

PROGRAM BILL # 1

S. -----
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

GENEMULA
(Establishes limitations upon school
district and local government tax
levies; repealer)

Gen Mun. limitation tax levies

AN ACT

to amend the general municipal law,
the education law and the municipal
home rule law, in relation to estab-
lishing limitations upon school
district and local government tax
levies; and to repeal certain
provisions of the education law
relating thereto

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

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal

- | | | | | |
|-----------------|---------------|----------------|-----------------|--------------|
| s20 Adams | s44 Farley | s58 Kennedy | s18 Montgomery | s23 Savino |
| s15 Addabbo | s02 Flanagan | s34 Klein | s54 Nozzolio | s28 Serrano |
| s55 Alesi | s08 Fuschillo | s26 Krueger | s53 O'Mara | s51 Seward |
| s11 Avella | s59 Gallivan | s27 Kruger | s37 Oppenheimer | s09 Skelos |
| s40 Ball | s12 Gianaris | s24 Lanza | s21 Parker | s14 Smith |
| s42 Bonacic | s22 Golden | s39 Larkin | s13 Peralta | s25 Squadron |
| s46 Breslin | s47 Griffo | s01 LaValle | s30 Perkins | s16 Stavisky |
| s38 Carlucci | s60 Grisanti | s52 Libous | s61 Ranzenhofer | s35 Stewart- |
| s50 DeFrancisco | s06 Hannon | s45 Little | s48 Ritchie | Cousins |
| s32 Diaz | s36 Hassell- | s05 Marcellino | s33 Rivera | s49 Valesky |
| s17 Dilan | Thompson | s07 Martins | s56 Robach | s57 Young |
| s29 Duane | s10 Huntley | s62 Maziarz | s41 Saland | s03 Zeldin |
| s31 Espailat | s04 Johnson | s43 McDonald | s19 Sampson | |

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

- | | | | | |
|-------------------|------------------|------------------|-----------------|------------------|
| a049 Abbate | a107 Crouch | a042 Jacobs | a102 Miller, J. | a067 Rosenthal |
| a092 Abinati | a014 Curran | a095 Jaffee | a038 Miller, M. | a118 Russell |
| a105 Amedore | a063 Cusick | a057 Jeffries | a052 Millman | a012 Saladino |
| a084 Arroyo | a045 Cymbrowitz | a135 Johns | a103 Molinaro | a113 Sayward |
| a035 Aubry | a034 DenDekker | a112 Jordan | a015 Montesano | a029 Scarborough |
| a124 Barclay | a116 Destito | a099 Katz | a132 Morelle | a016 Schimel |
| a040 Barron | a081 Dinowitz | a074 Kavanagh | a039 Moya | a140 Schimminger |
| a082 Benedetto | a114 Duprey | a065 Kellner | a003 Murray | a145 Schroeder |
| a073 Bing | a004 Englebright | a129 Kolb | a037 Nolan | a064 Silver |
| a122 Blankenbush | a071 Farrell | a025 Lancman | a128 Oaks | a036 Simotas |
| a055 Boyland | a123 Finch | a091 Latimer | a069 O'Donnell | a146 Smardz |
| a008 Boyle | a007 Fitzpatrick | a013 Lavine | a051 Ortiz | a093 Spano |
| a026 Braunstein | a137 Friend | a050 Lentol | a136 Palmesano | a079 Stevenson |
| a044 Brennan | a143 Gabryszak | a125 Lifton | a088 Paulin | a011 Sweeney |
| a131 Bronson | a090 Galef | a072 Linares | a141 Peoples- | a110 Tedisco |
| a046 Brook-Krasny | a133 Gantt | a127 Lopez, P. | Stokes | a115 Tenney |
| a147 Burling | a077 Gibson | a053 Lopez, V. | a058 Perry | a002 Thiele |
| a117 Butler | a149 Giglio | a001 Losquadro | a023 Pheffer | a061 Titone |
| a101 Cahill | a066 Glick | a126 Iupardo | a087 Pretlow | a031 Titus |
| a096 Calhoun | a150 Goodell | a111 Magee | a021 Ra | a062 Tobacco |
| a043 Camara | a075 Gottfried | a120 Magnarelli | a097 Rabbitt | a054 Towns |
| a106 Canestrari | a005 Graf | a059 Maisel | a009 Raia | a041 Weinstein |
| a089 Castelli | a098 Gunther | a060 Malliotakis | a006 Ramos | a020 Weisenberg |
| a086 Castro | a130 Hanna | a030 Markey | a134 Reilich | a024 Weprin |
| a138 Ceretto | a139 Hawley | a027 Meyersohn | a109 Reilly | a070 Wright |
| a033 Clark | a148 Hayes | a019 McDonough | a078 Rivera, J. | a094 Zebrowski |
| a047 Colton | a083 Heastie | a104 McEneny | a080 Rivera, N. | a100 |
| a010 Conte | a028 Hevesi | a017 McKeivitt | a076 Rivera, F. | |
| a032 Cook | a048 Hikind | a108 McLaughlin | a119 Roberts | |
| a142 Corwin | a018 Hooper | a022 Meng | a056 Robinson | |
| a085 Crespo | a144 Hoyt | a121 Miller, D. | a068 Rodriguez | |

1) Single House Bill (introduced and printed separately in either or both
houses). Uni-Bill (introduced simultaneously in both houses and printed as one
bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2 signed
copies of bill and 4 copies of memorandum in support (single house); or 4 signed
copies of bill and 8 copies of memorandum in support (uni-bill).

1 Section 1. The general municipal law is amended by adding a new
2 section 3-c to read as follows:

3 § 3-c. Limitation upon real property tax levies by local governments.

4 1. Unless otherwise provided by law, the amount of real property taxes
5 that may be levied by or on behalf of any local government, other than
6 the city of New York and the counties contained therein, shall not
7 exceed the tax levy limitation established pursuant to this section.

8 2. When used in this section:

9 (a) "Allowable levy growth factor" shall be the lesser of: (i) one and
10 two one-hundredths; or (ii) the sum of one plus the inflation factor;
11 provided, however, that in no case shall the levy growth factor be less
12 than one.

13 (b) "Approved capital expenditures" means the expenditures associated
14 with capital projects that have been approved by the qualified voters of
15 the local government.

16 (c) "Available carryover" means the sum of the amount by which the tax
17 levy for the prior fiscal year was below the tax levy limit for such
18 fiscal year, if any, but no more than one and one-half percent of the
19 tax levy limit for such fiscal year.

20 (d) "Capital tax levy" means the tax levy necessary to support capital
21 expenditures, if any.

22 (e) "Coming fiscal year" means the fiscal year of the local government
23 for which a tax levy limitation shall be determined pursuant to this
24 section.

25 (f) "Inflation factor" means the quotient of: (i) the average of the
26 national consumer price indexes determined by the United States depart-
27 ment of labor for the twelve-month period ending six months prior to the
28 start of the coming fiscal year minus the average of the national

1 consumer price indexes determined by the United States department of
2 labor for the twelve-month period ending six months prior to the start
3 of the prior fiscal year, divided by: (ii) the average of the national
4 consumer price indexes determined by the United States department of
5 labor for the twelve-month period ending six months prior to the start
6 of the prior fiscal year, with the result expressed as a decimal to four
7 places.

8 (g) "Local government" means a county, city, town, village, fire
9 district, or special district including but not limited to a district
10 created pursuant to articles twelve, twelve-A, twelve-C or thirteen of
11 the town law, articles five-A, five-B or five-D of the county law, chap-
12 ter five hundred sixteen of the laws of nineteen hundred twenty-eight,
13 or chapter two hundred seventy-three of the laws of nineteen hundred
14 thirty-nine, but shall not include the city of New York or the counties
15 contained therein.

16 (h) "Prior fiscal year" means the fiscal year of the local government
17 immediately preceding the coming fiscal year.

18 (i) "Tax levy limitation" means the amount of taxes a local government
19 is authorized to levy pursuant to this section, provided, however, that
20 the tax levy limit shall not include the local government's approved
21 capital tax levy, if any.

22 3. (a) Subject to the provisions of subdivision five of this section,
23 beginning with the fiscal year that begins in two thousand twelve, no
24 local government shall adopt a budget that requires a tax levy that is
25 greater than the tax levy limitation for the coming fiscal year.

26 (b) The state comptroller shall calculate the tax levy limitation for
27 each local government by the one hundred twentieth day preceding the

1 commencement of each local government's fiscal year, and shall notify
2 each local government of the tax levy limitation so determined.

3 (c) The tax levy limitation applicable to the coming fiscal year shall
4 be determined as follows:

5 (i) Ascertain the total amount of taxes levied for the prior fiscal
6 year.

7 (ii) Add any payments in lieu of taxes that were receivable in the
8 prior fiscal year.

9 (iii) Subtract the approved capital tax levy for the prior fiscal
10 year, if any.

11 (iv) Subtract the levy attributable to a large legal settlement of a
12 tort action excluded from the levy limitation in the prior fiscal year,
13 if any.

14 (v) Multiply the result by the allowable levy growth factor.

15 (vi) Subtract any payments in lieu of taxes receivable in the coming
16 fiscal year.

17 (vii) Add the available carryover, if any.

18 (d) In the event the governing body of a local government has approved
19 a legal settlement of a tort action against the government, the annual
20 costs of which exceed ten percent of the property taxes levied by the
21 local government in the prior fiscal year, the state comptroller, upon
22 application by the local government, may adjust the tax levy limitation
23 for the coming fiscal year applicable to such local government, by
24 adding the annual costs of such settlement to the tax levy limitation.

25 (e) The state comptroller shall determine the portion of the tax levy
26 of each county that is attributable to any increase or decrease over the
27 prior year in the cost of the county share of direct cash assistance to
28 persons eligible for the federal-state-local temporary assistance to

1 needy families program or the state-local safety net assistance program
2 and shall adjust the tax levy limitation for such county to reflect such
3 change.

4 (f) Whenever the responsibility and associated cost of a local govern-
5 ment activity is transferred to another local government, the state
6 comptroller shall determine the costs and savings on the affected local
7 governments attributable to such transfer for the first fiscal year
8 following the transfer, and adjust the tax levy limitations of such
9 local governments accordingly.

10 4. A local government may adopt a budget that requires a tax levy that
11 is greater than the tax levy limitation for the coming fiscal year only
12 if the governing body of such local government first enacts, by a two-
13 thirds vote of the total voting power of such body, a local law to over-
14 ride such limitation for such coming fiscal year only, or in the case of
15 a district or fire district, a resolution to override such limitation
16 for such coming fiscal year only.

17 5. (a) When two or more local governments consolidate, the state comp-
18 troller shall determine the tax levy limitation consolidated local
19 government for the first fiscal year following the consolidation based
20 on the respective tax levy limitations of the component local govern-
21 ments that formed such consolidated local government from the last
22 fiscal year prior to the consolidation.

23 (b) When a local government dissolves, the state comptroller shall
24 determine the tax levy limitation for the local government that assumes
25 the debts, liabilities, and obligations of such dissolved local govern-
26 ment for the first fiscal year following the dissolution based on the
27 respective tax levy limitations of such dissolved local government and
28 such local government that assumes the debts, liabilities, and obli-

1 gations of such dissolved local government from the last fiscal year
2 prior to the dissolution.

3 (c) The tax limitation established by this section shall not apply to
4 the first fiscal year after a local government is newly established or
5 constituted through a process other than consolidation or dissolution.

6 6. In the event a local government's actual tax levy for a given
7 fiscal year exceeds the maximum allowable levy as established pursuant
8 to this section due to clerical or technical errors, the local govern-
9 ment shall place the excess amount of the levy in reserve in accordance
10 with such requirements as the state comptroller may prescribe, and shall
11 use such funds and any interest earned thereon to offset the tax levy
12 for the ensuing fiscal year.

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

15 § 2023-a. Limitations upon school district tax levies. 1. Generally.
16 Unless otherwise provided by law, the amount of taxes that may be levied
17 by or on behalf of any school district, other than a city school
18 district of a city with one hundred twenty-five thousand inhabitants or
19 more, shall not exceed the tax levy limitations established pursuant to
20 this section. It shall be the responsibility of the commissioner to
21 annually determine the tax levy limit of each school district in accord-
22 ance with the provisions of this section.

23 2. Definitions. As used in this section:

24 a. "Allowable levy growth factor" shall be the lesser of: (i) one and
25 two one-hundredths; or (ii) the sum of one plus the inflation factor;
26 provided, however, that in no case shall the levy growth factor be less
27 than one.

1 b. "Available carryover" means the sum of the amounts by which the tax
2 levy for the prior school year was below the applicable tax levy limit
3 for such school year, if any, but no more than one and one-half percent
4 of the tax levy limit for such school year.

5 c. "Capital local expenditures" means the taxes associated with budg-
6 eted expenditures resulting from the construction, acquisition, recon-
7 struction, rehabilitation or improvement of school buildings, including
8 debt service and lease expenditures, subject to the approval of the
9 qualified voters where required by law.

10 d. "Capital tax levy" means the tax levy necessary to support capital
11 local expenditures, if any.

12 e. "Coming school year" means the school year for which tax levy
13 limits are being determined pursuant to this section.

14 f. "Inflation factor" means the quotient of: (i) the average of the
15 national consumer price indexes determined by the United States depart-
16 ment of labor for the twelve-month period preceding January first of the
17 current year minus the average of the national consumer price indexes
18 determined by the United States department of labor for the twelve-month
19 period preceding January first of the prior year, divided by: (ii) the
20 average of the national consumer price indexes determined by the United
21 States department of labor for the twelve-month period preceding January
22 first of the prior year, with the result expressed as a decimal to four
23 places.

24 g. "Prior school year" means the school year immediately preceding the
25 coming school year.

26 h. "School district" means a common school district, union free school
27 district, central school district, central high school district or a

1 city school district in a city with less than one hundred twenty-five
2 thousand inhabitants.

3 i. "Tax levy base" means the amount of taxes a school district would
4 be authorized to levy without the addition of any available carryover
5 amount.

6 j. "Tax levy limit" means the amount of taxes a school district is
7 authorized to levy pursuant to this section, provided, however, that the
8 tax levy limit shall not include the district's capital tax levy, if
9 any.

10 3. Computation of tax levy limits. a. The tax levy base for each
11 school year shall be determined as follows:

12 (1) Ascertain the total amount of taxes levied for the prior school
13 year.

14 (2) Add any payments in lieu of taxes that were receivable in the
15 prior school year.

16 (3) Subtract the capital tax levy for the prior school year, if any.

17 (4) Multiply the result by the allowable levy growth factor.

18 (5) Subtract any payments in lieu of taxes receivable in the coming
19 fiscal year.

20 b. The tax levy limit for the coming school year shall be the sum of
21 the tax levy base and the available carryover, if any. No later than
22 March first of each year, the commissioner shall calculate the tax levy
23 limit for each school district for the coming school year, and shall
24 notify each school district of the allowable levy growth factor, the
25 district's tax levy base and the district's tax levy limit.

26 4. Reorganized school districts. When two or more school districts
27 reorganize, the commissioner shall determine the tax levy limit for the
28 reorganized school district for the first school year following the

1 reorganization based on the respective tax levy limits of the school
2 districts that formed the reorganized district from the last school year
3 in which they were separate districts, provided that in the event of
4 formation of a new central high school district, the tax levy limits for
5 the new central high school district and its component school districts
6 shall be determined in accordance with a methodology prescribed by the
7 commissioner.

8 5. Erroneous levies. In the event a school district's actual tax levy
9 for a given school year exceeds the maximum allowable levy as estab-
10 lished pursuant to this section due to clerical or technical errors, the
11 school district shall place the excess amount of the levy in reserve in
12 accordance with such requirements as the state comptroller may
13 prescribe, and shall use such funds and any interest earned thereon to
14 offset the tax levy for the ensuing school year.

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

17 § 2023-b. Voter approval of tax levy limitations. 1. The tax levy for
18 any school district subject to the tax levy limitations established by
19 section two thousand twenty-three-a of this article shall be approved by
20 the qualified voters of the school district as provided in this section.
21 As used in this section, the term "tax levy proposition" means a propo-
22 sition to authorize a tax levy sufficient to support the proposed school
23 district budget, excluding any proposed capital tax levy.

24 2. a. The trustee, trustees or board of education of a school district
25 shall present at the annual meeting and election a tax levy proposition
26 in substantially the following form: "Shall the school district be
27 authorized to impose a tax levy for the school year, excluding any capi-

1 tal tax levy, of when the statutory tax levy limit for that
2 school year is ?"

3 b. Except as otherwise provided in section two thousand twenty-three-a
4 of this article, if the proposed tax levy does not exceed the tax levy
5 limit determined pursuant to section two thousand twenty-three-a of this
6 article, then the proposition shall be approved if over fifty percent of
7 the votes cast thereon are in the affirmative. If the proposed tax levy
8 exceeds the tax levy limit determined pursuant to section two thousand
9 twenty-three-a of this article, then the proposition shall be approved
10 if over sixty percent of the votes cast thereon are in the affirmative.

11 c. If the tax levy proposition is approved by the qualified voters,
12 the tax levy limit imposed thereby shall be deemed to be the tax levy
13 limit for the school district for the coming school year, and the trus-
14 tees or board of education shall adopt a budget that complies with such
15 tax levy limit. If the tax levy proposition is not approved by the
16 qualified voters, then the trustees or board of education shall present
17 on the third Tuesday of June a tax levy proposition in accordance with
18 paragraphs a and b of this subdivision. If, however, the tax levy
19 proposition is then not approved by the qualified voters, then the trus-
20 tees or board of education shall adopt a budget that requires a tax levy
21 no greater than that for the prior school year.

22 § 4. Subdivisions 1 and 3 of section 416 of the education law, subdi-
23 vision 1 as amended by chapter 687 of the laws of 1949 and subdivision 3
24 as amended by chapter 171 of the laws of 1996, are amended to read as
25 follows:

26 1. A majority of the voters of any school district, present and voting
27 at any annual or special district meeting, duly convened, may authorize
28 such acts and vote such taxes as they shall deem expedient for making

1 additions, alterations, repairs or improvements, to the sites or build-
2 ings belonging to the district, or for altering and equipping for
3 library use any former schoolhouse belonging to the district, or for the
4 purchase of other sites or buildings, or for a change of sites, or for
5 the purchase of land and buildings for agricultural, athletic, play-
6 ground or social center purposes, or for the erection of new buildings,
7 or for building a bus garage, or for [buying apparatus, implements, or
8 fixtures, or for paying the wages of teachers, and the necessary
9 expenses of the school, or for the purpose of paying any judgment, or
10 for] the payment or refunding of an outstanding bonded indebtedness[, or
11 for such other purpose relating to the support and welfare of the school
12 as they may, by resolution, approve].

13 3. No addition to or change of site or purchase of a new site or tax
14 for the purchase of any new site or structure, or for grading or improv-
15 ing a school site, or for the purchase of an addition to the site of any
16 schoolhouse, or for the purchase of lands and buildings for agricul-
17 tural, athletic, playground or social center purposes, or for building
18 any new schoolhouse or for the erection of an addition to any school-
19 house already built, or for the payment or refunding of an outstanding
20 bonded indebtedness, shall be voted at any such meeting in a union free
21 school district or a city school district [which conducts annual budget
22 votes in accordance with article forty-one of this chapter pursuant to
23 section twenty-six hundred one-a of this chapter] in a city with less
24 than one hundred twenty-five thousand inhabitants, unless a notice by
25 the board of education stating that such tax will be proposed, and spec-
26 ifying the object thereof and the amount to be expended therefor, shall
27 have been given in the manner provided herein for the notice of an annu-
28 al meeting. In a common school district the notice of a special meeting

1 to authorize any of the improvements enumerated in this section shall be
2 given as provided in [section two thousand six] this chapter. The board
3 of education of a union free school district or a city school district
4 [which conducts annual budget votes in accordance with article forty-one
5 of this chapter pursuant to section twenty-six hundred one-a of this
6 chapter] in a city with less than one hundred twenty-five thousand
7 inhabitants, may determine that the vote upon any question to be submit-
8 ted at a special meeting as provided in this section shall be by ballot,
9 in which case it shall state in the notice of such special meeting the
10 hours during which the polls shall be kept open. Printed ballots may be
11 prepared by the board in advance of the meeting and the proposition or
12 propositions called for in the notice of the meeting may be submitted in
13 substantially the same manner as propositions to be voted upon at a
14 general election.

15 § 5. Subdivisions 14, 15, 18 and 24 of section 1604 of the education
16 law, subdivision 14 and 18 as amended by chapter 654 of the laws of
17 1953, are amended to read as follows:

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

23 15. To make any repairs and abate any nuisances, pursuant to the
24 direction of the district superintendent as herein provided, and provide
25 fuel, stoves or other heating apparatus, pails, brooms and other imple-
26 ments necessary to keep the schoolhouses and the schoolrooms clean, and
27 make them reasonably comfortable for use[, when no provision has been

1 made therefor by a vote of the district, or the sum voted by the
2 district for said purposes shall have proved insufficient].

3 18. To [expend in the] purchase [of] a dictionary, books, reprod-
4 uctions of standard works of art, maps, globes or other school appara-
5 tus, including implements, apparatus and supplies for instruction in
6 agriculture, or for conducting athletic playgrounds and social center
7 activities[, a sum not exceeding fifty dollars in any one year, without
8 a vote of the district].

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

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

19 § 1608. Estimated expenses for ensuing year. 1. It shall be the duty
20 of the trustees of each common school district to present at the annual
21 budget hearing a detailed statement in writing of the amount of money
22 which will be required for the ensuing year for school purposes, speci-
23 fying the several purposes and the amount for each. The amount for each
24 purpose estimated necessary for payments to boards of cooperative educa-
25 tional services shall be shown in full, with no deduction of estimated
26 state aid. The amount of state aid provided and its percentage relation-
27 ship to the total expenditures shall also be shown. This section shall
28 not be construed to prevent the trustees from presenting such statement

1 at a budget hearing held not less than seven nor more than fourteen days
2 prior to a special meeting called for the purpose, nor from presenting a
3 supplementary and amended statement or estimate at any time.

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

21 3. Commencing with the proposed budget for the nineteen hundred nine-
22 ty-seven--ninety-eight school year, such proposed budget shall be in
23 plain language and shall be consistent with regulations promulgated by
24 the commissioner pursuant to subdivision twenty-six of section three
25 hundred five of this chapter. Categorization of and format for revenue,
26 including payments in lieu of taxes, property tax refunds from certior-
27 ari proceedings, expenditure, transfer, and fund balance information and
28 changes in such data from the prior year and, in the case of [a resub-

1 mitted or] an amended budget, changes in such information from the prior
2 year's submitted budget, shall be complete and accurate and set forth in
3 such a manner as to best promote public comprehension and readability.

4 4. Commencing with the proposed budget for the nineteen hundred nine-
5 ty-eight--ninety-nine school year, such proposed budget shall be
6 presented in three components: a program component, a capital component
7 and an administrative component which shall be separately delineated in
8 accordance with regulations of the commissioner after consultation with
9 local school district officials. The administrative component shall
10 include, but need not be limited to, office and central administrative
11 expenses, traveling expenses and all compensation, salaries and benefits
12 of all school administrators and supervisors, including business admin-
13 istrators, superintendents of schools and deputy, assistant, associate
14 or other superintendents under all existing employment contracts or
15 collective bargaining agreements, any and all expenditures associated
16 with the operation of the office of trustee or board of trustees, the
17 office of the superintendent of schools, general administration, the
18 school business office, consulting costs not directly related to direct
19 student services and programs, planning and all other administrative
20 activities. The program component shall include, but need not be limited
21 to, all program expenditures of the school district, including the sala-
22 ries and benefits of teachers and any school administrators or supervi-
23 sors who spend a majority of their time performing teaching duties, and
24 all transportation operating expenses. The capital component shall
25 include, but need not be limited to, all transportation capital, debt
26 service, and lease expenditures; costs resulting from judgments in tax
27 certiorari proceedings or the payment of awards from court judgments,
28 administrative orders or settled or compromised claims; and all facili-

1 ties costs of the school district, including facilities lease expendi-
2 tures, the annual debt service and total debt for all facilities
3 financed by bonds and notes of the school district, and the costs of
4 construction, acquisition, reconstruction, rehabilitation or improvement
5 of school buildings, provided that such budget shall include a rental,
6 operations and maintenance section that includes base rent costs, total
7 rent costs, operation and maintenance charges, cost per square foot for
8 each facility leased by the school district, and any and all expendi-
9 tures associated with custodial salaries and benefits, service
10 contracts, supplies, utilities, and maintenance and repairs of school
11 facilities. [For the purposes of the development of a budget for the
12 nineteen hundred ninety-eight--ninety-nine school year, the trustee or
13 board of trustees shall separate the district's program, capital and
14 administrative costs for the nineteen hundred ninety-seven--ninety-eight
15 school year in the manner as if the budget for such year had been
16 presented in three components.]

17 5. The trustee or board of trustees shall append to the statement of
18 estimated expenditures a detailed statement of the total compensation to
19 be paid to the superintendent of schools, and any assistant or associate
20 superintendents of schools in the ensuing school year, including a
21 delineation of the salary, annualized cost of benefits and any in-kind
22 or other form of remuneration. The trustees shall also append a list of
23 all other school administrators and supervisors, if any, whose annual
24 salary will be eighty-five thousand dollars or more in the ensuing
25 school year, with the title of their positions and annual salary identi-
26 fied; provided however, that the commissioner may adjust such salary
27 level to reflect increases in administrative salaries after June thirti-
28 eth, nineteen hundred ninety-eight. The trustees shall submit a copy of

1 such list and statement, in a form prescribed by the commissioner, of
2 compensation to the commissioner within five days after their prepara-
3 tion. The commissioner shall compile such data, together with the data
4 submitted pursuant to subdivision three of section seventeen hundred
5 sixteen of this chapter, into a single statewide compilation, which
6 shall be made available to the governor, the legislature, and other
7 interested parties upon request.

8 6. Each year, the board of education shall prepare a school district
9 report card, pursuant to regulations of the commissioner, and shall make
10 it publicly available by transmitting it to local newspapers of general
11 circulation, appending it to copies of the proposed budget made publicly
12 available as required by law, making it available for distribution at
13 the annual meeting, and otherwise disseminating it as required by the
14 commissioner. Such report card shall include measures of the academic
15 performance of the school district, on a school by school basis, and
16 measures of the fiscal performance of the district, as prescribed by the
17 commissioner. Pursuant to regulations of the commissioner, the report
18 card shall also compare these measures to statewide averages for all
19 public schools, and statewide averages for public schools of comparable
20 wealth and need, developed by the commissioner. Such report card shall
21 include, at a minimum, any information on the school district regarding
22 pupil performance and expenditure per pupil required to be included in
23 the annual report by the regents to the governor and the legislature
24 pursuant to section two hundred fifteen-a of this chapter; and any other
25 information required by the commissioner. School districts (i) identi-
26 fied as having fifteen percent or more of their students in special
27 education, or (ii) which have fifty percent or more of their students
28 with disabilities in special education programs or services sixty

1 percent or more of the school day in a general education building, or
2 (iii) which have eight percent or more of their students with disabili-
3 ties in special education programs in public or private separate educa-
4 tional settings shall indicate on their school district report card
5 their respective percentages as defined in this [subparagraph] paragraph
6 and [subparagraphs] paragraphs (i) and (ii) of this [paragraph] subdivi-
7 sion 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 trustee or board of trustees
10 shall prepare a property tax report card, pursuant to regulations of the
11 commissioner, and shall make it publicly available by transmitting it to
12 local newspapers of general circulation, appending it to copies of the
13 proposed budget made publicly available as required by law, making it
14 available for distribution at the annual [meeting] budget hearing, and
15 otherwise disseminating it as required by the commissioner. Such report
16 card shall include: (i) the amount of total spending and total estimated
17 school tax levy that would result from adoption of the proposed budget
18 and the percentage increase or decrease in total spending and total
19 school tax levy from the school district budget for the preceding school
20 year; and (ii) the district's tax levy limit and tax levy base deter-
21 mined pursuant to section two thousand twenty-three-a of this title, the
22 tax levy proposed by the district, 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

1 projected amount of the reserved fund balance, the projected amount of
2 the appropriated fund balance, the percentage of the proposed budget
3 that the unappropriated unreserved fund balance represents, the actual
4 unappropriated unreserved fund balance retained in the school district
5 budget for the preceding school year, and the percentage of the school
6 district budget for the preceding school year that the actual unappro-
7 priated unreserved fund balance represents.

8 b. A copy of the property tax report card prepared for the annual
9 [district meeting] budget hearing shall be submitted to the department
10 in the manner prescribed by the department by the end of the business
11 day next following approval of the report card by the trustee or board
12 of trustees, but no later than twenty-four days prior to the statewide
13 uniform voting day. The department shall compile such data for all
14 school districts [whose budgets are subject to a vote of the qualified
15 voters] subject to a tax levy limitation pursuant to section two thou-
16 sand twenty-three-a of this title and shall make such compilation avail-
17 able electronically at least ten days prior to the statewide uniform
18 voting day.

19 c. For purposes of this subdivision, "percentage increase in the
20 consumer price index" shall mean the percentage that represents the
21 product of one hundred and the quotient of: (i) the average of the
22 national consumer price indexes determined by the United States depart-
23 ment of labor for the twelve-month period preceding January first of the
24 current year minus the average of the national consumer price indexes
25 determined by the United States department of labor for the twelve-month
26 period preceding January first of the prior year, divided by (ii) the
27 average of the national consumer price indexes determined by the United
28 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 § 7. Subdivisions 22 and 28 of section 1709 of the education law
4 subdivision 22 as amended by chapter 682 of the laws of 2002, are
5 amended to read as follows:

6 22. To provide, purchase, lease, furnish and maintain buildings or
7 other suitable accommodations for the use of teachers or other employees
8 of the district [when duly authorized by a meeting of the district]
9 subject to the approval of voters where otherwise required by law, and
10 to raise by tax upon the taxable property of the district and moneys
11 necessary for such purposes; and also to provide, maintain and operate a
12 cafeteria or restaurant service for the use of pupils and teachers while
13 at school. Such cafeteria may be used by the community for school
14 related functions and activities and to furnish meals to the elderly
15 residents, sixty years of age or older, of the district. Such cafeteria
16 or restaurant service and such utilization shall be subject to the
17 approval of the board of education. Charges shall be sufficient to meet
18 the direct cost of preparing and serving such meals, reducible by avail-
19 able reimbursements.

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

24 § 8. Section 1716 of the education law, as amended by section 7 of
25 part A of chapter 436 of the laws of 1997, subdivisions 2 and 4 as
26 amended by chapter 640 of the laws of 2008, subdivision 7 as amended by
27 section 5 of part H of chapter 83 of the laws of 2002 and paragraph a of

1 subdivision 7 as amended by chapter 238 of the laws of 2007, is amended
2 to read as follows:

3 § 1716. Estimated expenses for ensuing year. 1. It shall be the duty
4 of the board of education of each district to present at the annual
5 budget hearing a detailed statement in writing of the amount of money
6 which will be required for the ensuing year for school purposes, speci-
7 fying the several purposes and the amount for each. The amount for each
8 purpose estimated necessary for payments to boards of cooperative educa-
9 tional services shall be shown in full, with no deduction of estimated
10 state aid. The amount of state aid provided and its percentage relation-
11 ship to the total expenditures shall also be shown. This section shall
12 not be construed to prevent the board from presenting such statement at
13 a budget hearing held not less than seven nor more than fourteen days
14 prior to a special meeting called for the purpose, nor from presenting a
15 supplementary and amended statement or estimate at any time.

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

1 on each day other than a Saturday, Sunday or holiday during the fourteen
2 days immediately preceding such meeting. The board shall include notice
3 of the availability of such statement at least once during the school
4 year in any district-wide mailing distributed.

5 3. Commencing with the proposed budget for the nineteen hundred nine-
6 ty-seven--ninety-eight school year, such proposed budget shall be in
7 plain language and shall be consistent with regulations promulgated by
8 the commissioner pursuant to subdivision twenty-six of section three
9 hundred five of this chapter. Categorization of and format for revenue,
10 including payments in lieu of taxes, property tax refunds from certior-
11 ari proceedings, expenditure, transfer, and fund balance information and
12 changes in such data from the prior year and, in the case of [a resub-
13 mitted or] an amended budget, changes in such information from the prior
14 year submitted budget, shall be complete and accurate and set forth in
15 such a manner as to best promote public comprehension and readability.

16 4. Commencing with the proposed budget for the nineteen hundred nine-
17 ty-eight--ninety-nine school year, such proposed budget shall be
18 presented in three components: a program component, a capital component
19 and an administrative component which shall be separately delineated in
20 accordance with regulations of the commissioner after consultation with
21 local school district officials. The administrative component shall
22 include, but need not be limited to, office and central administrative
23 expenses, traveling expenses and all compensation, salaries and benefits
24 of all school administrators and supervisors, including business admin-
25 istrators, superintendents of schools and deputy, assistant, associate
26 or other superintendents under all existing employment contracts or
27 collective bargaining agreements, any and all expenditures associated
28 with the operation of the board of education, the office of the super-

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

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

20 6. Each year, the board of education shall prepare a school district
21 report card, pursuant to regulations of the commissioner, and shall make
22 it publicly available by transmitting it to local newspapers of general
23 circulation, appending it to copies of the proposed budget made publicly
24 available as required by law, making it available for distribution at
25 the annual meeting, and otherwise disseminating it as required by the
26 commissioner. Such report card shall include measures of the academic
27 performance of the school district, on a school by school basis, and
28 measures of the fiscal performance of the district, as prescribed by the

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

19 7. a. Each year, commencing with the proposed budget for the two thou-
20 sand--two thousand one school year, the board of education shall prepare
21 a property tax report card, pursuant to regulations of the commissioner,
22 and shall make it publicly available by transmitting it to local newspa-
23 pers of general circulation, appending it to copies of the proposed
24 budget made publicly available as required by law, making it available
25 for distribution at the annual [meeting] budget hearing, and otherwise
26 disseminating it as required by the commissioner. Such report card shall
27 include: (i) the amount of total spending and total estimated school tax
28 levy that would result from adoption of the proposed budget and the

1 percentage increase or decrease in total spending and total school tax
2 levy from the school district budget for the preceding school year; and
3 (ii) the district's tax levy limit and tax levy base determined pursuant
4 to section two thousand twenty-three-a of this title, the tax levy
5 proposed by the district, and the proposed capital tax levy, if any; and
6 (iii) the projected enrollment growth for the school year for which the
7 budget is prepared, and the percentage change in enrollment from the
8 previous year; and [(iii)] (iv) the percentage increase in the consumer
9 price index, as defined in paragraph c of this subdivision; and [(iv)]
10 (v) the projected amount of the unappropriated unreserved fund balance
11 that will be retained if the proposed budget is adopted, the projected
12 amount of the reserved fund balance, the projected amount of the appro-
13 priated fund balance, the percentage of the proposed budget that the
14 unappropriated unreserved fund balance represents, the actual unappro-
15 priated unreserved fund balance retained in the school district budget
16 for the preceding school year, and the percentage of the school district
17 budget for the preceding school year that the actual unappropriated
18 unreserved fund balance represents.

19 b. A copy of the property tax report card prepared for the annual
20 [district meeting] budget hearing shall be submitted to the department
21 in the manner prescribed by the department by the end of the business
22 day next following approval of the report card by the board of educa-
23 tion, but no later than twenty-four days prior to the statewide uniform
24 voting day. The department shall compile such data for all school
25 districts [whose budgets are subject to a vote of the qualified voters]
26 subject to a tax levy limitation pursuant to section two thousand twen-
27 ty-three-a of this title and shall make such compilation available elec-
28 tronically at least ten days prior to the statewide uniform voting day.

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

13 § 9. Section 1718 of the education law, as amended by chapter 774 of
14 the laws of 1965 and subdivision 2 as amended by chapter 82 of the laws
15 of 1995, is amended to read as follows:

16 § 1718. Limitation upon expenditures. 1. No board of education shall
17 incur a district liability in excess of the amount appropriated [by a
18 district meeting] in the budget approved by the board of education
19 unless such board is specially authorized by law to incur such liabil-
20 ity.

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

1 resolution of the board of education at any time for such objects or
2 purposes.

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

5 § 2005. Special meeting to transact business of annual meeting. When-
6 ever the time for holding the annual meeting in a school district shall
7 pass without such meeting being held, a special meeting[, to be held on
8 the date specified for a school budget revote pursuant to subdivision
9 three of section two thousand seven of this part,] shall thereafter be
10 called by the trustees or by the clerk of such district for the purpose
11 of transacting the business of the annual meeting; and if no such meet-
12 ing be called by the trustees or the clerk within ten days after such
13 time shall have passed, the district superintendent of the supervisory
14 district in which said school district is situated or the commissioner
15 [of education] may order any inhabitant of such district to give notice
16 of such meeting in the manner provided in section two thousand one of
17 this part, and the officers of the district shall make to such meeting
18 the reports required to be made at the annual meeting, subject to the
19 same penalty in case of neglect; and the officers elected at such meet-
20 ing shall hold their respective offices only until the next annual meet-
21 ing and until their successors are elected and shall have qualified.
22 Notice of such annual meeting shall comply with the requirements of
23 section two thousand three or section two thousand four of this part by
24 publishing such notices once in each week within the two weeks next
25 preceding such special meeting, the first publication to be at least
26 fourteen days before such meeting and any required posting to be four-
27 teen days before the time of such meeting. [If the qualified voters at
28 such special district meeting defeat the school district budget, the

1 trustees or board of education shall adopt a contingency budget pursuant
2 to section two thousand twenty-three of this part. Notwithstanding any
3 other provision in law, the trustees or board of education following the
4 adoption of a contingency budget may call a special district meeting for
5 a second vote on the proposed budget pursuant to the requirements of
6 subdivision three of section two thousand seven or subdivision three of
7 section two thousand six of this chapter.]

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

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

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

25 b. [A school budget revote called pursuant to paragraph a of this
26 subdivision shall be held on the third Tuesday of June, provided, howe-
27 ver that such budget revote shall be held on the second Tuesday in June
28 if the commissioner at the request of a local school board certifies no

1 later than March first that such vote would conflict with religious
2 observances.

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

10 § 13. Section 2008 of the education law is amended by adding a new
11 subdivision 3 to read as follows:

12 3. Notwithstanding any other provision of law to the contrary, it
13 shall not be within the power of the voters of a school district to
14 submit a proposition that requires the expenditure of money, provided
15 that the voters may submit a proposition to change the mileage limita-
16 tions on transportation pursuant to subdivision nineteen of section two
17 thousand twenty-one of this part.

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

22 8. To vote a tax upon the taxable property of the district, to
23 purchase, lease and improve such sites or an addition to such sites and
24 grounds for the purposes specified in [the preceding] subdivision seven
25 of this section, to hire or purchase rooms or buildings for school rooms
26 or schoolhouses, or to build schoolhouses[; to keep in repair and
27 furnish the same with necessary fuel, furniture and appurtenances, and
28 to purchase such implements, apparatus and supplies as may be necessary

1 to provide instruction in agriculture and other subjects, and for the
2 organization and conduct of athletic, playground and other social center
3 work].

4 19. To [provide, by tax or otherwise, for the conveyance of] determine
5 whether transportation should be provided pursuant to paragraph a of
6 subdivision one of section thirty-six hundred thirty-five of this chap-
7 ter to pupils residing in [a] the school district who are in grades
8 kindergarten through eight and live less than two miles from the school
9 they legally attend or are in grades nine through twelve and live less
10 than three miles from such school or to pupils in any grade who live
11 more than fifteen miles from the school they legally attend, (a) to the
12 elementary or high schools, or both, maintained in such district and/or
13 (b) to the elementary or high schools, or both, in any city or district
14 with which an education contract shall have been made, and/or (c) to the
15 elementary or high schools, or both, other than public, situated within
16 the district or an adjacent district or city, whenever such district
17 shall have contracted with the school authorities of any city, or with
18 another school district, for the education therein of the pupils resid-
19 ing in such school district, or whenever in any school district pupils
20 of school age shall reside so remote from the schoolhouse therein or the
21 elementary or high school they legally attend, within or without the
22 district, that they are practically deprived of school advantages during
23 any portion of the school year.

24 § 15. Section 2022 of the education law, as amended by section 23 of
25 part A of chapter 436 of the laws of 1997, subdivisions 1 and 3 as
26 amended by section 8 of part C of chapter 58 of the laws of 1998, subdivi-
27 sion 2-a as amended by section 3 of part A of chapter 60 of the laws
28 of 2000, paragraph b of subdivision 2-a as amended by section 5 of part

1 W of chapter 57 of the laws of 2008, subdivision 4 as amended by section
2 7 of part M of chapter 57 of the laws of 2005 and subdivision 6 as added
3 by chapter 61 of the laws of 2003, is amended to read as follows:

4 § 2022. [Vote on] Adoption of school district budgets [and on the];
5 annual district meeting and election of school district trustees and
6 board of education members. 1. Notwithstanding any law, rule or regu-
7 lation to the contrary, the annual district meeting and election of
8 trustees or members of the board of education, and the tax levy proposi-
9 tion vote [upon the appropriation of the necessary funds to meet the
10 estimated expenditures,] in any common school district, union free
11 school district, central school district or central high school district
12 shall be held [at the annual meeting and election] on the third Tuesday
13 in May, provided, however, that such election shall be held on the
14 second Tuesday in May if the commissioner at the request of a local
15 school board certifies no later than March first that such election
16 would conflict with religious observances. [When such election or vote
17 is taken by recording the ayes and noes of the qualified voters attend-
18 ing, a majority of the qualified voters present and voting, by a hand or
19 voice vote, may determine to take up the question of voting the neces-
20 sary funds to meet the estimated expenditures for a specific item sepa-
21 rately, and the qualified voters present and voting may increase the
22 amount of any estimated expenditures or reduce the same, except for
23 teachers' salaries, and the ordinary contingent expenses of the
24 schools.] The sole trustee, board of trustees or board of education of
25 every common, union free, central or central high school district and
26 every city school district to which this article applies shall hold a
27 budget hearing not less than seven nor more than fourteen days prior to
28 the annual meeting and election [or special district meeting at which a

1 school budget vote will occur], and shall prepare and present to the
2 voters at such budget hearing a proposed school district budget for the
3 ensuing school year. If the qualified voters have approved a tax levy
4 proposition in accordance with section two thousand twenty-three-b of
5 this part, such trustees or board of education shall adopt a budget that
6 complies with such proposition. If no tax levy proposition has been
7 approved by the qualified voters, then the trustees or board of educa-
8 tion shall adopt a budget that requires a tax levy, excluding any capi-
9 tal tax levy, that is no greater than the tax levy base determined
10 pursuant to section two thousand twenty-three-a of this part.

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

17 2-a. Every common, union free, central, central high school district
18 and city school district to which this article applies shall mail a
19 school budget notice to all qualified voters of the school district
20 after the date of the budget hearing, but no later than six days prior
21 to the annual meeting and election [or special district meeting at which
22 a school budget vote will occur]. The school budget notice shall compare
23 the percentage increase or decrease in total spending under the proposed
24 budget over total spending under the school district budget adopted for
25 the current school year, with the percentage increase or decrease in the
26 consumer price index, from January first of the prior school year to
27 January first of the current school year, and shall also include [the
28 information required by paragraphs a and b of this subdivision. The

1 notice shall also set forth the date, time and place of the school budg-
2 et vote, in the same manner as in the notice of annual meeting] the
3 district's tax levy limit and tax levy base determined pursuant to
4 section two thousand twenty-three-a of this part, the tax levy proposed
5 by the district and the proposed capital tax levy, if any. Such notice
6 shall be in a form prescribed by the commissioner.

7 [a. Commencing with the proposed budget for the two thousand one--two
8 thousand two school year, such notice shall also include a description
9 of how total spending and the tax levy resulting from the proposed budg-
10 et would compare with a projected contingency budget adopted pursuant to
11 section two thousand twenty-three of this article, assuming that such
12 contingency budget is adopted on the same day as the vote on the
13 proposed budget. Such comparison shall be in total and by component
14 (program, capital and administrative), and shall include a statement of
15 the assumptions made in estimating the projected contingency budget.

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

24 3. In all elections for trustees or members of boards of education or
25 votes involving the expenditure of money, or authorizing the levy of
26 taxes, the vote thereon shall be by ballot, or, in school districts that
27 prior to nineteen hundred ninety-eight conducted their vote at the annu-

1 al meeting, may be ascertained by taking and recording the ayes and noes
2 of such qualified voters attending and voting at such district meetings.

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

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

24 6. Notwithstanding the provisions of subdivision four of section eigh-
25 teen hundred four and subdivision five of section nineteen hundred six
26 of this title, subdivision one of section two thousand two of this arti-
27 cle, subdivision one of this section, subdivision two of section twen-
28 ty-six hundred one-a of this title and any other provision of law to the

1 contrary, the annual district meeting and election of every common,
2 union free, central and central high school district and the annual
3 meeting of every city school district in a city having a population of
4 less than one hundred twenty-five thousand inhabitants that is scheduled
5 to be held on the third Tuesday of May, two thousand three is hereby
6 adjourned until the first Tuesday in June, two thousand three. The trus-
7 tees or board of education of each such school district shall provide
8 notice of such adjourned meeting to the qualified voters in the manner
9 prescribed for notice of the annual meeting, and such notice shall
10 provide for an adjourned budget hearing. The adjourned district meeting
11 or district meeting and election shall be deemed the annual meeting or
12 annual meeting and election of the district for all purposes under this
13 title and the date of the adjourned meeting shall be deemed the state-
14 wide uniform voting day for all purposes under this title. Notwith-
15 standing the provisions of subdivision seven of section sixteen hundred
16 eight or subdivision seven of section seventeen hundred sixteen of this
17 title or any other provision of law, rule or regulation to the contrary,
18 in two thousand three the property tax report card shall be submitted to
19 the department no later than twenty days prior to the date of the
20 adjourned meeting and the department shall make its compilation avail-
21 able electronically at least seven days prior to such date.]

22 § 16. Section 2023 of the education law is REPEALED.

23 § 17. Subdivision 2 of section 2035 of the education law, as amended
24 by chapter 111 of the laws of 1979, is amended to read as follows:

25 2. In common school districts the manner of making nominations or
26 submitting propositions by anyone other than the trustees and in union
27 free school districts the manner of submitting propositions by anyone
28 other than the board of education for the purpose of preparing ballots

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

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

1 a. Shall promote the best interests of the schools and other activ-
2 ities committed to its care, and shall authorize, or in its discretion
3 conduct, and maintain such extra classroom activities, including the
4 operation of cafeterias or restaurant service for use by pupils and
5 teachers, as the board, from time to time, shall deem proper. Such
6 cafeterias or restaurant service may be used by the community for school
7 related functions and activities and to furnish meals to the elderly
8 residents, sixty years of age or older, of the district. Such utiliza-
9 tion and the operation of cafeterias or restaurant service shall be
10 subject to the approval of the board of education[, and shall be subject
11 to voter approval unless the cafeteria or restaurant service was oper-
12 ated during the preceding school year and requires no tax levy]. Charges
13 shall be sufficient to meet the direct cost of preparing and serving
14 such meals, reducible by available reimbursements.

15 a. to and from schools within the school district for distances
16 greater than two or three miles, as applicable, and to and from schools
17 outside the district within the mileage limitations prescribed in para-
18 graph a of subdivision one of section thirty-six hundred thirty-five of
19 this chapter shall always be [an ordinary contingent expense] a charge
20 upon the school district, and

21 b. for distances less than two or three miles, as applicable, or for
22 greater than fifteen miles to and from schools outside the district
23 shall be [an ordinary contingent expense] a charge upon the school
24 district if: (i) such transportation was provided during the preceding
25 school year and the qualified voters have not passed a special proposi-
26 tion constricting the mileage limitations for the current school year
27 from those in effect in the prior year, or (ii) the qualified voters

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

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

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

15 2. The board of education] shall adopt a school district budget and
16 conduct all annual and special school district meetings for the purpose
17 of [adopting a school district budget] voting on propositions for the
18 expenditure of money, including but not limited to votes pursuant to
19 section four hundred sixteen of this chapter, and voting on tax levy
20 propositions pursuant to section two thousand twenty-three-b of this
21 title, in the same manner as a union free school district in accordance
22 with the provisions of article forty-one of this title, except as other-
23 wise provided by this section. The annual meeting and election of each
24 such city school district shall be held on the third Tuesday of May in
25 each year, provided, however that such annual meeting and election shall
26 be held on the second Tuesday in May if the commissioner at the request
27 of a local school board certifies no later than March first that such
28 election would conflict with religious observances[, and any school

1 budget revote shall be held on the date and in the same manner specified
2 in subdivision three of section two thousand seven of this title]. The
3 provisions of this article, and where applicable subdivisions nine and
4 nine-a of section twenty-five hundred two of this title, governing the
5 qualification and registration of voters, and procedures for the nomi-
6 nation and election of members of the board of education shall continue
7 to apply, and shall govern the qualification and registration of voters
8 and voting procedures with respect to the adoption of a school district
9 budget.

10 [3.] 2. The board of education shall prepare a proposed school
11 district budget for the ensuing year in accordance with the provisions
12 of section seventeen hundred sixteen of this chapter, including all
13 provisions relating to required notices and appendices to the statement
14 of expenditures. No board of education shall incur a school district
15 liability except as authorized by the provisions of section seventeen
16 hundred eighteen of this chapter. Such proposed budget shall be
17 presented in three components: a program component, a capital component
18 and an administrative component which shall be separately delineated in
19 accordance with regulations of the commissioner after consultation with
20 local school district officials. The administrative component shall
21 include, but need not be limited to, office and central administrative
22 expenses, traveling expenses and all compensation, salaries and benefits
23 of all school administrators and supervisors, including business admin-
24 istrators, superintendents of schools and deputy, assistant, associate
25 or other superintendents under all existing employment contracts or
26 collective bargaining agreements, any and all expenditures associated
27 with the operation of the board of education, the office of the super-
28 intendent of schools, general administration, the school business

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

1 additional items of expenditure to the voters for approval as separate
2 propositions or the voters from submitting propositions [pursuant] to
3 the extent authorized by sections two thousand eight and two thousand
4 thirty-five of this chapter.

5 [4. In the event the qualified voters of the district reject the budg-
6 et proposed pursuant to subdivision three of this section, the board may
7 propose to the voters a revised budget pursuant to subdivision three of
8 section two thousand seven of this title or may adopt a contingency
9 budget pursuant to subdivision five of this section and subdivision five
10 of section two thousand twenty-two of this title.] 3. The [school
11 district budget for any school year, or any part of such budget or]
12 board of education shall not submit any propositions involving the
13 expenditure of money for such school year [shall not be submitted] for a
14 vote of the qualified voters more than twice. [In the event the quali-
15 fied voters reject the resubmitted budget, the board shall adopt a
16 contingency budget in accordance with subdivision five of this section
17 and subdivision five of such section two thousand twenty-two of this
18 title.

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

1 capital component than the lesser of (1) the percentage the administra-
2 tive component had comprised in the prior year budget exclusive of the
3 capital component; or (2) the percentage the administrative component
4 had comprised in the last proposed defeated budget exclusive of the
5 capital component. Such contingency budget shall include the sum deter-
6 mined by the board to be necessary for:

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

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

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

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

25 (e) items of expense necessary to maintain the educational programs of
26 the district, preserve the property of the district or protect the
27 health and safety of students and staff, including, but not limited to,
28 support services, pupil personnel services, the necessary salaries for

1 the necessary number of non-teaching employees, necessary legal
2 expenses, water and utility charges, instructional supplies for teach-
3 ers' use, emergency repairs, temporary rental of essential classroom
4 facilities, and expenditures necessary to advise school district voters
5 concerning school matters; and

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

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

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

14 7.] 4. Each year, the board of education shall prepare a school
15 district report card, pursuant to regulations of the commissioner, and
16 shall make it publicly available by transmitting it to local newspapers
17 of general circulation, appending it to copies of the proposed budget
18 made publicly available as required by law, making it available for
19 distribution at the annual meeting, and otherwise disseminating it as
20 required by the commissioner. Such report card shall include measures of
21 the academic performance of the school district, on a school by school
22 basis, and measures of the fiscal performance of the district, as
23 prescribed by the commissioner. Pursuant to regulations of the commis-
24 sioner, the report card shall also compare these measures to statewide
25 averages for all public schools, and statewide averages for public
26 schools of comparable wealth and need, developed by the commissioner.
27 Such report card shall include, at a minimum, any information on the
28 school district regarding pupil performance and expenditure per pupil

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

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

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

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

1 11. Notwithstanding the provisions of subdivision ten of this section,
2 where the district serves fewer children during the current year than in
3 the base year, the school district shall have its apportionment reduced
4 in an amount proportional to such deficiency in the current year or in
5 the succeeding school year, as determined by the commissioner, except
6 such reduction shall not apply to school districts which have fully
7 implemented a universal pre-kindergarten program by making such program
8 available to all eligible children. [Expenses incurred by the school
9 district in implementing a pre-kindergarten program plan pursuant to
10 this subdivision shall be deemed ordinary contingent expenses.]

11 § 22. Paragraphs a and b of subdivision 1 of section 3635 of the
12 education law, paragraph a as amended by chapter 69 of the laws of 1992,
13 paragraph b as amended by chapter 718 of the laws of 1990 and subpara-
14 graph (i) of paragraph b as amended by chapter 571 of the laws of 1994,
15 are amended to read as follows:

16 a. Sufficient transportation facilities (including the operation and
17 maintenance of motor vehicles) shall be provided by the school district
18 for all the children residing within the school district to and from the
19 school they legally attend, who are in need of such transportation
20 because of the remoteness of the school to the child or for the
21 promotion of the best interest of such children. Such transportation
22 shall be provided for all children attending grades kindergarten through
23 eight who live more than two miles from the school which they legally
24 attend and for all children attending grades nine through twelve who
25 live more than three miles from the school which they legally attend and
26 shall be provided for each such child up to a distance of fifteen miles,
27 the distances in each case being measured by the nearest available route
28 from home to school. The cost of providing such transportation between

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

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

27 (ii) A board of education may, at its discretion, provide transporta-
28 tion for pupils residing within the district to a nonpublic school

1 located more than fifteen miles from the home of any such pupil provided
2 that such transportation has been provided to such nonpublic school
3 pursuant to this subdivision in at least one of the immediately preced-
4 ing three school years and such transportation is provided from one or
5 more centralized pick-up points designated pursuant to this paragraph
6 and that the distance from such pick-up points to the nonpublic school
7 is not more than fifteen miles. The district shall not be responsible
8 for the provision of transportation for pupils between [pupils] pupils'
9 homes and such pick-up points. [The cost of providing transportation
10 between such pick-up points and such nonpublic schools shall be an ordi-
11 nary contingent expense.]

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

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

19 § 24. Subdivision 3-a of section 3651 of the education law is REPEALED
20 and subdivisions 1, 3, 4 and 5, subdivision 1 as amended by chapter 504
21 of the laws of 1949, subdivisions 3 and 4 as added by chapter 782 of the
22 laws of 1948 and subdivision 5 as amended by chapter 976 of the laws of
23 1963, are amended to read as follows:

24 1. A reserve fund may be established by the school authorities of any
25 school district, [provided, however, that no such fund shall be estab-
26 lished (a) until approved by a majority vote of the qualified voters of
27 the district voting on a proposition therefor submitted at a regular or
28 special school district meeting, or in school districts which do not

1 have such meetings, at an election called for such purpose, and (b)
2 unless the notice of such meeting or election shall have stated that a
3 proposition to establish a reserve fund would be so submitted, the
4 purpose of the fund, the ultimate amount thereof, its probable term and
5 the source from which the funds would be obtained] as defined in subdivi-
6 vision twelve of section two of this chapter. Such reserve fund may be
7 established for financing, in whole or in part, the cost of any object
8 or purpose for which bonds may be issued by, or for the objects or
9 purposes of, the school district pursuant to the local finance law. The
10 [proposition] resolution of the school authorities establishing the
11 reserve fund shall specify the purpose for which the fund is estab-
12 lished, the ultimate amount, the probable term and the source from which
13 the funds are to be obtained. There shall be paid into any such fund an
14 annual amount sufficient to meet the requirements of the proposition or
15 resolution. In addition, the [voters] school authorities may from time
16 to time direct the [school authorities to pay] payment into such fund of
17 moneys derived from any other source.

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

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

25 5. Whenever the [voters] school authorities shall determine that the
26 original purpose for which a reserve fund has been established is no
27 longer desirable, [the school authorities] they may liquidate the fund
28 by first applying its proceeds to any outstanding bonded indebtedness

1 and applying the balance, if any, to the annual tax levy, provided,
2 however, that the amount so applied in any one year shall not be greater
3 than the amount which will reduce the tax rate for school purposes below
4 five mills on actual valuation; provided, however, that the school
5 authorities in any school district having no outstanding bonded indebt-
6 edness may, in any year in which no state aid is payable thereto under
7 the provisions of this chapter, liquidate such fund by applying the
8 balance thereof to the annual tax levy, regardless of the tax rate for
9 school purposes[, subject to the approval of a majority of the qualified
10 electors of the district voting on a proposition therefor submitted at a
11 regular or special school district meeting, or in school districts which
12 do not have such meetings, at an election called for such purpose].

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

16 j. Overrides the tax levy limitation applicable for the coming fiscal
17 year in accordance with section three-c of the general municipal law.

18 § 26. This act shall take effect immediately and shall first apply to
19 the levy of taxes by school districts for the 2012-2013 school year and
20 to school district meetings and elections held on and after such effec-
21 tive date; provided, however, that sections eight, fifteen, twenty,
22 twenty-one and twenty-two of this act shall take effect July 1, 2012;
23 and provided further, that section one of this act shall first apply to
24 the levy of taxes by local governments for the fiscal year that begins
25 in 2012.