

- Accident insurance for students
- In-service training for teachers
- Eye safety devices
- Library books and other instructional materials associated with a library

**OTHER ITEMS NECESSARY TO MAINTAIN THE EDUCATIONAL PROGRAM, PRESERVE PROPERTY AND ASSURE THE HEALTH AND SAFETY OF STUDENTS AND STAFF**

- Necessary travel expenses of Board members and employees on official business
- Amounts needed to pay for necessary legal services
- "Teacher supplies" but not "student supplies"
- Salaries for the necessary number of non-teaching employees
- Utilities, including fuel, water, light, power, and telephone
- Use of school buildings for teachers' meetings and PTA meetings with school-connected purposes. However, this does not include programs of entertainment or of a social nature
- Emergency repairs of school plant
- Maintenance of necessary, sanitary facilities
- Necessary expenditures for complying with the Commissioner's Regulations pertaining to such items as fire alarm systems and fire escapes
- Rental of temporary classroom facilities with approval of the Commissioner, in the case of an unforeseeable emergency
- Required civil defense equipment
- Certain expenses, such as for emergency repairs, or to equip a classroom or classrooms where it is essential to house additional students. This does not include equipment.
- Materials used in classes by students where uniformity

is essential to the program or to preserve health and safety

- Newspapers and periodical subscriptions for libraries and classroom use where essential for instruction or to preserve continuity of sets
- Expenditures necessary to advise district voters concerning school matters
- Preliminary plans and specifications needed to submit propositions to voters
- Options on land where the price of land is nominal

**ITEMS THAT DO NOT CONSTITUTE ORDINARY CONTINGENT EXPENSES**

The following is a partial list of items that would NOT be considered ordinary contingent expenses:

- Salary increases for non-instructional, non-unionized employees (i.e., management and/or confidential employees), unless it is impossible to assure qualified personnel for minimum service, in which case these employees may be paid necessary amounts
- New equipment, such as school buses
- Public use of school buildings and grounds except where there is no cost to the district
- Nonessential maintenance
- Capital expenditures, except in an emergency
- Budget support of school cafeteria programs
- Consultant services to review district operations and make recommendations necessary for the creation of the budget

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**A Publication of Finance, Legislation & Policy Services**

# Contingency Budget

# Requirements



2012-2013  
School Year



Finance, Legislation  
and Policy Services

## OVERVIEW

The school district budget for any school year cannot be submitted for a vote of the qualified voters more than twice. If your budget gets defeated on May 15th, you have one additional chance to gain voter approval for any expense item whether a totally revised budget is presented or individual propositions are put before the voters. In the alternative, if the first budget is defeated, the Board has the option of adopting a contingency budget at that time. If a second budget vote fails, the Board must adopt a contingency budget.

## BUDGET CAP ON DISTRICT SPENDING

Education Law Section 2023 establishes a limit on the increase of a contingency budget over the district's budget for the prior year. The overall increase cannot exceed the lesser of 4 percent over prior year's budget or 120 percent of the average of the national consumer price index (CPI) for the twelve month period preceding January 1st of the current year. The average for the 2011 calendar year was 3.16 percent, 120% of this number equals 3.79 percent.

## ADMINISTRATIVE BUDGET COMPONENT RESTRICTIONS

If a district adopts a contingency budget for the 2012-2013 school year, the administrative component of the budget must stay at 1) the same percentage it comprised in the previous year's budget (exclusive of the capital budget) or 2) the percentage it comprised in the last proposed defeated budget (exclusive of the capital budget), whichever percentage is lower.

**NOTE:** When calculating the percentage cap on the administrative component of the budget, the district should round the percentage to 2 decimal places (e.g., 11.62654 would round to 11.63%). If the third decimal place is below 5, the result would be truncated.

## EXCLUSIONS FROM THE BUDGET CAP

The following expenditures are not included in determining total spending in a contingency budget and are not subject to the budget cap:

- Expenses resulting from a tax certiorari proceeding
- Expenses resulting from a court order or judgment against the school district
- Emergency expenditures because of damage to, or destruction of, a school building or school equipment
- Capital expenditures including debt services and leases resulting from projects approved by the voters
- Expenses related to projected increases in public school enrollment, which may include increases caused by pre-kindergarten programs established in accordance with Section 3602-e of the Education Law
- Non-recurring expenditures in the prior year's school budget
- Charter school payments
- Self-supporting privately funded programs

**NOTE:** Performance contracting costs are contingency expenses. Therefore, they fall under the budget cap.

## ORDINARY CONTINGENT EXPENSE

The school board is responsible for initially determining, consistent with applicable law, which items constitute ordinary contingent expenses. The following ordinary contingent expenses have been defined under law:

- 1) Legal obligations
- 2) Expenditures specifically authorized by statute
- 3) Other items necessary to maintain the education program, preserve property and assure the health and safety of students and staff

**NOTE:** Amendments to the Education Law allow expenses incurred for interschool athletics, field trips, and other extracurricular activities to be included with the list of items that may be funded by a school district during a contingency budget.

## EXAMPLES OF ORDINARY CONTINGENT EXPENSES

The following is a partial list of items that would be considered ordinary contingent expenses:

### Legal Obligations

- Debt service (both principal and interest payments)
- Judgments from courts and orders of the Commissioner of Education
- Social Security and retirement obligations, as well as other payroll taxes and assessments
- Pre-existing contractual obligations

### Expenditures Specifically Authorized by Statute

- Teachers' salaries
- Interscholastic athletics, field trips, and other extracurricular activities
- Transportation within the following mileage limits (or any other mileage limits as previously adopted by district voters):
  - K-8 students: 2 - 15 miles
  - 9-12 students: 3 - 15 miles
  - Children w/disabilities up to 50 miles
- Transportation related to extracurricular activities
- Textbooks
- Expenses in connection with membership in the New York State School Boards Association
- Convention and conference expenses
- Under limited circumstances: youth bureaus, recreation and youth service projects
- The district's share of BOCES services
- Health and Welfare services
- Grants in aid received from either the state or federal government, other gifts, and insurance proceeds not involving the expenditure of local money
- Nursery school, pre-kindergarten and kindergarten, if the Board chooses to offer these programs
- Charter school payments