

SENATE, No. 1490

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Provides that salary and other costs associated with Commissioner of Education's appointment of State monitor and other staff under "School District Fiscal Accountability Act," will be paid by State.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning a school district State monitor and amending
2 P.L.2006, c.15.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 2 of P.L.2006, c.15 (C.18A:7A-55) is amended to
8 read as follows:

9 2. a. In addition to the powers provided pursuant to P.L.2005,
10 c.235, P.L.1996, c.138 (C.18A:7F-1 et al.), and P.L.2007, c.260
11 (C.18A:7F-43 et al.) or any other law, the Commissioner of
12 Education shall have the authority to appoint a State monitor and
13 additional staff, as necessary, to provide direct oversight of a board
14 of education's business operations and personnel matters if: the
15 school district receives an adverse or a disclaimer of opinion by its
16 independent auditor in the annual audit required pursuant to
17 N.J.S.18A:23-1; or any two or more of the following circumstances
18 apply to the school district:

19 (1) the school district ends the fiscal year with a deficit balance
20 as calculated for budgetary purposes in the general fund, special
21 revenue fund, or capital projects fund, with the exception of a
22 capital projects fund deficit caused by the issuance of bond
23 anticipation notes;

24 (2) the school district receives a qualified opinion by its
25 independent auditor in the annual audit required pursuant to
26 N.J.S.18A:23-1;

27 (3) the school district receives an adverse, disclaimer, or
28 qualified opinion by its independent auditor under the single audit
29 section for State or federal awards in the annual audit required
30 pursuant to N.J.S.18A:23-1;

31 (4) the school district receives any audit findings by its
32 independent auditor identified as material weaknesses in internal
33 controls;

34 (5) the school district fails to develop and implement a plan
35 acceptable to the commissioner or his designee to address a
36 potential or actual deficit balance in the general fund, special
37 revenue fund, or capital projects fund, with the exception of a
38 capital projects fund deficit caused by the issuance of bond
39 anticipation notes;

40 (6) the school district fails to implement a plan from the prior
41 year which causes any findings from the independent auditor to be
42 repeated;

43 (7) the school district is required to return federal funds once it
44 is determined that the school district's expenditures are not in
45 compliance with the grant requirements; or

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 (8) the school district submits the annual audit after the
2 submission date required pursuant to N.J.S.18A:23-1.
- 3 b. The State monitor shall:
- 4 (1) oversee the fiscal management and expenditures of school
5 district funds, including, but not limited to, budget reallocations and
6 reductions, approvals of purchase orders, budget transfers, and
7 payment of bills and claims;
- 8 (2) oversee the operation and fiscal management of school
9 district facilities, including the development and implementation of
10 recommendations for redistricting and restructuring of schools;
- 11 (3) ensure development and implementation of an acceptable
12 plan to address the circumstances set forth in subsection a. of this
13 section which resulted in the appointment of the State monitor. The
14 plan shall include measurable benchmarks and specific activities to
15 address the deficiencies of the school district;
- 16 (4) oversee all district staffing, including the ability to hire,
17 promote, and terminate employees;
- 18 (5) have authority to override a chief school administrator's
19 action and a vote by the board of education on any of the matters set
20 forth in this subsection, except that all actions of the State monitor
21 shall be subject to the education, labor, and employment laws and
22 regulations, including the "New Jersey Employer-Employee
23 Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), and collective
24 bargaining agreements entered into by the school district;
- 25 (6) attend all meetings of the board of education, including
26 closed sessions; and
- 27 (7) meet with the board of education on at least a quarterly basis
28 to discuss with the members of the board the past actions of the
29 board which led to the appointment of the State monitor and to
30 provide board members with education and training that address the
31 deficiencies identified in board actions.
- 32 c. The Commissioner of Education shall notify the State Board
33 of Education following the appointment of a State monitor pursuant
34 to subsection a. of this section. The State monitor shall report
35 directly to the commissioner or his designee on a weekly basis. The
36 State monitor shall also report monthly to the board of education
37 and members of the public at the regularly scheduled board of
38 education meeting.
- 39 d. For purposes of the "New Jersey Tort Claims Act,"
40 N.J.S.59:1-1 et seq., the State monitor shall be considered a State
41 officer, but for all other purposes the State monitor shall be
42 considered an employee of the district.
- 43 e. The State monitor shall provide oversight in the school
44 district until the commissioner determines that all remedial actions
45 required under the plan have been implemented and the necessary
46 local capacity and fiscal controls have been restored to school
47 district operations.

1 f. The salary of the State monitor shall be fixed by the
2 commissioner and adjusted from time to time as the commissioner
3 deems appropriate. The **【school district】** State shall assume the
4 total cost of the State monitor and necessary additional staff
5 appointed pursuant to subsection a. of this section. The State
6 monitor shall have the authority to appoint legal counsel if legal
7 action is taken against him while acting in his official duties as a
8 State monitor or as needed upon approval of the commissioner.
9 (cf: P.L.2007, c.260, s.24)

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11 2. This act shall take effect immediately.

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STATEMENT

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16 This bill provides that the salary and other costs associated with
17 a State monitor and any additional staff appointed by the
18 Commissioner of Education under the provisions of the “School
19 District Fiscal Accountability Act,” P.L.2006, c.15 (C.18A:7A-54 et
20 seq.), to provide direct oversight of a board of education’s business
21 operations and personnel matters will be paid by the State. Under
22 current law, these costs are assumed by the school district.