

1802

2015-2016 Regular Sessions

I N   S E N A T E

January 14, 2015

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Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the general municipal law, in relation to establishing within the office of the state comptroller, the school inspector general

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. The general municipal law is amended by adding a new  
2     section 33-b to read as follows:  
3     S 33-B. SCHOOL INSPECTOR GENERAL. 1. THE SCHOOL INSPECTOR GENERAL FOR  
4     SCHOOL DISTRICTS LOCATED OUTSIDE THE CITY OF NEW YORK (SIG) SHALL BE  
5     ESTABLISHED WITHIN THE OFFICE OF THE STATE COMPTROLLER FOR THE PURPOSE  
6     OF REVIEWING, AT HIS OR HER DISCRETION, THE FINANCIAL AFFAIRS OF ANY  
7     SUCH SCHOOL DISTRICTS. SUCH REVIEW MAY INCLUDE, BUT SHALL NOT BE LIMITED  
8     TO:  
9        (A) EXAMINING AND EVALUATING THE FINANCIAL RECORDS, TRANSACTIONS,  
10      CONTRACTS, REVENUES AND EXPENDITURES GENERATED BY A SCHOOL DISTRICT EACH  
11      YEAR;  
12        (B) EXAMINING AND EVALUATING BUDGETING AND ACCOUNTING PROCEDURES AND  
13      PROCESSES;  
14        (C) RECEIVING COMPLAINTS RELATING TO ALLEGED FRAUDULENT OR ILLEGAL  
15      ACTIVITIES OF SUCH SCHOOL DISTRICTS AND INVESTIGATING SUCH COMPLAINTS;  
16        (D) EXAMINING AND REVIEWING ALL CONSTRUCTION CONTRACTS ENTERED INTO BY  
17      SUCH SCHOOL DISTRICTS; AND  
18        (E) REVIEWING PROCUREMENT COMPETITIVE BIDDING PROCEDURES.  
19     2. THE SIG SHALL BE ENTITLED TO REQUEST, UTILIZE AND/OR RECEIVE SUCH  
20     INFORMATION AND RESOURCES FROM THE DEPARTMENT OF EDUCATION AND ANY  
21     SCHOOL DISTRICTS WITHIN HIS OR HER JURISDICTION, AS THE SIG MAY REASON-  
22     ABLY REQUEST, TO CARRY OUT PROPERLY HIS OR HER RESPONSIBILITY AND DUTIES  
23     AS DESCRIBED IN THIS SECTION.

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

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1 3. IN CONJUNCTION WITH, AND IN FURTHERANCE OF THE POWERS CONFERRED ON  
2 THE OFFICE OF THE STATE COMPTROLLER BY THE PROVISIONS OF THIS ARTICLE,  
3 THE SIG SHALL HAVE THE POWER TO:

4 (A) ACCESS ALL SCHOOL DISTRICT FINANCIAL DOCUMENTS AND RECORDS, WHICH  
5 SHALL INCLUDE BUT NOT BE LIMITED TO, AN ACCOUNTING OF ALL REVENUES AND  
6 THE SPECIFIC SOURCES OF REVENUE FOR THE SCHOOL DISTRICT, ALL EXPENDITURE  
7 RECORDS AND THE EXACT NATURE OF THOSE EXPENDITURES, ALL CONTRACTS AND  
8 THE NAMES OF ALL SCHOOL DISTRICT CONTRACTORS, ALL REIMBURSEMENTS  
9 RECEIVED BY THE DISTRICT AND THEIR SOURCE, ALL CASH RECEIPTS AND  
10 PAYMENTS BY SOURCE AND PURPOSE;

11 (B) ACCESS ALL BACKUP FINANCIAL, BUDGETING AND ACCOUNTING DOCUMENTA-  
12 TION AND OTHER DATA THAT MAY BE NECESSARY TO VERIFY, CONFIRM AND RECON-  
13 STRUCT ALL OF THE TRANSACTIONS MADE BY THE SCHOOL DISTRICT IN A GIVEN  
14 YEAR;

15 (C) ACCESS ANY PRIOR YEAR'S FINANCIAL, BUDGETING AND ACCOUNTING  
16 DOCUMENTATION AND OTHER DATA WHENEVER NECESSARY SO AS TO VERIFY, CONFIRM  
17 AND RECONSTRUCT THE SCHOOL DISTRICT'S CURRENT FINANCIAL SITUATION;

18 (D) ASSESS THE SCHOOL DISTRICT'S CURRENT FINANCIAL ACCOUNTING AND  
19 BUDGETARY PRACTICES AND RECORDS REGARDING SCHOOL BOARD ACTIONS TO ENSURE  
20 THAT ASSUMPTIONS MADE RELATING TO THE BUDGET ARE ACCURATE AND CONSISTENT  
21 FROM YEAR TO YEAR, TO ENSURE THAT ALL INFORMATION REGARDING THE BUDGET  
22 HAS BEEN PROPERLY DISCLOSED PURSUANT TO ANY APPLICABLE LAW, RULE OR  
23 REGULATION, TO ENSURE THAT SUCH PRACTICES AND RECORDS ARE CONSISTENT  
24 WITH ESTABLISHED STANDARDS AND STATE LAW, RULES OR REGULATIONS, TO  
25 ENSURE THAT SUCH PRACTICES AND RECORDS PROVIDE FOR ACCURATE PROTECTIONS  
26 AGAINST THEFT OR OTHER ABUSES AND THAT ANY FILINGS THAT ARE REQUIRED BY  
27 THE DEPARTMENT OF EDUCATION FOR THE REIMBURSEMENT OF FUNDS FOR WHICH THE  
28 SCHOOL DISTRICT IS ENTITLED ARE FILED, AND THAT SYSTEMS ARE IN PLACE TO  
29 ENSURE THAT SUCH FILINGS ARE DONE AS NECESSARY WITHIN THE TIME LIMITS  
30 PRESCRIBED BY LAW;

31 (E) SUBPOENA ANY AND ALL DOCUMENTS HE OR SHE DEEMS NECESSARY TO ENSURE  
32 THAT THE PUBLIC HAS BEEN PROVIDED WITH ACCURATE AND COMPLETE INFORMATION  
33 REGARDING THE SCHOOL DISTRICT'S CURRENT FINANCIAL SITUATION AND THE  
34 SCHOOL DISTRICT'S CURRENT AND PAST BUDGETARY PRACTICES; AND

35 (F) HIRE PROFESSIONAL AND SUPPORT PERSONNEL NECESSARY TO FULFILL THE  
36 REQUIREMENTS OF THIS SECTION INCLUDING, BUT NOT LIMITED TO, ATTORNEYS,  
37 AUDITORS AND SUPPORT STAFF.

38 4. (A) THE SIG SHALL PREPARE A REPORT PROVIDING A DETAILED ANALYSIS OF  
39 THE ISSUES REVIEWED FOR EACH SCHOOL DISTRICT. SUCH REPORT SHALL INCLUDE,  
40 BUT SHALL NOT BE LIMITED TO, A STATEMENT BY THE SIG SUMMARIZING HIS OR  
41 HER FINDINGS, AND EXPLICITLY STATING ANY FINDINGS RELATING TO THE FINAN-  
42 CIAL AND BUDGETARY PRACTICES OF THE SCHOOL DISTRICT THAT HE OR SHE  
43 BELIEVES VIOLATED, OR COULD POTENTIALLY VIOLATE, EXISTING STATE LAW,  
44 RULES OR REGULATIONS OR MAY BE OF CONCERN IN THAT NEGLIGENCE OR INCOMPE-  
45 TENCE MAY RESULT IN FINANCIAL OR BUDGETARY PRACTICES THAT VIOLATE STATE  
46 LAW, RULES AND REGULATIONS, OR ARE INCONSISTENT WITH ESTABLISHED STAND-  
47 ARDS, AND MAKING RECOMMENDATIONS TO RECTIFY SUCH VIOLATIONS OR POTENTIAL  
48 VIOLATIONS; AND

49 (B) THE REPORT REQUIRED BY PARAGRAPH (A) OF THIS SUBDIVISION SHALL BE  
50 DELIVERED TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE  
51 SPEAKER OF THE ASSEMBLY, THE MINORITY LEADER OF THE SENATE AND THE  
52 MINORITY LEADER OF THE ASSEMBLY AND THE STATE EDUCATION DEPARTMENT. SUCH  
53 REPORT SHALL BECOME A MATTER OF PUBLIC RECORD AND SHALL BE AVAILABLE TO  
54 THE PUBLIC UPON REQUEST FOR A MINIMUM OF THREE YEARS. WITHIN THREE  
55 MONTHS AFTER SUCH SIG REPORT IS MADE PUBLIC, A PUBLIC FORUM SHALL BE  
56 MADE AVAILABLE FOR PUBLIC COMMENT, SUGGESTIONS AND QUESTIONS. THE FINAL

1 REPORT SHALL BE POSTED ON THE SCHOOL DISTRICT'S WEB SITE FOR AT LEAST  
2 THREE YEARS.

3 5. IF, AT ANY TIME DURING OR AFTER THE REVIEW, THE SIG BELIEVES THAT  
4 ANY FRAUD, ABUSE OR VIOLATION OF STATE LAW HAS OCCURRED HE OR SHE SHALL  
5 IMMEDIATELY REPORT SUCH FINDINGS TO THE GOVERNOR AND THE COMMISSIONER OF  
6 EDUCATION AND PROVIDE THE APPROPRIATE LAW ENFORCEMENT AGENCY WITH PROPER  
7 JURISDICTION WITH ANY AND ALL DOCUMENTATION SUPPORTING HIS OR HER  
8 CONCLUSIONS RELATING TO SUCH VIOLATIONS.

9 6. (A) SCHOOL DISTRICT REVIEWS SHALL BE CONDUCTED PURSUANT TO A SCHED-  
10 ULE ESTABLISHED BY THE SIG. THE SPECIFIC SCHOOL DISTRICTS CHOSEN SHALL  
11 REMAIN CONFIDENTIAL WITHIN THE OFFICE OF THE STATE COMPTROLLER. THE  
12 PRESIDENT OF THE SCHOOL BOARD AND THE SUPERINTENDENT SHALL BE NOTIFIED  
13 AT LEAST TEN WORKING DAYS PRIOR TO COMMENCEMENT OF SUCH REVIEW AND UPON  
14 SUCH NOTICE, PREPARE ALL DOCUMENTS NECESSARY FOR TIMELY COMPLETION OF  
15 SUCH REVIEW.

16 (B) THE SIG MAY CONDUCT FOLLOW-UP REVIEWS OF A SCHOOL DISTRICT AT ANY  
17 TIME TO DETERMINE WHETHER RECOMMENDED CHANGES HAVE BEEN IMPLEMENTED.

18 7. NOTHING IN THIS SECTION SHALL BE CONSTRUED OR INTERPRETED TO ABRO-  
19 GATE OR LIMIT ANY EXISTING POWERS, DUTIES OR AUTHORITY OF THE STATE  
20 COMPTROLLER.

21 S 2. This act shall take effect on the one hundred eightieth day after  
22 it shall have become a law; provided, however, that effective immediate-  
23 ly, any rule or regulation necessary for the timely implementation of  
24 this act shall be promulgated on or before such effective date.