

POLICY

2003

Fiscal Management

CONTINGENCY BUDGET

The annual district budget and any related propositions related thereto may be submitted to the voters only twice. If the original budget is not approved by the voters, the Board of Education may either resubmit the original or a revised budget to the voters for approval or adopt a contingency budget. If the Board decides to submit the budget to the voters a second time and the voters do not approve it, the Board will adopt a contingency budget and levy a tax for its implementation.

The contingency budget will fund only teachers' salaries and those items the Board determines constitute "ordinary contingent expenses." Ordinary contingent expenses include pre-existing legal obligations of the district, those expenditures specifically authorized by statute, and other items necessary to maintain the education program, preserve property and assure the health and safety of students and staff. A list of expenditures which have been determined to constitute ordinary contingent expenses is attached.

The contingency budget will be prepared in accordance with the statutory spending limits on the administrative component of the contingency budget and on overall district spending. Specifically, the monies in the administrative component of the contingency budget will not exceed either the percentage of the administrative component of the district's prior year's budget, or the percentage the administrative component comprised in the last proposed defeated budget. In addition, the percentage increase in the district's total spending under the contingency budget in comparison to the district's total spending under the budget for the prior year will be limited to 120 percent of the consumer price index (CPI) or 4 percent, whichever is less. In determining total district spending, the Board will disregard the following types of expenditures:

- Expenditures resulting from a tax certiorari proceeding;
- Expenditures resulting from a court order or judgment against the district;
- Emergency expenditures that are certified by the Commissioner of Education as necessary as a result of damage to, or destruction of, a school building or school equipment;
- Capital expenditures resulting from the construction, acquisition, reconstruction, rehabilitation or improvement of school facilities, including debt services and lease expenditures, subject to voter approval;
- Expenditures attributable to projected increases in public school enrollment; and
- Non-recurring expenditures in the prior year's budget.

In the event the Board elects or is required to adopt a contingency budget, it will pass a resolution officially doing so. That resolution will contain or refer to a statement which specifies the projected percentage increase or decrease in total spending for the school year and which explains the reasons why the Board disregarded any portion of the increase in spending in determining together the contingency budget.

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Before adopting the contingency budget, the Board shall refer it to the school attorney for review.

Ref: Education Law §§2002; 2023; 2601-a
Education Law § 2024
Fonnal Opinion of Counsel No. 213, 7 EDR 153 (1967)
Onteora CSD at Boiceville, 79 AD2d 415, aff'd 56 NY2d 769 (1982)
Brown v. Whitesboro Central School District, 88 AD2d 184 (1982)
Matter of Gouverneur CSD, 15 EDR 468 (1976)

Adoption date: July 2003