



State of New Jersey

DEPARTMENT OF EDUCATION

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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

DAVID C. HESPE
Commissioner

February 19, 2015

Mrs. Donna Haye, Superintendent
Atlantic City School District
City Center Building
1300 Atlantic Avenue, 5th Floor
Atlantic City, NJ 08401

Mr. John Devlin
Board President

Dear Mrs. Haye and Mr. Devlin:

I am writing to introduce Dr. Gary McCartney, who will serve as the state monitor for the Atlantic City School District starting on February 19, 2015. Enclosed is a copy of Dr. McCartney's resume and contract.

Dr. McCartney has served as a district superintendent since 1986. For the past ten years, he served as superintendent of the South Brunswick School District. Prior to that, he led the Parkland and Fleetwood Districts in Pennsylvania. Dr. McCartney was named Superintendent of the Year in Pennsylvania for the 2002-2003 school year. He served as President of the New Jersey Association of School Administrators in 2013-2014 and is currently the Board President of the Middle States Association of Colleges and Schools.

Pursuant to N.J.S.A. 18A:7A-55, Atlantic City has qualified for the appointment of a state monitor because of an anticipated year-end deficit and cash-flow concerns, in addition to the failure to deliver a plan that sufficiently addresses the district's current financial situation. As you are aware, on January 23, 2015, the district was directed to prepare a comprehensive remedial plan to address the anticipated fiscal deficit that could occur as a result of the collapse of the municipal ratable base. Although the district submitted the remedial plan as requested on February 6, 2015, the document, while addressing many topics, did not establish clear programmatic priorities and failed to describe how the district intends to remedy the potential cash flow concerns for the remainder of FY15. Specifically, the plan failed to provide a sufficient level of specificity around projected savings resulting from current reductions in the FY15 budget and failed to frame possible additional current year reductions should the district's cash flow significantly worsen. In addition, the plan, while exhaustively reviewing numerous areas of district operations, failed to establish budgetary priorities that would be essential to preserve a "thorough and efficient education" for district students. Finally, the plan included many elements that would, in fact, exacerbate the district's financial challenges by creating new and additional expenses to the district's operating budget for FY16.

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In accordance therewith, the Commissioner is appointing a state monitor to oversee the financial operations of the Atlantic City School District. Dr. McCartney's appointment enables him to perform his duties and responsibilities in areas including, but not limited to the following:

1. Improving the fiscal operations of the business office including, but not limited to, the maintenance of the fiscal records for the general fund, federal programs and enterprise funds.
2. Oversight of budget preparations and transfers.
3. Reviewing all internal control procedures of district operations.
4. Ensuring the development of a corrective action plan for the fiscal deficit and coordinating the implementation of same.
5. Conducting a comprehensive budget evaluation.
6. Oversee all district staffing, including the ability to hire, promote and terminate employees, and reviewing the terms of any future collective bargaining agreement.
7. Authority to override the chief school administrator's action and vote by the Board of Education on any of the matters that involve the financial operations of the district.

As the state monitor, Dr. McCartney will have oversight of the operations of the district specifically in the area of fiscal management and the expenditure of all of the Atlantic City School District's funds. He will also be responsible for directing all business office activities, including preparation of monthly reports, approval of all purchase activities and payment of bills and claims.

My office will be in contact with you to arrange a formal introduction with you and the Board of Education. Dr. McCartney will begin working in the district on February 19, 2015. Should you have any questions concerning the state monitor or his appointment, please contact Glenn Forney, director of the Office of State Monitors, at (609) 943-4115.

Sincerely,



David C. Hespe
Commissioner

DCH/TM/GF/tch
Enclosures

c: William Haldeman
Timothy Matheney
Patricia Morgan
Thomas McMahan
Yut'se Thomas
Glenn Forney
Celeste Rickets