

STATE OF NEW YORK

4933

2019-2020 Regular Sessions

IN SENATE

March 29, 2019

Introduced by Sen. LIU -- read twice and ordered printed, and when printed to be committed to the Committee on Education

AN ACT to amend the education law, in relation to the appointment of an independent receiver upon the closing of a charter school

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The education law is amended by adding a new section 2858
2 to read as follows:

3 § 2858. Appointment of independent receiver. 1. A school district,
4 upon receiving notice from a charter school within its district that
5 such charter school is dissolving, terminating, or closing, shall
6 appoint an independent receiver, subject to the approval of the commis-
7 sioner, to perform financial audits and facilitate the transfer of
8 public funds from such charter school to the school district. The
9 receiver may be a non-profit entity, another school district, or an
10 individual. If the school district fails to appoint an independent
11 receiver that meets the commissioner's approval within sixty days of
12 such determination, the commissioner shall appoint the receiver.

13 2. The receiver shall be authorized to manage and operate the charter
14 school and shall have the power to supersede any decision, policy or
15 regulation of the plans, co-location decisions and transportation of
16 students. A school under receivership shall operate in accordance with
17 laws regulating public schools, except as such provisions may conflict
18 with this section.

19 3. The commissioner shall contract with the receiver, and the compen-
20 sation and other costs of the receiver appointed by the commissioner
21 shall be paid from a state appropriation for such purpose, or by the
22 school district, as determined by the commissioner, provided that costs
23 shall be paid by the school district only if there is an open adminis-
24 trative staffing line available for the receiver, and the receiver will
25 be taking on the responsibilities of such open line. Notwithstanding

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD10811-01-9

1 any other provision of law to the contrary, the receiver and any of its
2 employees providing services in the receivership shall be entitled to
3 defense and indemnification by the school district to the same extent as
4 a school district employee. The receiver's contract may be terminated by
5 the commissioner for a violation of law, the commissioner's regulations,
6 or for neglect of duty.

7 § 2. Subdivision 1 of section 2854 of the education law is amended by
8 adding a new paragraph (c-1) to read as follows:

9 (c-1) A charter school shall, within a reasonable time after learning
10 of its pending termination, dissolution, or closure, notify the school
11 district within which the charter school is located of such termination,
12 dissolution, or disclosure for purposes of complying with section twen-
13 ty-eight hundred fifty-eight of this article.

14 § 3. This act shall take effect on the sixtieth day after it shall
15 have become a law. Effective immediately, the addition, amendment and/or
16 repeal of any rule or regulation necessary for the implementation of
17 this act on its effective date are authorized to be made and completed
18 on or before such effective date.