

# Facts about the School District Accountability Law

On March 15, Gov. Jon S. Corzine signed into law [A-5](#)—the school accountability act. As a service to its members, NJSBA has summarized major provisions of this multi-faceted law.

Provision	Who's Responsible	Implementation
<b>Budget Process</b>		
Development of plain language budget summary forms for school district use.	Commissioner	September 2007
Completion of budget summary form, which must include appropriations, tax rate information, revenues, available surplus, explanation of unusual revenues and expenditures, and list of shared services.	School districts	Spring 2008
Detailed statement provided annually to the state Department of Education on the following: <ul style="list-style-type: none"> <li>• Current contract, salary and benefit information for top administrators, as well as for non-union staff earning more than \$75,000.</li> <li>• Benefits to be provided to these employees upon or after retirement.</li> </ul>	School districts	Spring 2008
Posting of administrators' compensation information on district Web site in user-friendly format.	School districts	Spring 2008
<b>Efficiency</b>		
As a condition of receiving state aid, a school district must – <ul style="list-style-type: none"> <li>• Examine group options for all insurance policies.</li> <li>• Maximize participation in Internet/telecommunications programs.</li> <li>• Participate in the Alliance for Competitive Energy Services (an NJSBA-sponsored program), unless same or better savings are available elsewhere.</li> <li>• Maximize participation in the Special Education Medicaid Initiative Program.</li> </ul>	School districts	Immediate
Refinance all outstanding debt for which a 3 percent net value savings is achievable.	School districts	Immediate
<b>School Board Travel</b>		
Detailed controls to reduce travel costs. For example – <ul style="list-style-type: none"> <li>• If available, school district facilities must be used for retreats.</li> <li>• Ban on car rentals and limousine services.</li> </ul>	School districts	Immediate
District travel policy must require detailed documentation and a report to board after each trip. (Law contains roughly 20 policy requirements. NJSBA will revise Critical Policy Reference Manual to reflect the requirements.)	School districts	Immediate
Each board must establish a maximum travel expenditure for the year. Exceeding the maximum could result in a state aid reduction or other sanction.	School districts	Immediate
Majority of full board must approve travel in advance. Requests must be itemized. General or blanket pre-approval is not allowed. Travel advances are banned.	School districts	Immediate
<b>Staff Travel</b>		
School board policy must require that district employees only can travel after receiving: <ul style="list-style-type: none"> <li>• Written approval from the district's chief administrator.</li> <li>• Majority of full board must give approval in advance of traveling.</li> </ul>	School districts	Immediate
For regular business travel only: <ul style="list-style-type: none"> <li>• A district travel policy could set an annual maximum amount per employee, which would not require school board approval.</li> </ul>	School districts	Immediate

## State Intervention

State may order compliance audit upon evidence that the district is not using state funds in accordance with law and regulation. Audit findings may result in the commissioner appointing a state monitor.	Commissioner	Immediate
A state monitor may also be appointed to oversee a school district as a result of any two of eight situations involving budget deficits, regular auditors' findings of irregularities, failure to implement corrective plans, not submitting annual audit on time, or the return of federal grant money due to non-compliance with federal requirements. Salary of state monitor must be paid by the local school district.	Commissioner	Immediate
<p>State monitor may be appointed to oversee school district as a result of any two of the following conditions:</p> <ul style="list-style-type: none"> <li>• End-of-year budget deficit.</li> <li>• Failure to develop/implement an acceptable plan to address a potential or actual deficit.</li> <li>• Qualified opinion from the district's regular auditor, questioning accounting principles and/or scope of the information provided.</li> <li>• Adverse opinion (or disclaimer of opinion) by the district's regular auditor, indicating that financial factors preclude the ability to attest to the district's fiscal health.</li> <li>• Identification of material weaknesses in internal controls by the district's regular auditor.</li> <li>• Failure to implement a plan to correct a previous year's deficit, resulting in the repeat of negative findings by the district's regular auditor.</li> <li>• Required return of federal funds because district's expenditures are not in compliance with federal grant requirements.</li> <li>• Failure to submit annual audit by statutory deadline.</li> </ul> <p>Salary of state monitor must be paid by the local school district.</p>	Commissioner	Immediate

## Superintendents' and Other Administrators' Employment

If warranted, central office administrator's certificate may be revoked based on information from board.	Commissioner	Immediate
<p>School board must issue public notice and conduct hearing on proposed changes to a central office administrator's contract prior to taking action:</p> <ul style="list-style-type: none"> <li>• 30-day notice of intent to alter contract.</li> <li>• 10-day notice of public hearing.</li> </ul>	School districts	Immediate
<p>Commissioner must pre-approve early termination agreement with superintendent:</p> <ul style="list-style-type: none"> <li>• Commissioner may disapprove if compensation is excessive.</li> <li>• Early termination parameters to be set by commissioner.</li> </ul>	Commissioner	Upon setting of commissioner's regulations.
District must certify to state Treasurer compliance with federal and state tax laws concerning the reporting of administrators' compensation.	School districts	Immediate

## Training

<p>Expanded training requirements for first-term board members:</p> <ul style="list-style-type: none"> <li>• During first year in office, member must take NJSBA new board member orientation, which would include information about the state's new monitoring system (<a href="#">NJQSAC</a>).</li> <li>• In each of the next two years, member must receive training on school governance.</li> </ul> <p>NJSBA will develop new training in consultation with the NJ Association of School Administrators, New Jersey Principals and Supervisors Association and the state Department of Education.</p>	First-term school board members/ NJSBA	2007-2008
<p>Required training for re-elected/reappointed board members:</p> <ul style="list-style-type: none"> <li>• In first year of new term, member must take advanced program through NJSBA that includes information on changes to school law and other relevant material.</li> </ul> <p>NJSBA may provide some of the training online or through regional programs.</p>	Re-elected and reappointed members/ NJSBA	2007-2008
Central office administrators, principals and supervisors must complete training on school ethics, school law and school governance, as part of their required professional development. The training shall be offered through a collaborative training model, identified by the Commissioner of Education.	School administrators/ State Department of Education	2007-2008