

# STATE OF NEW YORK

7237--A

2019-2020 Regular Sessions

## IN ASSEMBLY

April 18, 2019

Introduced by M. of A. RYAN -- read once and referred to the Committee on Education -- recommitted to the Committee on Education in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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

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

1 Section 1. Section 2855 of the education law is amended by adding  
2 three new subdivisions 2-a, 2-b and 2-c to read as follows:

3 2-a. (a) Within thirty days of a final decision by a charter entity  
4 to revoke, to not renew, or to acknowledge the expiration or surrender  
5 of a charter, the commissioner shall appoint an independent fiduciary to  
6 develop and implement the dissolution plan of such charter school,  
7 including the distribution of assets pursuant to paragraph (t) of subdivi-  
8 vision two of section twenty-eight hundred fifty-one of this article,  
9 and shall notify the closing charter school and the school district of  
10 location for the charter school in writing of the appointed independent  
11 fiduciary responsible for overseeing the school's dissolution and  
12 closure process.

13 (b) The independent fiduciary may be a non-profit entity, board of  
14 cooperative educational services (BOCES), a school district other than  
15 the school district of location for the charter school, a school  
16 district of residence for pupils of such charter school, or an individ-  
17 ual.

18 (c) The independent fiduciary shall be compensated and reimbursed for  
19 reasonable and necessary expenses incurred as determined by the commis-  
20 sioner. Such compensation and reimbursement shall be paid by the charter  
21 school. The appointment of an independent fiduciary may be terminated by  
22 the commissioner for a violation of law or the commissioner's regu-

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

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1 lations or for breach of contract or neglect of duty. In the event that  
2 an independent fiduciary's appointment is terminated by the commission-  
3 er, a replacement independent fiduciary shall be appointed by the  
4 commissioner as soon as practicable following the effective date of such  
5 termination.

6 2-b. Notwithstanding any other provision of law to the contrary, the  
7 independent fiduciary shall have the power to review all existing  
8 disbursements and to review, recommend, and approve all new contracts  
9 and disbursements of the charter school subsequent to the date of the  
10 fiduciary's appointment, the authority to prepare and file a petition  
11 for dissolution on behalf of the charter school's board of trustees, and  
12 may supersede any decision, policy or regulation of the charter school  
13 that in the sole judgment of the independent fiduciary conflicts with  
14 the school dissolution plan or is not in the best fiscal interests of  
15 the school districts to which the remaining funds will be paid pursuant  
16 to paragraph (t) of subdivision two of section twenty-eight hundred  
17 fifty-one of this article. The independent fiduciary shall, within  
18 sixty days following the formal dissolution of the charter school,  
19 submit a comprehensive report to the commissioner including information  
20 pertaining to the disposition of assets pursuant to section twenty-eight  
21 hundred fifty-one of this article.

22 2-c. It shall be the duty of the charter school trustees and manage-  
23 ment to fully cooperate with the independent fiduciary.

24 § 2. This act shall take effect on the sixtieth day after it shall  
25 have become a law. Effective immediately, the addition, amendment and/or  
26 repeal of any rule or regulation necessary for the implementation of  
27 this act on its effective date are authorized to be made and completed  
28 on or before such effective date.