

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1646

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 17, 2026

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 1646 (1R).

As amended, the bill provides a timeline within which the Commissioner of Education must issue any adverse finding, adjustment, or penalty regarding an audit submitted by an approved private school for students with disabilities.

Pursuant to State Board of Education regulations, approved private schools for students with disabilities are required to submit annually to the Commissioner of Education an independent audit as part of the tuition setting process and accountability structure. It is not uncommon for the commissioner to take 20 years or more to complete the review of the submitted annual audit and finalize the tuition rate charged by the approved private schools for students with disabilities to sending school districts for that school year.

The bill provides that, for audits submitted for any school year ending after the effective date of the bill, the action of the commissioner will be within seven years of the date of the submission of that audit. For audits submitted for any school year ending prior to the effective date of the bill, the action of the commissioner will be within seven years of the date of the submission of that audit or three years following the effective date of the bill, whichever is the later date.

The bill clarifies that the seven-year timeline does not apply if the commissioner becomes aware that an approved private school for students with disabilities knowingly submitted an independent certified audit that: included false information; or omitted to include any error, omission, irregularity, violation of law, or discrepancy found in the books or accounts.

COMMITTEE AMENDMENTS:

The committee amended the bill to specify that the seven-year timeline for the issuance of an adverse finding, adjustment, or penalty does not apply if the commissioner becomes aware that an approved private school for students with disabilities knowingly submitted an

independent certified audit that: included false information; or omitted to include any error, omission, irregularity, violation of law, or discrepancy found in the books or accounts.

FISCAL IMPACT:

The Office of Legislative Services finds that this bill will lead to an indeterminate annual expenditure increase for the Department of Education associated with reviewing audits of approved private schools for students with disabilities within a specified timeframe.

These annual audits are used to set tuition rates for sending school districts, so requiring the department to review these audits more quickly than would otherwise be the case could result in an indeterminate impact for local school districts insofar as it could affect tuition rates charged by the private schools.

The bill provides that the seven-year timeline for the issuance of an adverse finding, adjustment, or penalty does not apply if the department becomes aware that an approved private school for students with disabilities knowingly submitted an independent certified audit that: included false information; or omitted to include any error, omission, irregularity, violation of law, or discrepancy found in the books or accounts.