninety eight
34 school year in the manner as if the budget for such year had been
35 presented in three components.]~~

36 5. The trustee or board of trustees shall append to the statement of
37 estimated expenditures a detailed statement of the total compensation to
38 be paid to the superintendent of schools, and any assistant or associate
39 superintendents of schools in the ensuing school year, including a
40 delineation of the salary, annualized cost of benefits and any in-kind
41 or other form of remuneration. The trustees shall also append a list of
42 all other school administrators and supervisors, if any, whose annual
43 salary will be eighty-five thousand dollars or more in the ensuing
44 school year, with the title of their positions and annual salary identi-
45 fied; provided however, that the commissioner may adjust such salary
46 level to reflect increases in administrative salaries after June thirti-
47 eth, nineteen hundred ninety-eight. The trustees shall submit a copy of
48 such list and statement, in a form prescribed by the commissioner, of
49 compensation to the commissioner within five days after their prepara-
50 tion. The commissioner shall compile such data, together with the data
51 submitted pursuant to subdivision three of section seventeen hundred
52 sixteen of this chapter, into a single statewide compilation, which
53 shall be made available to the governor, the legislature, and other
54 interested parties upon request.

55 6. Each year, the board of education shall prepare a school district
56 report card, pursuant to regulations of the commissioner, and shall make

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

27 7. a. Each year, commencing with the proposed budget for the two thou-
28 sand--two thousand one school year, the trustee or board of trustees
29 shall prepare a property tax report card, pursuant to regulations of the
30 commissioner, and shall make it publicly available by transmitting it to
31 local newspapers of general circulation, appending it to copies of the
32 proposed budget made publicly available as required by law, making it
33 available for distribution at the annual ~~meeting~~ budget hearing, and
34 otherwise disseminating it as required by the commissioner. Such report
35 card shall include: (i) the amount of total spending and total estimated
36 school tax levy that would result from adoption of the proposed budget
37 and the percentage increase or decrease in total spending and total
38 school tax levy from the school district budget for the preceding school
39 year; and (ii) the district's tax levy limit and tax levy base deter-
40 mined pursuant to section thirteen hundred seven of the real property
41 tax law, the tax levy proposed by the district, and the proposed capital
42 tax levy, if any; and (iii) the projected enrollment growth for the
43 school year for which the budget is prepared, and the percentage change
44 in enrollment from the previous year; and ~~[(iii)]~~ (iv) the percentage
45 increase in the consumer price index, as defined in paragraph c of this
46 subdivision; and ~~[(iv)]~~ (v) the projected amount of the unappropriated
47 unreserved fund balance that will be retained if the proposed budget is
48 adopted, the projected amount of the reserved fund balance, the project-
49 ed amount of the appropriated fund balance, the percentage of the
50 proposed budget that the unappropriated unreserved fund balance repres-
51 ents, the actual unappropriated unreserved fund balance retained in the
52 school district budget for the preceding school year, and the percentage
53 of the school district budget for the preceding school year that the
54 actual unappropriated unreserved fund balance represents.

55 b. A copy of the property tax report card prepared for the annual
56 ~~[district meeting]~~ budget hearing shall be submitted to the department

1 in the manner prescribed by the department by the end of the business
2 day next following approval of the report card by the trustee or board
3 of trustees, but no later than twenty-four days prior to the statewide
4 uniform voting day. The department shall compile such data for all
5 school districts ~~[whose budgets are subject to a vote of the qualified~~
6 ~~voters]~~ subject to a tax levy limitation pursuant to section thirteen
7 hundred seven of the real property tax law and shall make such compila-
8 tion available electronically at least ten days prior to the statewide
9 uniform voting day.

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

22 § 6. Subdivisions 22 and 28 of section 1709 of the education law,
23 subdivision 22 as amended by chapter 682 of the laws of 2002, is amended
24 to read as follows:

25 22. To provide, purchase, lease, furnish and maintain buildings or
26 other suitable accommodations for the use of teachers or other employees
27 of the district ~~[when duly authorized by a meeting of the district]~~,
28 subject to approval of the voters where otherwise required by law, and
29 to raise by tax upon the taxable property of the district and moneys
30 necessary for such purposes; and also to provide, maintain and operate a
31 cafeteria or restaurant service for the use of pupils and teachers while
32 at school. Such cafeteria may be used by the community for school
33 related functions and activities and to furnish meals to the elderly
34 residents, sixty years of age or older, of the district. Such cafeteria
35 or restaurant service and such utilization shall be subject to the
36 approval of the board of education. Charges shall be sufficient to meet
37 the direct cost of preparing and serving such meals, reducible by avail-
38 able reimbursements.

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

43 § 7. Section 1716 of the education law, as amended by section 7 of
44 part A of chapter 436 of the laws of 1997, subdivision 7 as amended by
45 section 5 of part H of chapter 83 of the laws of 2002 and paragraph a of
46 subdivision 7 as amended by chapter 238 of the laws of 2007, is amended
47 to read as follows:

48 § 1716. Estimated expenses for ensuing year. 1. It shall be the duty
49 of the board of education of each district to present at the annual
50 budget hearing a detailed statement in writing of the amount of money
51 which will be required for the ensuing year for school purposes, speci-
52 fying the several purposes and the amount for each. Where a proposition
53 to override a tax levy limitation has been approved pursuant to section
54 two thousand twenty-three-a of this chapter, the board of education
55 shall present at the annual budget hearing a budget that complies with
56 the approved override proposition. The amount for each purpose esti-

1 mated necessary for payments to boards of cooperative educational
2 services shall be shown in full, with no deduction of estimated state
3 aid. The amount of state aid provided and its percentage relationship to
4 the total expenditures shall also be shown. This section shall not be
5 construed to prevent the board from presenting such statement at a budg-
6 et hearing held not less than seven nor more than fourteen days prior to
7 a special meeting called for the purpose, nor from presenting a supple-
8 mentary and amended statement or estimate at any time.

9 2. Such statement shall be completed at least seven days before the
10 budget hearing at which it is to be presented and copies thereof shall
11 be prepared and made available, upon request, to residents within the
12 district during the period of fourteen days immediately preceding the
13 annual meeting ~~[and election or special district meeting at which the~~
14 ~~budget vote will occur]~~ and at such meeting or hearing. The board shall
15 also as a part of the notice required by section two thousand four of
16 this chapter give notice of the date, time and place of the budget hear-
17 ing and that a copy of such statement may be obtained by any resident in
18 the district at each schoolhouse in the district in which school is
19 maintained during certain designated hours on each day other than a
20 Saturday, Sunday or holiday during the fourteen days immediately preced-
21 ing such meeting. The board shall include notice of the availability of
22 such statement at least once during the school year in any district-wide
23 mailing distributed.

24 3. Commencing with the proposed budget for the nineteen hundred nine-
25 ty-seven--ninety-eight school year, such proposed budget shall be in
26 plain language and shall be consistent with regulations promulgated by
27 the commissioner pursuant to subdivision twenty-six of section three
28 hundred five of this chapter. Categorization of and format for revenue,
29 including payments in lieu of taxes, property tax refunds from certior-
30 ari proceedings, expenditure, transfer, and fund balance information and
31 changes in such data from the prior year and, in the case of [~~a resub-~~
32 ~~mitted or~~] an amended budget, changes in such information from the prior
33 year submitted budget, shall be complete and accurate and set forth in
34 such a manner as to best promote public comprehension and readability.

35 4. Commencing with the proposed budget for the nineteen hundred nine-
36 ty-eight--ninety-nine school year, such proposed budget shall be
37 presented in three components: a program component, a capital component
38 and an administrative component which shall be separately delineated in
39 accordance with regulations of the commissioner after consultation with
40 local school district officials. The administrative component shall
41 include, but need not be limited to, office and central administrative
42 expenses, traveling expenses and salaries and benefits of all certified
43 school administrators and supervisors who spend a majority of their time
44 performing administrative or supervisory duties, any and all expendi-
45 tures associated with the operation of the board of education, the
46 office of the superintendent of schools, general administration, the
47 school business office, consulting costs not directly related to direct
48 student services and programs, planning and all other administrative
49 activities. The program component shall include, but need not be limited
50 to, all program expenditures of the school district, including the sala-
51 ries and benefits of teachers and any school administrators or supervi-
52 sors who spend a majority of their time performing teaching duties, and
53 all transportation operating expenses. The capital component shall
54 include, but need not be limited to, all transportation capital, debt
55 service, and lease expenditures; costs resulting from judgments in tax
56 certiorari proceedings or the payment of awards from court judgments,

1 administrative orders or settled or compromised claims; and all facilities costs of the school district, including facilities lease expenditures, the annual debt service and total debt for all facilities financed by bonds and notes of the school district, and the costs of construction, acquisition, reconstruction, rehabilitation or improvement of school buildings, provided that such budget shall include a rental, operations and maintenance section that includes base rent costs, total rent costs, operation and maintenance charges, cost per square foot for each facility leased by the school district, and any and all expenditures associated with custodial salaries and benefits, service contracts, supplies, utilities, and maintenance and repairs of school facilities. ~~[For the purposes of the development of a budget for the nineteen hundred ninety eight ninety nine school year, the board of education shall separate the district's program, capital and administrative costs for the nineteen hundred ninety seven ninety eight school year in the manner as if the budget for such year had been presented in three components.]~~

18 5. The board of education shall append to the statement of estimated expenditures a detailed statement of the total compensation to be paid to the superintendent of schools, and any assistant or associate superintendents of schools in the ensuing school year, including a delineation of the salary, annualized cost of benefits and any in-kind or other form of remuneration. The board shall also append a list of all other school administrators and supervisors, if any, whose annual salary will be eighty-five thousand dollars or more in the ensuing school year, with the title of their positions and annual salary identified; provided however, that the commissioner may adjust such salary level to reflect increases in administrative salaries after June thirtieth, nineteen hundred ninety-eight. The board of education shall submit a copy of such list and statement, in a form prescribed by the commissioner, of compensation to the commissioner within five days after their preparation. The commissioner shall compile such data, together with the data submitted pursuant to subdivision four of section sixteen hundred eight of this chapter, into a single statewide compilation, which shall be made available to the governor, the legislature, and other interested parties upon request.

37 6. Each year, the board of education shall prepare a school district report card, pursuant to regulations of the commissioner, and shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner. Such report card shall include measures of the academic performance of the school district, on a school by school basis, and measures of the fiscal performance of the district, as prescribed by the commissioner. Pursuant to regulations of the commissioner, the report card shall also compare these measures to statewide averages for all public schools, and statewide averages for public schools of comparable wealth and need, developed by the commissioner. Such report card shall include, at a minimum, any information of the school district regarding pupil performance and expenditure per pupil required to be included in the annual report by the regents to the governor and the legislature pursuant to section two hundred fifteen-a of this chapter; and any other information required by the commissioner. School districts (i) identified as having fifteen percent or more of their students in special education, or (ii) which have fifty percent or more of their students

1 with disabilities in special education programs or services sixty
2 percent or more of the school day in a general education building, or
3 (iii) which have eight percent or more of their students with disabili-
4 ties in special education programs in public or private separate educa-
5 tional settings shall indicate on their school district report card
6 their respective percentages as defined in this paragraph and paragraphs
7 (i) and (ii) of this subdivision as compared to the statewide average.

8 7. a. Each year, commencing with the proposed budget for the two thou-
9 sand--two thousand one school year, the board of education shall prepare
10 a property tax report card, pursuant to regulations of the commissioner,
11 and shall make it publicly available by transmitting it to local newspa-
12 pers of general circulation, appending it to copies of the proposed
13 budget made publicly available as required by law, making it available
14 for distribution at the annual ~~meeting~~ budget hearing, and otherwise
15 disseminating it as required by the commissioner. Such report card shall
16 include: (i) the amount of total spending and total estimated school tax
17 levy that would result from adoption of the proposed budget and the
18 percentage increase or decrease in total spending and total school tax
19 levy from the school district budget for the preceding school year; and
20 (ii) the district's tax levy limit and tax levy base determined pursuant
21 to section thirteen hundred seven of the real property tax law, the tax
22 levy proposed by the district, and the proposed capital tax levy, if
23 any; and (iii) the projected enrollment growth for the school year for
24 which the budget is prepared, and the percentage change in enrollment
25 from the previous year; and ~~[(iii)]~~ (iv) the percentage increase in the
26 consumer price index, as defined in paragraph c of this subdivision; and
27 ~~[(iv)]~~ (v) the projected amount of the unappropriated unreserved fund
28 balance that will be retained if the proposed budget is adopted, the
29 projected amount of the reserved fund balance, the projected amount of
30 the appropriated fund balance, the percentage of the proposed budget
31 that the unappropriated unreserved fund balance represents, the actual
32 unappropriated unreserved fund balance retained in the school district
33 budget for the preceding school year, and the percentage of the school
34 district budget for the preceding school year that the actual unappro-
35 priated unreserved fund balance represents.

36 b. A copy of the property tax report card prepared for the annual
37 ~~[district meeting]~~ budget hearing shall be submitted to the department
38 in the manner prescribed by the department by the end of the business
39 day next following approval of the report card by the board of educa-
40 tion, but no later than twenty-four days prior to the statewide uniform
41 voting day. The department shall compile such data for all school
42 districts ~~[whose budgets are subject to a vote of the qualified voters]~~
43 subject to a tax levy limitation pursuant to section thirteen hundred
44 seven of the real property tax law and shall make such compilation
45 available electronically at least ten days prior to the statewide
46 uniform voting day.

47 c. For purposes of this subdivision, "percentage increase in the
48 consumer price index" shall mean the percentage that represents the
49 product of one hundred and the quotient of: (i) the average of the
50 national consumer price indexes determined by the United States depart-
51 ment of labor for the twelve-month period preceding January first of the
52 current year minus the average of the national consumer price indexes
53 determined by the United States department of labor for the twelve-month
54 period preceding January first of the prior year, divided by (ii) the
55 average of the national consumer price indexes determined by the United
56 States department of labor for the twelve-month period preceding January

1 first of the prior year, with the result expressed as a decimal to two
2 places.

3 § 8. Section 1718 of the education law, as amended by chapter 774 of
4 the laws of 1965, subdivision 2 as amended by chapter 82 of the laws of
5 1995, is amended to read as follows:

6 § 1718. Limitation upon expenditures. 1. No board of education shall
7 incur a district liability in excess of the amount appropriated ~~[by a~~
8 ~~district meeting]~~ in the budget approved by the board of education
9 unless such board is specially authorized by law to incur such liabil-
10 ity.

11 2. Notwithstanding the provisions of subdivision one of this section,
12 grants in aid received from the state and federal governments for
13 specific purposes, other state aid or grants in aid ~~[identified by the~~
14 ~~commissioner]~~ for general use ~~[as specified by the board of education],~~
15 other gifts which are required to be spent for particular objects or
16 purposes and insurance proceeds received for the loss, theft, damage or
17 destruction of real or personal property, when proposed to be used or
18 applied to repair or replace such property, may be appropriated by
19 resolution of the board of education at any time for such objects or
20 purposes.

21 § 9. Section 2005 of the education law, as amended by section 3 of
22 part M of chapter 57 of the laws of 2005, is amended to read as follows:

23 § 2005. Special meeting to transact business of annual meeting. When-
24 ever the time for holding the annual meeting in a school district shall
25 pass without such meeting being held, a special meeting~~[, to be held on~~
26 ~~the date specified for a school budget revote pursuant to subdivision~~
27 ~~three of section two thousand seven of this part,]~~ shall thereafter be
28 called by the trustees or by the clerk of such district for the purpose
29 of transacting the business of the annual meeting; and if no such meet-
30 ing be called by the trustees or the clerk within ten days after such
31 time shall have passed, the district superintendent of the supervisory
32 district in which said school district is situated or the commissioner
33 of education may order any inhabitant of such district to give notice of
34 such meeting in the manner provided in section two thousand one of this
35 part, and the officers of the district shall make to such meeting the
36 reports required to be made at the annual meeting, subject to the same
37 penalty in case of neglect; and the officers elected at such meeting
38 shall hold their respective offices only until the next annual meeting
39 and until their successors are elected and shall have qualified. Notice
40 of such annual meeting shall comply with the requirements of section two
41 thousand three or section two thousand four of this part by publishing
42 such notices once in each week within the two weeks next preceding such
43 special meeting, the first publication to be at least fourteen days
44 before such meeting and any required posting to be fourteen days before
45 the time of such meeting. ~~[If the qualified voters at such special~~
46 ~~district meeting defeat the school district budget, the trustees or~~
47 ~~board of education shall adopt a contingency budget pursuant to section~~
48 ~~two thousand twenty three of this part. Notwithstanding any other~~
49 ~~provision in law, the trustees or board of education following the~~
50 ~~adoption of a contingency budget may call a special district meeting for~~
51 ~~a second vote on the proposed budget pursuant to the requirements of~~
52 ~~subdivision three of section two thousand seven or subdivision three of~~
53 ~~section two thousand six of this chapter.]~~

54 § 10. Subdivision 3 of section 2006 of the education law is REPEALED.

1 § 11. Subdivision 3 of section 2007 of the education law, as amended
 2 by section 5 of part M of chapter 57 of the laws of 2005, is amended to
 3 read as follows:

4 3. a. Notwithstanding the provisions of subdivisions one and two of
 5 this section, and of section two thousand four of this part, whenever
 6 the ~~[voters of the district shall have defeated the budget of the~~
 7 ~~district, in whole or in part, or whenever the]~~ board of education shall
 8 have rejected all bids for a contract or contracts for public work,
 9 transportation or purchase~~[7]~~ and ~~[whenever in either such case the~~
 10 ~~board of education shall deem]~~ deems it necessary and proper to call a
 11 special meeting to take appropriate action, the board of education shall
 12 be authorized to give the notices required by subdivision one of section
 13 two thousand four of this part by publishing such notices once in each
 14 week within the two weeks next preceding such special meeting, the first
 15 publication to be at least fourteen days before such meeting and any
 16 required posting to be fourteen days before the time of such meeting.

17 b. ~~[A school budget revote called pursuant to paragraph a of this~~
 18 ~~subdivision shall be held on the third Tuesday of June, provided, howev-~~
 19 ~~er that such budget revote shall be held on the second Tuesday in June~~
 20 ~~if the commissioner at the request of a local school board certifies no~~
 21 ~~later than March first that such vote would conflict with religious~~
 22 ~~observances.~~

23 ~~e.]~~ Notwithstanding the provisions of section two thousand fourteen of
 24 this part, where a school district shall have adopted personal registra-
 25 tion, the board of registration shall meet on such day or days as shall
 26 be fixed by the board of education, the last day of which, however,
 27 shall not be more than seven nor less than two days preceding any school
 28 district meeting notices for which shall have been given as provided in
 29 this subdivision.

30 § 12. Section 2008 of the education law is amended by adding a new
 31 subdivision 3 to read as follows:

32 3. Notwithstanding any other provision of law to the contrary, it
 33 shall not be within the powers of the voters of a school district to
 34 submit a proposition that requires the expenditure of money, provided
 35 that the voters may submit a tax levy limit override proposition as
 36 authorized pursuant to subdivision two of section two thousand twenty-
 37 three-a or a proposition to change the mileage limitations on transpor-
 38 tation pursuant to subdivision nineteen of section two thousand twenty-
 39 one of this part.

40 § 13. Subdivisions 10, 11, 12, 15, 16, 17, 18, 20 and 21 of section
 41 2021 of the education law, such section as renumbered by chapter 801 of
 42 the laws of 1953, are REPEALED and subdivisions 8 and 19 are amended to
 43 read as follows:

44 8. To vote a tax upon the taxable property of the district, to
 45 purchase, lease and improve such sites or an addition to such sites and
 46 grounds for the purposes specified in the preceding subdivision, to hire
 47 or purchase rooms or buildings for school rooms or schoolhouses, or to
 48 build schoolhouses~~;~~ ~~to keep in repair and furnish the same with neces-~~
 49 ~~sary fuel, furniture and appurtenances, and to purchase such implements,~~
 50 ~~apparatus and supplies as may be necessary to provide instruction in~~
 51 ~~agriculture and other subjects, and for the organization and conduct of~~
 52 ~~athletic, playground and other social center work].~~

53 19. To ~~[provide, by tax or otherwise, for the conveyance of]~~ determine
 54 whether transportation should be provided pursuant to paragraph a of
 55 subdivision one of section thirty-six hundred thirty-five of this chap-
 56 ter to pupils residing in [a] the school district who are in grades

1 kindergarten through eight and live less than two miles from the school
 2 they legally attend or are in grades nine through twelve and live less
 3 than three miles from such school or to pupils in any grade who live
 4 more than fifteen miles from the school they legally attend, (a) to the
 5 elementary or high schools, or both, maintained in such district and/or
 6 (b) to the elementary or high schools, or both, in any city or district
 7 with which an education contract shall have been made, and/or (c) to the
 8 elementary or high schools, or both, other than public, situated within
 9 the district or an adjacent district or city, whenever such district
 10 shall have contracted with the school authorities of any city, or with
 11 another school district, for the education therein of the pupils resid-
 12 ing in such school district, or whenever in any school district pupils
 13 of school age shall reside so remote from the schoolhouse therein or the
 14 elementary or high school they legally attend, within or without the
 15 district, that they are practically deprived of school advantages during
 16 any portion of the school year.

17 § 14. Section 2022 of the education law, as amended by section 23 of
 18 part A of chapter 436 of the laws of 1997, subdivisions 1 and 3 as
 19 amended by section 8 of part C of chapter 58 of the laws of 1998, subdi-
 20 visions 2 and 5 as added by section 23 of part A of chapter 436 of the
 21 laws of 1997, subdivision 2-a as amended by section 3 of part A of chap-
 22 ter 60 of the laws of 2000, paragraph b of subdivision 2-a as amended by
 23 section 5 of part W of chapter 57 of the laws of 2008, subdivision 4 as
 24 amended by section 7 of part M of chapter 57 of the laws of 2005 and
 25 subdivision 6 as added by chapter 61 of the laws of 2003, is amended to
 26 read as follows:

27 § 2022. ~~[Vote on]~~ Adoption of school district budgets ~~[and on the];~~
 28 annual district meeting and election of school district trustees and
 29 board of education members. 1. Notwithstanding any law, rule or regu-
 30 lation to the contrary, the annual district meeting and election of
 31 trustees or members of the board of education, and the tax levy proposi-
 32 tion vote ~~[upon the appropriation of the necessary funds to meet the~~
 33 ~~estimated expenditures,]~~ in any common school district, union free
 34 school district, central school district or central high school district
 35 shall be held ~~[at the annual meeting and election]~~ on the third Tuesday
 36 in May, provided, however, that such election shall be held on the
 37 second Tuesday in May if the commissioner at the request of a local
 38 school board certifies no later than March first that such election
 39 would conflict with religious observances. ~~[When such election or vote~~
 40 ~~is taken by recording the ayes and noes of the qualified voters attend-~~
 41 ~~ing, a majority of the qualified voters present and voting, by a hand or~~
 42 ~~voice vote, may determine to take up the question of voting the neces-~~
 43 ~~sary funds to meet the estimated expenditures for a specific item sepa-~~
 44 ~~rately, and the qualified voters present and voting may increase the~~
 45 ~~amount of any estimated expenditures or reduce the same, except for~~
 46 ~~teachers' salaries, and the ordinary contingent expenses of the~~
 47 ~~schools.]~~ The sole trustee, board of trustees or board of education of
 48 every common, union free, central or central high school district and
 49 every city school district to which this article applies shall hold a
 50 budget hearing not less than seven nor more than fourteen days prior to
 51 the annual meeting and election ~~[or special district meeting at which a~~
 52 ~~school budget vote will occur]~~, and shall prepare and present to the
 53 voters at such budget hearing a proposed school district budget for the
 54 ensuing school year. If the qualified voters have approved a tax levy
 55 proposition or override proposition in accordance with section two
 56 thousand twenty-three-a of this part, such trustees or board of educa-

1 tion shall adopt a budget that complies with such proposition. If no
 2 tax levy proposition or override proposition has been approved by the
 3 qualified voters, then the trustees or board of education shall adopt a
 4 budget that requires a tax levy, excluding any capital tax levy, that is
 5 no greater than the tax levy base determined pursuant to section thir-
 6 teen hundred seven of the real property tax law.

7 ~~2. [Except as provided in subdivision four of this section, nothing]~~
 8 **Nothing** in this section shall preclude the trustees or board of educa-
 9 tion, in their discretion, from submitting additional items of expendi-
 10 ture to the voters for approval as separate propositions or the voters
 11 from submitting propositions pursuant to ~~[section]~~ **sections** two thousand
 12 eight and two thousand thirty-five of this ~~[article]~~ **part**.

13 2-a. Every common, union free, central, central high school district
 14 and city school district to which this article applies shall mail a
 15 school budget notice to all qualified voters of the school district
 16 after the date of the budget hearing, but no later than six days prior
 17 to the annual meeting and election ~~[or special district meeting at which~~
 18 ~~a school budget vote will occur]~~. The school budget notice shall compare
 19 the percentage increase or decrease in total spending under the proposed
 20 budget over total spending under the school district budget adopted for
 21 the current school year, with the percentage increase or decrease in the
 22 consumer price index, from January first of the prior school year to
 23 January first of the current school year, and shall also include ~~[the~~
 24 ~~information required by paragraphs a and b of this subdivision. The~~
 25 ~~notice shall also set forth the date, time and place of the school budg-~~
 26 ~~et vote, in the same manner as in the notice of annual meeting] the~~
 27 district's tax levy limit and tax levy base determined pursuant to
 28 section thirteen hundred seven of the real property tax law, the tax
 29 levy proposed by the district, and the proposed capital tax levy, if
 30 any. Such notice shall be in a form prescribed by the commissioner.

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

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

48 3. In all elections for trustees or members of boards of education or
 49 votes on propositions involving the expenditure of money, or authorizing
 50 the levy of taxes, or votes on propositions to override a tax levy
 51 limitation pursuant to section two thousand twenty-three-a of this part,
 52 the vote thereon shall be by ballot, or, in school districts that prior
 53 to nineteen hundred ninety-eight conducted their vote at the annual
 54 meeting, may be ascertained by taking and recording the ayes and noes of
 55 such qualified voters attending and voting at such district meetings.

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

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

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

48 § 15. Section 2023 of the education law is REPEALED.

49 § 16. Subdivision 2 of section 2035 of the education law, as amended
50 by chapter 111 of the laws of 1979, is amended to read as follows:

51 2. In common school districts the manner of making nominations or
52 submitting propositions by anyone other than the trustees and in union
53 free school districts the manner of submitting propositions by anyone
54 other than the board of education for the purpose of preparing ballots
55 for the machine shall be prescribed by a rule previously adopted by the
56 trustees or board of education; provided, however, that the petition,

1 certificate, declaration, notice or other paper required by such rule,
2 for the making of any such nomination or submission, except as to a
3 question or proposition required by law to be stated in the published or
4 posted notice of the meeting shall be filed with the trustees or board
5 of education not later than thirty days before the meeting or election.
6 Any nomination may be rejected by the trustees if the candidate is inel-
7 igible for the office or has declared his unwillingness to serve; any
8 proposition may be rejected by the trustees or board of education if the
9 purpose of the proposition is not within the power of the voters, or
10 where a proposition to change the mileage limitations on transportation
11 pursuant to subdivision nineteen of section two thousand twenty-one of
12 this part would require the expenditure of additional moneys [~~is~~
13 ~~required by the proposition~~], if the proposition fails to include the
14 necessary specific appropriation. Any such rule may be amended from
15 time to time and may state that a reasonable minimum number of signa-
16 tures shall be required for submission. The trustees or board of educa-
17 tion shall cause such rule, and amendments from time to time, to be
18 printed for general distribution in the district. Provided, however,
19 that the provisions of any special law relating to nominations and
20 elections in any union free school district shall continue to remain in
21 force, and the manner of making nominations and the conduct of meetings
22 and elections, shall conform to such special law.

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

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

40 a. to and from schools within the school district for distances
41 greater than two or three miles, as applicable, and to and from schools
42 outside the district within the mileage limitations prescribed in para-
43 graph a of subdivision one of section thirty-six hundred thirty-five of
44 this chapter shall always be [~~an ordinary contingent expense~~] a charge
45 upon the school district, and

46 b. for distances less than two or three miles, as applicable, or for
47 greater than fifteen miles to and from schools outside the district
48 shall be [~~an ordinary contingent expense~~] a charge upon the school
49 district if: (i) such transportation was provided during the preceding
50 school year and the qualified voters have not passed a special proposi-
51 tion constricting the mileage limitations for the current school year
52 from those in effect in the prior year, or (ii) the qualified voters
53 have passed a special proposition expanding the mileage limitations in
54 effect in the prior year.

55 § 18. Section 2601-a of the education law, as added by chapter 171 of
56 the laws of 1996, subdivision 2 as amended by section 6 of part M of

1 chapter 57 of the laws of 2005, subdivision 3 as amended by section 10-c
2 of part L of chapter 405 of the laws of 1999, subdivision 4 as amended
3 by section 8 of part M of chapter 57 of the laws of 2005, subdivision 5
4 as amended by section 29 of part A of chapter 436 of the laws of 1997,
5 and subdivision 6 as amended and subdivision 7 as added by chapter 474
6 of the laws of 1996, is amended to read as follows:

7 § 2601-a. Procedures for [~~adoption of school budgets~~] annual and
8 special district meetings in small city school districts. 1. The board
9 of education of each city school district subject to this article [~~shall~~
10 ~~provide for the submission of a budget for approval of the voters pursu-~~
11 ~~ant to the provisions of this section.~~

12 ~~2. The board of education]~~ shall adopt a school district budget and
13 conduct all annual and special school district meetings for the purpose
14 of [adopting a school district budget] voting on propositions for the
15 expenditure of money, including but not limited to votes pursuant to
16 section four hundred sixteen of this chapter, and voting on tax levy
17 propositions and override propositions pursuant to section two thousand
18 twenty-three-a of this title, in the same manner as a union free school
19 district in accordance with the provisions of article forty-one of this
20 title, except as otherwise provided by this section. The annual meeting
21 and election of each such city school district shall be held on the
22 third Tuesday of May in each year, provided, however that such annual
23 meeting and election shall be held on the second Tuesday in May if the
24 commissioner at the request of a local school board certifies no later
25 than March first that such election would conflict with religious obser-
26 vances[~~, and any school budget revote shall be held on the date and in~~
27 ~~the same manner specified in subdivision three of section two thousand~~
28 ~~seven of this title].~~ The provisions of this article, and where applica-
29 ble subdivisions nine and nine-a of section twenty-five hundred two of
30 this title, governing the qualification and registration of voters, and
31 procedures for the nomination and election of members of the board of
32 education shall continue to apply, and shall govern the qualification
33 and registration of voters and voting procedures with respect to the
34 adoption of a school district budget.

35 [~~3.~~] 2. The board of education shall prepare a proposed school
36 district budget for the ensuing year in accordance with the provisions
37 of section seventeen hundred sixteen of this [~~chapter~~] title, including
38 all provisions relating to required notices and appendices to the state-
39 ment of expenditures. No board of education shall incur a school
40 district liability except as authorized by the provisions of section
41 seventeen hundred eighteen of this [~~chapter~~] title. Such proposed budg-
42 et shall be presented in three components: a program component, a capi-
43 tal component and an administrative component which shall be separately
44 delineated in accordance with regulations of the commissioner after
45 consultation with local school district officials. The administrative
46 component shall include, but need not be limited to, office and central
47 administrative expenses, traveling expenses and salaries and benefits of
48 all certified school administrators and supervisors who spend a majority
49 of their time performing administrative or supervisory duties, any and
50 all expenditures associated with the operation of the board of educa-
51 tion, the office of the superintendent of schools, general adminis-
52 tration, the school business office, consulting costs not directly
53 related to direct student services and programs, planning and all other
54 administrative activities. The program component shall include, but need
55 not be limited to, all program expenditures of the school district,
56 including the salaries and benefits of teachers and any school adminis-

1 trators or supervisors who spend a majority of their time performing
2 teaching duties, and all transportation operating expenses. The capital
3 component shall include, but need not be limited to, all transportation
4 capital, debt service, and lease expenditures; costs resulting from
5 judgments in tax certiorari proceedings or the payment of awards from
6 court judgments, administrative orders or settled or compromised claims;
7 and all facilities costs of the school district, including facilities
8 lease expenditures, the annual debt service and total debt for all
9 facilities financed by bonds and notes of the school district, and the
10 costs of construction, acquisition, reconstruction, rehabilitation or
11 improvement of school buildings, provided that such budget shall include
12 a rental, operations and maintenance section that includes base rent
13 costs, total rent costs, operation and maintenance charges, cost per
14 square foot for each facility leased by the school district, and any and
15 all expenditures associated with custodial salaries and benefits,
16 service contracts, supplies, utilities, and maintenance and repairs of
17 school facilities. ~~[For the purposes of the development of a budget for~~
18 ~~the nineteen hundred ninety seven ninety eight school year, the board~~
19 ~~of education shall separate its program, capital and administrative~~
20 ~~costs for the nineteen hundred ninety six ninety seven school year in~~
21 ~~the manner as if the budget for such year had been presented in three~~
22 ~~components.]~~ Except as provided in subdivision ~~[four]~~ three of this
23 section, nothing in this section shall preclude the board, in its
24 discretion, from submitting additional items of expenditure to the
25 voters for approval as separate propositions or the voters from submit-
26 ting propositions ~~[pursuant to]~~ to the extent authorized by sections two
27 thousand eight and two thousand thirty-five of this ~~[chapter]~~ title.

28 4. ~~[In the event the qualified voters of the district reject the budg-~~
29 ~~et proposed pursuant to subdivision three of this section, the board may~~
30 ~~propose to the voters a revised budget pursuant to subdivision three of~~
31 ~~section two thousand seven of this title or may adopt a contingency~~
32 ~~budget pursuant to subdivision five of this section and subdivision five~~
33 ~~of section two thousand twenty two of this title.]~~ 3. The ~~[school~~
34 ~~district budget for any school year, or any part of such budget or]~~
35 board of education shall not submit any propositions involving the
36 expenditure of money for such school year ~~[shall not be submitted]~~ for a
37 vote of the qualified voters more than twice. ~~[In the event the quali-~~
38 ~~fied voters reject the resubmitted budget, the board shall adopt a~~
39 ~~contingency budget in accordance with subdivision five of this section~~
40 ~~and subdivision five of such section two thousand twenty two of this~~
41 ~~title.~~

42 5. ~~If the qualified voters fail or refuse to vote the sum estimated to~~
43 ~~be necessary for teachers' salaries and other ordinary contingent~~
44 ~~expenses, the board shall adopt a contingency budget in accordance with~~
45 ~~this subdivision and shall levy a tax for that portion of such sum~~
46 ~~remaining after applying thereto the moneys received or to be received~~
47 ~~from state, federal or other sources, in the same manner as if the budg-~~
48 ~~et had been approved by the qualified voters; subject to the limitations~~
49 ~~imposed in subdivision four of section two thousand twenty three of this~~
50 ~~chapter and this subdivision. The administrative component shall not~~
51 ~~comprise a greater percentage of the contingency budget exclusive of the~~
52 ~~capital component than the lesser of (1) the percentage the administra-~~
53 ~~tive component had comprised in the prior year budget exclusive of the~~
54 ~~capital component; or (2) the percentage the administrative component~~
55 ~~had comprised in the last proposed defeated budget exclusive of the~~

1 ~~capital component. Such contingency budget shall include the sum deter-~~
2 ~~mined by the board to be necessary for:~~

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

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

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

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

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

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

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

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

38 ~~7.] Each year, the board of education shall prepare a school district~~
39 ~~report card, pursuant to regulations of the commissioner, and shall make~~
40 ~~it publicly available by transmitting it to local newspapers of general~~
41 ~~circulation, appending it to copies of the proposed budget made publicly~~
42 ~~available as required by law, making it available for distribution at~~
43 ~~the annual meeting, and otherwise disseminating it as required by the~~
44 ~~commissioner. Such report card shall include measures of the academic~~
45 ~~performance of the school district, on a school by school basis, and~~
46 ~~measures of the fiscal performance of the district, as prescribed by the~~
47 ~~commissioner. Pursuant to regulations of the commissioner, the report~~
48 ~~card shall also compare these measures to statewide averages for all~~
49 ~~public schools, and statewide averages for public schools of comparable~~
50 ~~wealth and need, developed by the commissioner. Such report card shall~~
51 ~~include, at a minimum, any information on the school district regarding~~
52 ~~pupil performance and expenditure per pupil required to be included in~~
53 ~~the annual report by the regents to the governor and the legislature~~
54 ~~pursuant to section two hundred fifteen-a of this chapter; and any other~~
55 ~~information required by the commissioner. School districts (i) identi-~~
56 ~~fied as having fifteen percent or more of their students in special~~

1 education, or (ii) which have fifty percent or more of their students
 2 with disabilities in special education programs or services sixty
 3 percent or more of the school day in a general education building, or
 4 (iii) which have eight percent or more of their students with disabili-
 5 ties in special education programs in public or private separate educa-
 6 tional settings shall indicate on their school district report card
 7 their respective percentages as defined in this paragraph and paragraphs
 8 (i) and (ii) of this subdivision as compared to the statewide average.

9 § 19. Subdivision 11 of section 3602-e of the education law, as
 10 amended by section 19 of part B of chapter 57 of the laws of 2007, is
 11 amended to read as follows:

12 11. Notwithstanding the provisions of subdivision ten of this section,
 13 where the district serves fewer children during the current year than in
 14 the base year, the school district shall have its apportionment reduced
 15 in an amount proportional to such deficiency in the current year or in
 16 the succeeding school year, as determined by the commissioner, except
 17 such reduction shall not apply to school districts which have fully
 18 implemented a universal pre-kindergarten program by making such program
 19 available to all eligible children. [~~Expenses incurred by the school~~
 20 ~~district in implementing a pre-kindergarten program plan pursuant to~~
 21 ~~this subdivision shall be deemed ordinary contingent expenses.~~]

22 § 20. Paragraphs a and b of subdivision 1 of section 3635 of the
 23 education law, paragraph a as amended by chapter 69 of the laws of 1992,
 24 paragraph b as amended by chapter 718 of the laws of 1990 and subpara-
 25 graph (i) of paragraph b as amended by chapter 571 of the laws of 1994,
 26 are amended to read as follows:

27 a. Sufficient transportation facilities (including the operation and
 28 maintenance of motor vehicles) shall be provided by the school district
 29 for all the children residing within the school district to and from the
 30 school they legally attend, who are in need of such transportation
 31 because of the remoteness of the school to the child or for the
 32 promotion of the best interest of such children. Such transportation
 33 shall be provided for all children attending grades kindergarten through
 34 eight who live more than two miles from the school which they legally
 35 attend and for all children attending grades nine through twelve who
 36 live more than three miles from the school which they legally attend and
 37 shall be provided for each such child up to a distance of fifteen miles,
 38 the distances in each case being measured by the nearest available route
 39 from home to school. The cost of providing such transportation between
 40 two or three miles, as the case may be, and fifteen miles shall be
 41 considered for the purposes of this chapter to be a charge upon the
 42 district [~~and an ordinary contingent expense of the district~~]. Transpor-
 43 tation for a lesser distance than two miles in the case of children
 44 attending grades kindergarten through eight or three miles in the case
 45 of children attending grades nine through twelve and for a greater
 46 distance than fifteen miles may be provided by the district with the
 47 approval of the qualified voters, and, if provided, shall be offered
 48 equally to all children in like circumstances residing in the district;
 49 provided, however, that this requirement shall not apply to transporta-
 50 tion offered pursuant to section thirty-six hundred thirty-five-b of
 51 this [~~article~~] part.

52 b. (i) School districts providing transportation to a nonpublic school
 53 for pupils living within a specified distance from such school shall
 54 designate one or more public schools as centralized pick-up points and
 55 shall provide transportation between such points and such nonpublic
 56 schools for students residing in the district who live too far from such

1 nonpublic schools to qualify for transportation between home and school.
 2 The district shall not be responsible for the provision of transporta-
 3 tion for pupils between their home and such pick-up points. The
 4 district may provide school bus transportation to a pupil if the resi-
 5 dence of the pupil is located on an established route for the transpor-
 6 tation of pupils to the centralized pick-up point provided such trans-
 7 portation does not result in additional costs to the district. [~~The cost
 8 of providing transportation between such pick-up points and such nonpub-
 9 lic schools shall be an ordinary contingent expense.~~]

10 (ii) A board of education may, at its discretion, provide transporta-
 11 tion for pupils residing within the district to a nonpublic school
 12 located more than fifteen miles from the home of any such pupil provided
 13 that such transportation has been provided to such nonpublic school
 14 pursuant to this subdivision in at least one of the immediately preced-
 15 ing three school years and such transportation is provided from one or
 16 more centralized pick-up points designated pursuant to this paragraph
 17 and that the distance from such pick-up points to the nonpublic school
 18 is not more than fifteen miles. The district shall not be responsible
 19 for the provision of transportation for pupils between [~~pupils~~] pupils'
 20 homes and such pick-up points. [~~The cost of providing transportation
 21 between such pick-up points and such nonpublic schools shall be an ordi-
 22 nary contingent expense.~~]

23 § 21. Subdivision 10 of section 3635-b of the education law, as
 24 amended by chapter 422 of the laws of 2004, is amended to read as
 25 follows:

26 10. The cost of providing transportation, pursuant to the provisions
 27 of this section, shall [~~be an ordinary contingent expense and shall~~] be
 28 included as an item of expense for purposes of determining the transpor-
 29 tation quota of such district.

30 § 22. Subdivisions 1, 3, 3-a, 4 and 5 of section 3651 of the education
 31 law, subdivision 1 as amended by chapter 504 of the laws of 1949, subdivi-
 32 sions 3 and 4 as added by chapter 782 of the laws of 1948, subdivision
 33 3-a as added by chapter 588 of the laws of 1988, and subdivision 5 as
 34 amended by chapter 976 of the laws of 1963, are amended to read as
 35 follows:

36 1. A reserve fund may be established by the school authorities of any
 37 school district, [~~provided, however, that no such fund shall be estab-
 38 lished (a) until approved by a majority vote of the qualified voters of
 39 the district voting on a proposition therefor submitted at a regular or
 40 special school district meeting, or in school districts which do not
 41 have such meetings, at an election called for such purpose, and (b)
 42 unless the notice of such meeting or election shall have stated that a
 43 proposition to establish a reserve fund would be so submitted, the
 44 purpose of the fund, the ultimate amount thereof, its probable term and
 45 the source from which the funds would be obtained~~] as defined in subdi-
 46 vision twelve of section two of this chapter. Such reserve fund may be
 47 established for financing, in whole or in part, the cost of any object
 48 or purpose for which bonds may be issued by, or for the objects or
 49 purposes of, the school district pursuant to the local finance law. The
 50 [~~proposition~~] resolution of the school authorities establishing the
 51 reserve fund shall specify the purpose for which the fund is estab-
 52 lished, the ultimate amount, the probable term and the source from which
 53 the funds are to be obtained. There shall be paid into any such fund an
 54 annual amount sufficient to meet the requirements of the proposition or
 55 resolution. In addition, the [~~voters~~] school authorities may from time

1 to time direct the [~~school authorities to pay~~] payment into such fund of
2 moneys derived from any other source.

3 3. An expenditure shall be made from a reserve fund only by authori-
4 zation of the [~~voters~~] school authorities and for the specific purpose
5 specified in the proposition or resolution which established the reserve
6 fund.

7 [~~3-a. Notwithstanding the provisions of subdivision three of this~~
8 ~~section, any school district which establishes a reserve fund in accord-~~
9 ~~ance with subdivision one a of this section may make expenditures from~~
10 ~~such fund for the purposes specified in such subdivision without author-~~
11 ~~ization of the voters.]~~

12 4. The [~~voters~~] school authorities may authorize the transfer of all
13 or any part of any reserve fund to any other reserve fund established
14 pursuant to this section.

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

31 § 23. This act shall take effect February 1, 2009 and shall first
32 apply to the levy of taxes by school districts for the 2009-2010 school
33 year and to school district meetings and elections held on and after
34 such effective date; provided, however, that sections eight, fifteen,
35 nineteen, twenty and twenty-one of this act shall take effect July 1,
36 2009.