

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.



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1 AN ACT concerning annual audits of approved private schools for
2 students with disabilities and supplementing chapter 46 of Title
3 18A of the New Jersey Statutes.

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

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8 1. a. Notwithstanding the provisions of any law to the contrary,
9 the Commissioner of Education shall not issue an adverse finding,
10 adjustment, or penalty regarding a review of an annual independent
11 certified audit conducted on behalf of an approved private school
12 for students with disabilities, beyond the following timelines:

13 (1) for an independent certified audit submitted for any school
14 year ending after the effective date of this act, seven years
15 following the date of the submission of the audit; or

16 (2) for an independent certified audit submitted for any school
17 year ending prior to the effective date of this act, seven years
18 following the date of the submission of the audit or two years
19 following the effective date of this act, whichever is the later date.

20 b. If the commissioner does not conduct and complete the audit
21 review pursuant to the timelines established in subsection a. of this
22 section, the audit shall be deemed approved for all purposes.

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24 2. This act shall take effect immediately.

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27 STATEMENT

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

34 Pursuant to regulation, APSSDs are required to submit annually
35 to the Commissioner of Education an independent audit as part of
36 the tuition setting process and accountability structure. It is not
37 uncommon for the commissioner to take 20 years or more to
38 complete the review of the submitted annual audit and finalize the
39 tuition rate charged by the APSSDs to sending school districts for
40 that school year. This inordinate delay creates havoc in the
41 budgeting process for both the APSSDs and the sending school
42 districts. There is also a manifest unfairness in holding APSSDs
43 responsible for audits that were completed so far in the past,
44 because it is difficult for the APSSDs to defend themselves against
45 the audit review findings under these circumstances. Basic fairness
46 to the APSSDs requires timely notice of the audit review findings
47 and a meaningful chance to be heard and defend against the finding.
48 There is also a concern that an audit finding by the commissioner

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1 regarding an audit completed many years ago will be repeated in
2 each succeeding year as a continuing finding and thereby compound
3 the financial impact of any disagreement, error, or omission.

4 The bill provides a timeline within which the Commissioner of
5 Education must issue any adverse finding, adjustment, or penalty
6 regarding an audit submitted by an APSSD. For audits submitted
7 for any school year ending after the effective date of the bill, the
8 action of the commissioner must be within seven years of the date
9 of the submission of that audit. For audits submitted for any school
10 year ending prior to the effective date of the bill, the action of the
11 commissioner must be within seven years of the date of the
12 submission of that audit or two years following the effective date of
13 the bill, whichever is the later date.