

Budget Definitions

Proposed Budget: Education Law (§§ 1608, 1716, 1804(4), 2601-a) requires that school districts present an annual budget to the district voters for their approval. The budget must be presented in three component parts: program, capital, and administration.

- **Program:** Activities which directly benefit students. The program component must include all program expenditures for the district, including the salary and benefits of teachers and any school administrators who spend the majority of their time performing teaching duties, civic activities and health services, and all transportation operating expenses.
- **Capital:** Activities involving maintenance and upkeep of district buildings. The capital component must include all capital, debt service and lease expenditures and the payment of awards from court judgments and administrative orders or settled or compromised claims, facilities costs, annual debt service and total debt for all facilities financed by bonds and notes, etc. The purchase of school buses is also included in this component.
- **Administrative:** Activities which indirectly provide a benefit to students and staff. The administrative component must include office and central administrative expenses; traveling expenses and all compensation, salaries and benefits of all school administrators and supervisors, school board expenses, legal services, personnel services, records management, public information services, curriculum development and supervision, research, planning, evaluation, central data processing, central printing and mailing, etc.

Revenues: Sources of income for school districts.

Expenditures: What the district pays out in a given year.

Reserve Funds: A reserve fund is a separate account established by a school district to finance various district costs. Education Law authorizes:

- Capital Reserve Fund*
- Liability Reserve Fund (ERS & Worker's Compensation – no reserve funds are permitted by State law for contributions to TRS)
- Property Loss Fund*
- Tax Certiorari Fund*
- Tax Reduction Reserve Fund
- Uncollected Taxes Reserve Fund*

*(Garden City has not utilized these reserve funds)

ERS: Employee Retirement System provides retirement, disability and death benefits to eligible New York State public employees (non-certificated school district employees, e.g., clerical workers, bus drivers, custodians, etc.).

TRS: Teachers Retirement System provides retirement, disability and death benefits to eligible New York State public school teachers and administrators (certificated school district employees).

FTE: Full Time Equivalent. One or several individuals working the equivalent of one (1.0) full-time position in a job classification. Part-time employees are categorized as a portion of 1.0 FTE, e.g., .5 = half-time.

Fund Balance: Refers to any school district funds remaining at the end of the fiscal year generally due to under-expenditure of budgeted lines and/or excess collection of revenues.

Budget Line: A standardized municipal system of accounts using code numbers developed by the State to itemize expenses by category.

Mandate: A Federal, State or local law requiring compliance and accountability by school districts.

Budget Notice: Each school district must mail a school “Budget Notice” to all qualified voters in the district, at a point in time after the date of the public hearing on the budget, but no later than six days prior to the annual meeting and election or special district meeting at which a school budget vote will occur. Items included on the Notice are specified by law (§ 2022(2-a)).

Budget Hearing: Each school district must hold a public hearing on the budget at least seven days but not more than 14 days prior to the annual meeting and election or special district meeting at which a school budget vote will occur (§§ 1608(1), 1716(1)).

Taylor Law: The Public Employees Fair Employment Act (Taylor Law), passed in 1967, oversees public employee labor relations in New York State, and has had a profound effect on the way that public school districts and their employees interact. Changes in the Taylor Law since 1967 have consistently provided more negotiating power for bargaining units. In exchange for provisions of the Taylor Law, public employees may not strike without penalty (two day’s pay penalty for every one day of non-work).

Triborough Amendment: The Triborough Amendment to the Taylor Law provides that all terms and conditions and provisions of an expired public employee contract remain in effect until a new contract is approved. If the expired contracts contain provisions for automatic salary increases, such increases continue without a new contract. In difficult economic times, when a new contract would likely offer less attractive salaries and benefits, public employee unions have little or no incentive to agree to new contracts.