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:

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

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

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

3. The commissioner shall contract with the receiver, and the compensation and other costs of the receiver appointed by the commissioner shall be paid from a state appropriation for such purpose, or by the school district, as determined by the commissioner, provided that costs shall be paid by the school district only if there is an open administrative staffing line available for the receiver, and the receiver will 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.

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

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

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

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