SENATE, No. 2927

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED JUNE 27, 2022

Sponsored by:
Senator RICHARD J. CODEY
District 27 (Essex and Morris)

SYNOPSIS
Establishes timelines for review and approval by Commissioner of Education of annual certified audits submitted by approved private schools for students with disabilities.

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning annual audits of approved private schools for
students with disabilities and supplementing chapter 46 of Title
18A of the New Jersey Statutes.

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

1. a. Notwithstanding the provisions of any law to the contrary,
the Commissioner of Education shall not issue an adverse finding,
adjustment, or penalty regarding a review of an annual independent
certified audit conducted on behalf of an approved private school
for students with disabilities, beyond the following timelines:
(1) for an independent certified audit submitted for any school
year ending after the effective date of this act, seven years
following the date of the submission of the audit; or
(2) for an independent certified audit submitted for any school
year ending prior to the effective date of this act, seven years
following the date of the submission of the audit or two years
following the effective date of this act, whichever is the later date.
b. If the commissioner does not conduct and complete the audit
review pursuant to the timelines established in subsection a. of this
section, the audit shall be deemed approved for all purposes.

2. This act shall take effect immediately.

STATEMENT

Many of New Jersey’s most vulnerable students receive the
educational program and services required in their individual
education program at approved private schools for students with
disabilities (APSSDs) as part of the statutorily created continuum of
services established pursuant to N.J.S.18A:46-14.

Pursuant to regulation, APSSDs 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 APSSDs to sending school districts for
that school year. This inordinate delay creates havoc in the
budgeting process for both the APSSDs and the sending school
districts. There is also a manifest unfairness in holding APSSDs
responsible for audits that were completed so far in the past,
because it is difficult for the APSSDs to defend themselves against
the audit review findings under these circumstances. Basic fairness
to the APSSDs requires timely notice of the audit review findings
and a meaningful chance to be heard and defend against the finding.
There is also a concern that an audit finding by the commissioner
regarding an audit completed many years ago will be repeated in each succeeding year as a continuing finding and thereby compound the financial impact of any disagreement, error, or omission.

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 APSSD. For audits submitted for any school year ending after the effective date of the bill, the action of the commissioner must 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 must be within seven years of the date of the submission of that audit or two years following the effective date of the bill, whichever is the later date.