

SENATE, No. 4717

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 5, 2026

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator ANGELA V. MCKNIGHT

District 31 (Hudson)

SYNOPSIS

Establishes additional procedures for financial oversight and reporting to ensure fiscal stability of school districts.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/19/2026)

1 AN ACT concerning school district financial procedures, amending
2 N.J.S.18A:17-9, and supplementing N.J.S.18A:18A-1 et seq. and
3 chapters 6, 11, and 17 of Title 18A of the New Jersey Statutes.

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

7
8 1. N.J.S.18A:17-9 is amended to read as follows:

9 18A:17-9. a. The chief school administrator, or board designee
10 other than the secretary, shall prepare the monthly reconciliation of
11 bank account statements and, in conjunction with the secretary, take
12 any steps necessary to bring the cash record balance and reconciled
13 bank balance into agreement prior to completion of the secretary's
14 monthly report.

15 b. The secretary's monthly report shall be provided to the
16 board of education in a format to be established by the
17 Commissioner of Education and include:

18 (1) the amount of total appropriations and the cash receipts for
19 each account;

20 (2) the amount for which warrants have been drawn against each
21 account;

22 (3) the amounts of orders or contractual obligations incurred and
23 chargeable against each account year to date and since the date of
24 the last report;

25 (4) the cash and appropriation balances for each account and
26 fund;

27 (5) the reconciled bank account balances;

28 (6) the projected year-end surplus or deficit;

29 (7) identification of any structural operating deficits;

30 (8) current and projected fund balance levels;

31 (9) analysis of budget-to-actual expenditures;

32 (10) any multi-year contractual commitments, including salary
33 and benefit obligations;

34 (11) the results of the monthly reconciliation of the school
35 district's position control roster and payroll and human resource
36 staffing records required pursuant to section 2 of P.L. , c. (C.)
37 (pending before the Legislature as this bill); and

38 (12) financial certifications and objections made by the school
39 business administrator pursuant to section 4 of P.L. , c. (C.)
40 (pending before the Legislature as this bill).

41 c. The district's school business administrator shall certify the
42 monthly report is accurate, financial obligations of the district have
43 been disclosed, and projections are based on available data.

44 d. The secretary shall:

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 **【a.】 (1) 【Report】** provide testimony to the board, at each
2 regular meeting, but not more often than once each month, **【the**
3 amount of total appropriations and the cash receipts for each
4 account, the amount for which warrants have been drawn against
5 each account, the amounts of orders or contractual obligations
6 incurred and chargeable against each account year to date and since
7 the date of his last report, the cash and appropriation balances for
8 each account and fund, and the reconciled bank account balances in
9 the manner and form prescribed by the commissioner**】** summarizing
10 the monthly report, clarifying the financial conditions of the district,
11 identifying any fiscal concerns, and recommending corrective
12 action, if appropriate;

13 **【b.】 (2) 【Keep】** keep and maintain **【in his office】** all
14 contracts, records and documents belonging to the board in the
15 secretary's office, except **【such as shall】** those that are required to
16 be kept by the treasurer of school moneys pursuant to law, under
17 **【such】** any conditions as the board shall prescribe; and

18 **【c.】 (3) 【Perform】** perform any other duties prescribed by
19 law.

20 (cf: P.L.2010, c.39, s.11)

21

22 2. (New section) a. In addition to the monthly reconciliation of
23 bank account statements required pursuant to N.J.S.18A:17-9, the
24 chief school administrator, or board designee other than the
25 secretary, shall perform a monthly reconciliation of the school
26 district's position control roster, as maintained pursuant to
27 regulations of the State Board of Education, and the district's
28 payroll and human resources staffing records. The chief school
29 administrator or board designee shall verify that all payroll
30 expenditures are aligned with the number of board-approved
31 positions and available school district budget appropriations.

32 b. The district's school business administrator shall certify to
33 the board of education, prior to each meeting of the board of
34 education in which funds will be encumbered, that:

35 (1) the reconciliation required pursuant to subsection a. of this
36 section has been completed;

37 (2) any discrepancies between the position control roster and
38 payroll and human resources records have been identified and
39 addressed; and

40 (3) payroll expenditures are consistent with approved staffing
41 and budget appropriations.

42 c. In the event that the school business administrator
43 determines that all discrepancies have not been identified and
44 addressed, the school business administrator shall document the
45 discrepancies in writing. The written report on the discrepancies
46 shall be presented to the chief school administrator and the board of
47 education. If the discrepancies are not resolved within a time

1 period as may be established by the Commissioner of Education,
2 the commissioner shall require the school district to take corrective
3 action or the commissioner may impose additional oversight on the
4 district as deemed appropriate.

5 d. The commissioner shall establish standardized procedures
6 for the reconciliation required pursuant to subsection a. of this
7 section and the reporting requirements established pursuant to
8 subsection c. of this section. The procedures shall ensure
9 compatibility with existing school district payroll and human
10 resources systems and allow for the phased implementation of the
11 requirements of this section for school districts that require system
12 upgrades.

13 e. The commissioner shall provide school districts with any
14 guidance and technical assistance that may be necessary to
15 implement the provisions of this section.

16
17 3. (New section) School staff appointment recommendations
18 made to the local board of education that require a vote of the board
19 pursuant to law shall include, as applicable:

20 a. the position control roster number of the individual being
21 hired and the position control roster number of the individual being
22 replaced;

23 b. the hired employee's name, position, department, school
24 location, salary or hourly rate, and applicable step in the appropriate
25 salary guide;

26 c. the account to which the hired employee's pay will be
27 charged; and

28 d. information on whether the new hire is replacing a position,
29 filling a vacant position, or filling a new position.

30
31 4. (New section) a. As used in this section, "financial
32 commitment" means the hiring of school district personnel, the
33 award of salary adjustments and stipends, the approval of collective
34 bargaining agreements and amendments thereto, vendor contracts,
35 and professional services agreements, and any action resulting in a
36 financial obligation that extends beyond the current school budget
37 year.

38 b. A board of education shall not approve any financial
39 commitment unless the school business administrator certifies prior
40 to the meeting of the board that the funds for the financial
41 commitment will be encumbered that:

42 (1) sufficient funds are available in the current school budget
43 year to fund the financial commitment; and

44 (2) the financial commitment is consistent with the school
45 district's financial plan.

46 c. If the school business administrator is not able to certify the
47 financial commitment, the school business administrator shall issue
48 a written objection that indicates either that sufficient

1 appropriations are not available in the current school budget year to
2 fund the commitment or the commitment may create or contribute
3 to a structural deficit of the school district's budget. The written
4 objection shall be presented to the chief school administrator and
5 the board of education. The board shall acknowledge the receipt of
6 the written objection in the board minutes.

7 Any action taken by the board of education in contravention of
8 the written objection shall be approved by the adoption of a board
9 resolution that includes a statement acknowledging the fiscal risk,
10 and identifying how the board intends to address the fiscal impact.

11 d. If a board takes action to override the financial objection of
12 the school business administrator, the action shall be reported to the
13 executive county superintendent of schools who shall forward
14 information on the action of the board to the Commissioner of
15 Education. The commissioner shall review the action of the board
16 and if deemed necessary may require corrective action.

17 e. Information on the financial certifications and objections
18 made by the school business administrator shall be included in the
19 school district's monthly financial reports, and the annual audit of
20 the school district required pursuant to N.J.S.18A:23-1 and any
21 other required audits.

22 f. The commissioner shall:

23 (1) develop standardized certification and objection forms to be
24 used by school districts;

25 (2) ensure that certification and objection procedures are aligned
26 with existing school budget and procurement procedures and ensure
27 timely certification without delaying school district operations; and

28 (3) provide training to school business administrators and
29 members of boards of education on compliance with the provisions
30 of this section.

31
32 5. (New section) a. The Commissioner of Education shall, in
33 consultation with interested stakeholders in the education
34 community, establish a training program on the creation and
35 interpretation of the monthly reports required pursuant to
36 N.J.S.18A:17-9, school budgeting, governmental accounting,
37 financial commitments, and any other fiscal responsibility
38 requirement the commissioner deems necessary. The training shall
39 be provided to school business administrators, board of education
40 members, and any individual serving as the secretary of a board of
41 education.

42 b. The Department of Education may enter into an agreement
43 with one or more private or non-profit entities to make a training
44 program available, free of charge, to persons subject to the
45 requirements of subsection a. of this section.

1 6. (New section) a. A board of education shall adopt a policy
2 establishing a procedure regarding the reporting of fiscal concerns
3 in the district.

4 b. The board shall have control over the policy, except that the
5 policy shall, at a minimum:

6 (1) include a definition of fiscal concern, that at a minimum
7 includes violations of financial policies of internal controls;
8 discrepancies in financial records or reporting; unrecorded
9 liabilities or financial obligations; actions that may result in a
10 structural deficit; or the misuse or misallocation of district funds;

11 (2) provide for the creation of a reporting form, based on the
12 model reporting form developed by the Commissioner of Education
13 pursuant to subsection c. of this section, that shall be submitted by a
14 school employee to the school business administrator or the chief
15 school administrator to initiate a review of an alleged fiscal
16 concern. The reporting form shall require the school employee to
17 provide, in writing, an explanation of the alleged violation;

18 (3) require the school business administrator or chief school
19 administrator to review the reporting form and, within a timeframe
20 established by the commissioner, document in writing the results of
21 any investigation that was conducted into the alleged fiscal concern
22 and whether any action was taken;

23 (4) permit a school employee to submit a written complaint of
24 the alleged fiscal concern directly to the executive county
25 superintendent and the commissioner if the alleged fiscal concern
26 was not resolved by the school business administrator or the chief
27 school administrator within a timeframe established by the
28 commissioner; and

29 (5) safeguard confidentiality in the reporting of the alleged
30 fiscal concern and protect school employees from retaliatory action
31 in accordance with the provisions of the "Conscientious Employee
32 Protection Act," P.L.1986, c.105 (C.34:19-1 et seq.).

33 c. To assist boards of education in developing a policy on the
34 reporting of fiscal concerns in the district, the commissioner shall
35 develop a model policy and model complaint form. The model
36 policy and model complaint form shall be updated as the
37 commissioner deems necessary.

38 d. A school district shall provide annual training to school
39 employees on the school district's policy on the reporting of fiscal
40 concerns. A school district shall require a school employee to
41 certify, at the completion of the training, that the employee attended
42 the training and has been informed of the district's procedures and
43 the employee's reporting rights.

44
45 7. (New section) The Commissioner of Education shall review
46 a school employee's written complaint regarding fiscal concerns in
47 a school district submitted pursuant subsection b. of section 6 of
48 P.L. , c. (C.) (pending before the Legislature as this bill).

1 The commissioner may require corrective action of the school
2 district, if deemed appropriate.

3

4 8. (New section) a. (1) Notwithstanding any other law, rule or
5 regulation to the contrary, the purchasing agent shall, prior to the
6 awarding or approval of a purchase, contract, or agreement by the
7 board of education at a meeting of the board, certify that the board
8 has, to that point, acted in accordance with the provisions of the
9 "Public School Contracts Law," N.J.S.18A:18A-1 et seq.

10 (2) If the purchasing agent determines that the board has not
11 acted in accordance with the provisions of the "Public School
12 Contracts Law," N.J.S.18A:18A-1 et seq., the purchasing agent
13 shall report that finding to the Office of Controversies and Disputes
14 within the Department of Education.

15 (3) Notwithstanding any other law, rule, or regulation to the
16 contrary, the Office of Controversies and Disputes shall determine,
17 within 30 days of the purchasing agent's report, if the board acted
18 in accordance with the provisions of the "Public School Contracts
19 Law," N.J.S.18A:18A-1 et seq.

20 (4) Notwithstanding any other law, rule, or regulation to the
21 contrary, if the Office of Controversies and Disputes determines the
22 board has not acted in accordance with the appropriate procedures,
23 the purchase, contract, or agreement shall not be approved or
24 awarded by the board of education.

25 b. (1) Notwithstanding any other law, rule, or regulation to the
26 contrary, the purchasing agent shall have the authority to override
27 any purchase, contract, or agreement approved or awarded by the
28 board of education if the purchasing agent determines that the
29 purchase, contract, or agreement was not properly awarded or
30 approved by the board in accordance with the "Public School
31 Contracts Law," N.J.S.18A:18A-1 et seq.

32 (2) Notwithstanding any other law, rule, or regulation to the
33 contrary, if the purchasing agent determines that the purchase,
34 contract, or agreement was not properly awarded or approved by the
35 board in accordance with the "Public School Contracts Law,"
36 N.J.S.18A:18A-1 et seq. pursuant to subsection a. of this section,
37 the purchasing agent shall immediately provide written notice to the
38 superintendent and the board of education.

39 (3) Notwithstanding any other law, rule, or regulation to the
40 contrary, the implementation of the purchase, contract, or
41 agreement that the purchasing agent determines was not properly
42 awarded or approved by the board in accordance with the "Public
43 School Contracts Law," N.J.S.18A:18A-1 et seq. pursuant to
44 subsection a. of this section shall remain suspended pending further
45 review of the Office of Controversies and Disputes within the
46 Department of Education. The Office of Controversies and Disputes
47 shall determine if the purchase, contract, or agreement was properly
48 awarded or approved by the board in accordance with the "Public

1 School Contracts Law," N.J.S.18A:18A-1 et seq. and shall provide
2 written notice to the board of the office's determination.

3

4 9. This act shall take effect in the first full school year
5 following the date of enactment.

6

7

8

STATEMENT

9

10 This bill establishes procedures to be followed by chief school
11 administrators, school business administrators, boards of education,
12 and school employees in order to improve the financial management
13 of school districts and ensure the short- and long-term fiscal
14 stability of the district.

15 Under current law, the secretary of a board of education makes a
16 monthly report to the board that includes information on the
17 monthly reconciliation of district bank account statements that has
18 been conducted by the district's chief school administrator. This
19 bill specifies additional information to be included in the secretary's
20 monthly report to provide the board with a more complete picture of
21 the district's fiscal situation. Some of the additional required
22 information includes:

23 (1) projected year-end surplus or deficit;

24 (2) identification of any structural operating deficits;

25 (3) an analysis of budget to actual expenditures; and

26 (4) any multi-year contractual commitments, including salary
27 and benefit obligations.

28 These items and the other information required under the bill to be
29 included in the monthly report will allow the board to make more
30 informed decisions over the course of the school year.

31 In addition to the monthly reconciliation of bank account
32 statements required under existing law, the bill requires a district's
33 chief school administrator to perform a monthly reconciliation of
34 the district's position control roster, which is currently required to
35 be maintained by a school district under State Board of Education
36 regulations, and the district's payroll and human resources staffing
37 records. The chief school administrator is required to verify that all
38 payroll expenditures are aligned with the number of board-approved
39 positions, and the results of this reconciliation will be included in
40 the secretary's monthly report. The bill requires the school
41 business administrator to certify to the board prior to each meeting
42 of the board of education in which funds will be encumbered that
43 the reconciliation has been completed and that any discrepancies
44 between the position control roster and payment and human
45 resources records have been identified and addressed. The bill
46 establishes procedures to be followed in the event that the school
47 business administrator finds any discrepancies between the position
48 control roster and payroll and human resources staffing records.

1 Additionally, the bill requires certain information to be conveyed
2 to a board of education when school staff recommendations require
3 a vote of the board pursuant to current law.

4 The bill also provides that a board of education may not approve
5 any financial commitment unless the school business administrator
6 certifies that sufficient funds are available in the current school
7 budget year to fund the financial commitment, and the financial
8 commitment is consistent with the district's financial plan. The bill
9 defines a “financial commitment” as the hiring of school district
10 personnel, the award of salary adjustments and stipends, the
11 approval of collective bargaining agreements and amendments to
12 those agreements, vendor contracts, professional services
13 agreements, and any action resulting in a financial obligation that
14 extends beyond the current school budget year.

15 The bill establishes procedures to be followed by the school
16 business administrator if the administrator is not able to certify the
17 financial commitment, and ultimately provides for reporting to the
18 Commissioner of Education if the board takes action in
19 contravention to the school business administrator’s objection to
20 certification.

21 The bill directs each school district to adopt a policy regarding
22 the reporting of fiscal concerns in the district. At a minimum the
23 policy is required to include a definition of fiscal concerns as
24 detailed in the bill. The policy would provide for the creation of a
25 reporting form based on a model reporting form to be developed by
26 the commissioner. A school employee will use the reporting form
27 to provide, in writing, an explanation of the alleged violation. The
28 report will be reviewed by the school business administrator or
29 chief school administrator who will document in writing the results
30 of the investigation and any action taken. The bill permits a school
31 employee to submit a written complaint of the alleged fiscal
32 concern directly to the executive county superintendent of schools
33 and the commissioner if the alleged concern was not resolved
34 within a timeframe established by the commissioner. The bill
35 requires the policy to safeguard confidentiality and protect school
36 employees from retaliation in accordance with the provisions of the
37 “Conscientious Employee Protection Act.”

38 The bill requires the purchasing agent to contact the Office of
39 Controversies and Disputes in the department if the purchasing
40 agent determines the board has not acted in accordance with the
41 provisions of the “Public School Contracts Law” prior to the
42 awarding or approval of a contract. The office is subsequently
43 required to determine if the board acted in accordance with the law.
44 If the office determines the board did not act in accordance with the
45 law, the purchase, contract, or agreement is not to be approved or
46 awarded by the board.

47 Finally, this bill grants the purchasing agent the authority to
48 override any purchase, contract, or agreement approved or awarded

1 by the board of education if the purchasing agent determines that
2 the purchase, contract, or agreement was not properly awarded or
3 approved by the board in accordance with the "Public School
4 Contracts Law." The bill requires the purchasing agent to
5 immediately notify the superintendent and the board of education If
6 the purchasing agent determines that the purchase, contract, or
7 agreement was not properly awarded or approved by the board in
8 accordance with the "Public School Contracts Law." Additionally,
9 if the purchasing agent determines the contract was not property
10 awarded or approved in accordance with the law, the purchase,
11 contract, or agreement is to remain suspended pending further
12 review of the Office of Controversies and Disputes.