

SENATE, No. 4716

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 5, 2026

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

Co-Sponsored by:
Senator McKnight

SYNOPSIS

Expands duties of executive county business official; establishes processes for fiscal review of school districts by executive county superintendent and Commissioner of Education.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/20/2026)

1 AN ACT concerning school district fiscal procedures, amending
2 P.L.2007, c.63, and supplementing Title 18A of the New Jersey
3 Statutes.

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

7
8 1. Section 53 of P.L.2007, c.63 (C.18A:7-11) is amended to
9 read as follows:

10 53. a. The commissioner shall appoint, for each county based on
11 the number of municipalities in the county, [an] executive county
12 business [official] officials to serve in the office of the executive
13 county superintendent of schools for a term of three years. An
14 executive county business official appointed pursuant to this section
15 shall not serve more than 50 municipalities. An executive county
16 business official appointed shall hold an appropriate certificate
17 issued by the State Board of Examiners and have experience in
18 school finance, budget planning, and governmental accounting.

19 b. The executive county business official shall:

20 (1) assist the executive county superintendent in the
21 performance of the superintendent's fiscal duties pursuant to
22 N.J.S.18A:7-8 **[,]** and the school district's fiscal management
23 pursuant to section 10 of P.L.1975, c.212 (C.18A:7A-10);

24 (2) conduct fiscal reviews on a rolling basis pursuant to section
25 2 of P.L. , c. (C.) (pending before the Legislature as this
26 bill);

27 (3) report any significant fiscal concerns within the fiscal
28 reviews conducted pursuant to section 2 of P.L. , c. (C.)
29 (pending before the Legislature as this bill) to the executive county
30 superintendent and the commissioner;

31 (4) assist the executive county superintendent in monitoring the
32 implementation of corrective action plans pursuant to section 3 of
33 P.L. , c. (C.) (pending before the Legislature as this bill);

34 (5) provide support and technical assistance to school business
35 administrators;

36 (6) identify school district fiscal and budgeting risks and
37 recommend early intervention strategies;

38 (7) coordinate with districts on Statewide fiscal monitoring
39 requirements and data collection;

40 (8) oversee school districts' implementation of budgeting,
41 auditing, and fiscal procedures within Title 18A of the New Jersey
42 Statutes and regulations promulgated by the State Board of
43 Education; and

44 (9) perform **[such]** any other fiscal duties as determined by the
45 commissioner.

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 c. Based on criteria developed by the commissioner, the
2 executive county business official shall be subject to a performance
3 assessment at least once during the three-year term. The business
4 official may be re-appointed on the basis of a satisfactory
5 performance assessment.

6 (cf: P.L.2007, c.63, s.53)
7

8 2. (New section) a. The executive county business official
9 appointed pursuant to section 53 of P.L.2007, c.63 (C.18A:7-11)
10 shall conduct fiscal reviews of each school district under its
11 purview on a rolling basis on a timeline established by the
12 executive county superintendent. Each fiscal review shall include an
13 analysis of the two most recent audits conducted pursuant to
14 N.J.S.18A:23-1 and may consider additional factors including, but
15 not be limited to:

16 (1) an analysis of budget-to-actual expenditures;

17 (2) a review of salary and benefit expenditures for all school
18 employees;

19 (3) the verification of payroll and position control systems;

20 (4) a review of accounts payable and outstanding liabilities;

21 (5) an assessment of cash flow and fund balance status; and

22 (6) the identification of any structural deficits or emerging fiscal
23 risks.

24 b. A school district shall provide the executive county business
25 official with any information necessary to conduct each fiscal
26 review.

27 c. The executive county business official shall submit a copy of
28 each fiscal review to the board of education of the school district,
29 the superintendent of schools, the executive county superintendent,
30 and the Commissioner of Education. The report shall include a
31 summary of the executive county business official's findings, an
32 analysis of any areas of fiscal concern, and recommendations for
33 corrective action.

34 d. In a year in which a school district is required to undergo a
35 comprehensive review under the New Jersey Quality Single
36 Accountability Continuum pursuant to section 11 of P.L.1975,
37 c.212 (C.18A:7A-11), the executive county business official shall
38 not conduct any fiscal review of the district.

39 e. The executive county superintendent may hire any additional
40 staff as may be necessary to assist the executive county business
41 official in effectuating the provisions of this section at the expense
42 of the State.
43

44 3. (New section) a. If the executive county business official
45 identifies significant fiscal concerns in two consecutive reviews
46 conducted pursuant to section 2 of P.L. , c. (C.) (pending
47 before the Legislature as this bill), the executive county business

1 official shall notify the executive county superintendent and the
2 Commissioner of Education.

3 b. The executive county superintendent shall notify any district
4 that was referred by the executive county business official for
5 significant fiscal concerns in two consecutive reviews. The school
6 district shall then submit a corrective action plan to the executive
7 county superintendent. The corrective action plan shall be submitted
8 within a timeframe established by the executive county
9 superintendent. The corrective action plan shall include timelines
10 for corrective action and responsibilities of the school district for
11 implementation of the plan.

12 c. The executive county superintendent shall, in coordination
13 with the executive county business official, monitor the district's
14 implementation of the plan. If a district fails to implement the
15 corrective action plan, as determined by the executive county
16 superintendent, the executive county superintendent may refer the
17 school district to the commissioner for further remedial actions,
18 which may include additional monitoring and intervention.

19 d. The commissioner shall have the authority to take any action
20 necessary to correct continuous fiscal concerns in a district that fails
21 to implement the corrective action plan.

22

23 4. (New section) a. The Commissioner of Education, in
24 consultation with the State Comptroller, shall develop and
25 administer a Comprehensive Statewide Fiscal Early Warning
26 System. The system shall utilize fiscal information reported by
27 school districts throughout the fiscal year to enable timely and
28 structured intervention of districts that are at risk of financial
29 distress.

30 b. The system shall monitor fiscal risk indicators in each school
31 district throughout the fiscal year. The fiscal risk indicators shall
32 include, but not be limited to:

- 33 (1) declining or insufficient fund balance levels;
34 (2) repeated or unresolved audit findings;
35 (3) increasing accounts payable or delayed vendor payments;
36 (4) a misalignment between budgeted and actual expenditures;
37 (5) reliance on one-time or non-recurring revenues to support
38 operations;
39 (6) structural operating deficits; and
40 (7) inconsistencies in payroll and position control reporting.

41 c. To monitor a school district's fiscal risk indicators, the
42 commissioner shall utilize school district audits conducted pursuant
43 to N.J.S.18A:23-1, comprehensive reviews conducted under the
44 New Jersey Quality Single Accountability Continuum pursuant to
45 section 11 of P.L.1975, c.212 (C.18A:7A-11), fiscal reviews
46 conducted by the executive county business official pursuant to
47 section 2 of P.L. , c. (C.) (pending before the Legislature at

1 this bill), and any additional information the commissioner deems
2 necessary from a school district.

3
4 5. (New section) a. The Comprehensive Statewide Fiscal Early
5 Warning System established pursuant to section 4 of
6 P.L. , c. (C.) (pending before the Legislature as this bill)
7 shall establish a fiscal categorization system whereby each school
8 district is annually categorized as being at low, moderate, or high
9 fiscal risk pursuant to fiscal standards developed by the
10 Commissioner of Education, in consultation with the State
11 Comptroller.

12 b. The commissioner shall provide notice to the school district
13 and the executive county superintendent when any district is
14 categorized as being at moderate or high fiscal risk.

15 c. A district categorized as being at low fiscal risk shall not be
16 required to complete additional paperwork or be subject to the
17 evaluation or improvement plan requirements of this section.

18 d. (1) If a district is categorized as being at moderate or high
19 fiscal risk, the board of education shall discuss the determination at
20 a public meeting of the board of education no later than 30 days
21 after receiving the notice provided pursuant to subsection b. of this
22 section.

23 (2) If a district is categorized as being at moderate or high fiscal
24 risk, the commissioner shall require the district to develop an
25 improvement plan to address the fiscal concerns identified by the
26 commissioner. The board of education shall adopt a resolution
27 approving the improvement plan within 30 days of discussing the
28 determination at a public meeting of the board of education as
29 required pursuant to paragraph (1) of this subsection. The
30 improvement plan shall be submitted to and approved by the
31 commissioner. In accordance with the improvement plan, the
32 commissioner shall provide technical assistance to the district. If
33 necessary, the commissioner may authorize an in-depth evaluation
34 of the district to determine the causes for the district's fiscal
35 concerns.

36 (3) The district shall post the determination and the improvement
37 plan adopted by the board of education pursuant to this section in a
38 prominent place on the Internet website of the district.

39 e. The commissioner shall review the district's progress in
40 implementing the improvement plan not less than once every six
41 months. If the commissioner finds, based on those reviews, that
42 after two years the district's fiscal condition has not substantially
43 improved in accordance with regulations established by the
44 commissioner pursuant to section 6 of P.L. , c. (C.)
45 (pending before the Legislature as this bill), the commissioner may
46 require the district to amend the improvement plan. The amended
47 plan shall be submitted to the commissioner for approval. If after
48 six months the district fails to take remedial action and address the

1 fiscal concerns addressed in the amended plan, the commissioner
2 shall issue the district a letter detailing the areas in which the
3 district remains deficient.

4 f. All improvement plans developed pursuant to this section
5 shall be in coordination with any corrective action plans developed
6 pursuant to section 3 of P.L. , c. (C.) (pending before the
7 Legislature as this bill). The executive county superintendent and
8 the commissioner shall make a concerted effort to coordinate the
9 remedial actions required of districts facing fiscal concerns.

10 g. The Department of Education shall provide training to each
11 school district on the Comprehensive Statewide Fiscal Early
12 Warning System.

13 h. The department may hire any additional staff as may be
14 necessary to develop and administer the Comprehensive Statewide
15 Fiscal Early Warning System established pursuant to section 4 of
16 P.L. , c. (C.) (pending before the Legislature as this bill).

17
18 6. a. The Commissioner of Education shall promulgate
19 rules and regulations pursuant to the “Administrative Procedure
20 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate
21 the provisions of sections 4 and 5 of P.L. , c. (C.) (pending
22 before the Legislature as this bill).

23 b. The rules and regulations promulgated by the commissioner
24 may:

25 (1) authorize the Department of Education to develop data
26 systems necessary to support real-time fiscal monitoring of school
27 districts; and

28 (2) allow for a phased implementation of the Comprehensive
29 Statewide Fiscal Early Warning System.

30
31 7. This act shall take effect immediately except that the
32 Commissioner of Education may take any anticipatory
33 administrative action in advance as necessary for the
34 implementation of this act.

35

36

37 STATEMENT

38

39 This bill expands the duties of the executive county business
40 official and establishes processes for the fiscal review of school
41 districts by the executive county superintendent and the
42 Commissioner of Education.

43 Under current law, the commissioner is required to appoint an
44 executive county business official to serve in the office of the
45 executive county superintendent of schools for a term of three
46 years. This bill permits a county to hire multiple executive county
47 business officials based on the number of municipalities the county
48 serves. This bill clarifies that any individual appointed for this

1 position is required to hold an appropriate certificate issued by the
2 State Board of Examiners and have experience in school finance,
3 budget planning, and governmental accounting. The bill also
4 expands the duties of the executive county business official to
5 require, among other duties, more substantial oversight of the fiscal
6 conditions of the schools in the county.

7 The bill requires the executive county business official to, on a
8 rolling basis, conduct fiscal reviews of each school district under its
9 purview on a timeline established by the executive county
10 superintendent. The bill provides the information that is to be
11 included in each fiscal review. A copy of each fiscal review will be
12 submitted to the board of education of the school district, the
13 superintendent of schools, the executive county superintendent, and
14 the commissioner. The report will include a summary of the
15 executive county business official's findings, an analysis of any
16 areas of fiscal concern, and recommendations for corrective action.

17 The bill requires the establishment of corrective action plans for
18 certain school districts whose fiscal reviews identify significant
19 fiscal concerns in two consecutive reviews. The bill establishes a
20 process to notify the executive county superintendent,
21 commissioner, and the school district. The school district is then
22 required to submit a corrective action plan and be monitored by the
23 executive county superintendent and executive county business
24 official. The bill details a process to impose certain remedial
25 actions if a school district fails to implement the corrective action
26 plan. The bill stipulates that the commissioner has the authority to
27 take any action necessary to correct continuous fiscal concerns in a
28 district which fails to implement the corrective action plan.

29 The bill also requires the commissioner to develop and
30 administer a Comprehensive Statewide Fiscal Early Warning
31 System. The system will monitor financial risk indicators, as
32 established in the bill, utilizing information reported by school
33 districts throughout the fiscal year to enable timely and structured
34 intervention of districts that are at risk of financial distress.

35 Under the bill, the Comprehensive Statewide Fiscal Early
36 Warning System will establish a fiscal categorization system where
37 each district is annually categorized as low, moderate, or high fiscal
38 risk pursuant to fiscal standards developed by the commissioner.
39 The commissioner will provide notice to the school district and the
40 executive county superintendent when any district is categorized as
41 moderate or high fiscal risk. The bill requires a district categorized
42 as being at moderate or high fiscal risk to discuss this determination
43 at a public meeting of the board of education no later than 30 days
44 after receiving notice. The bill requires a district categorized as a
45 moderate or high fiscal risk to develop an improvement plan to
46 address any fiscal concerns identified by the commissioner. The
47 board of education is required to adopt a resolution approving the
48 improvement plan within 30 days of discussing the determination at

1 a public meeting of the board. The bill requires the district to post
2 the determination and the improvement plan in a prominent place
3 on the Internet website of the district.

4 The bill establishes a procedure to create an improvement plan
5 and requires the commissioner to review the district's progress in
6 implementing the improvement plan not less than every six months.
7 The bill grants the commissioner authority to require a school
8 district to amend the improvement plan if the district's financial
9 condition has not substantially improved. If, after six months the
10 district fails to take remediate action and address the fiscal concerns
11 addressed in the amended plan, the commissioner will issue the
12 district a letter detailing the areas in which the district remains
13 deficient.

14 The bill stipulates that all improvement plans developed under
15 the Comprehensive Statewide Fiscal Early Warning System are to
16 be developed in coordination with any corrective action plans
17 developed by the executive county superintendent pursuant to the
18 provisions of the bill. The bill also requires the Department of
19 Education to provide training to each school district on the
20 Comprehensive Statewide Fiscal Early Warning System.

21 The bill permits the executive county superintendent and the
22 department to hire additional staff to effectuate the provisions of
23 this bill at the expense of the State.