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SCHOOL ETHICS COMMISSION

September 22, 2026

For Public Release

Subject: Public Advisory Opinion – A16-26

The School Ethics Commission (Commission) received your request for an advisory opinion regarding your conduct as an administrator employed by the Public School District (District). The Commission's authority to issue advisory opinions is expressly limited to determining whether any prospective conduct or activity would constitute a violation of the School Ethics Act (Act). *N.J.S.A.* 18A:12-31. Pursuant to *N.J.S.A.* 18A:12-28(b), the Commission preliminarily discussed your request at its advisory opinion committee meeting on August 12, 2026, and again at its regularly scheduled meetings on August 25, 2026, and September 22, 2026.

In your initiating request, and in your supplemental response to the Commission's request for additional information, you inform the Commission that you are employed with the Public School District (District) as a school principal. You state in your role as principal you manage the childcare center. More specifically, you "manage the school's operations and partner with [the] Preschool Supervisor [(Supervisor)] in overseeing our program's curriculum and professional development for all preschool staff." You note the District receives Preschool Education Aid (PEA) funding; however, the Supervisor "manages all aspects of [the] PEA funding and partnerships" for the District. You further note you do not have "direct involvement in PEA funding or in managing partnerships with private providers, as those responsibilities are handled entirely by our preschool supervisor." You provide that the District "does not accept general non-resident students and is not an open-choice district under district policy 5111."

You further inform the Commission that you are "evaluating the acquisition and ownership of an independent private daycare/childcare center" located in a county (XYZ Daycare). You indicate that as the owner of the XYZ Daycare center, you will "manage the business and operational side of the center and will hire a director to oversee day-to-day functions." You further indicate you "will not be on-call or on-site during preschool hours," and you "will never conduct daycare business during [your] workday as a district principal." You note that you anticipate "partnering with the [Unnamed] School District, or potentially other surrounding districts within a two-mile radius depending on whether [the Unnamed District] proceeds with the partnership" in order to obtain PEA funding for your XYZ

Daycare. You further note that the XYZ Daycare will accept students from outside the school district or county as paying customers; however, those students will not be part of the PEA funded classrooms. You state that the “PEA funded classrooms will only serve students from the specific school district [you] partner with.” You further state that the XYZ Daycare will not have a program for students with disabilities and it cannot partner with the District.

Based on the information provided in your request, you make the following inquiries:

1. Does ownership of an independent daycare center in a county outside of your employing school district present a conflict of interest?
2. Would a conflict of interest arise if this daycare center partners with public school districts through Preschool Education Aid (PEA) funding, given that any such partner districts would strictly be located outside the district and county in which you serve as an administrator?

As an initial matter, please be advised that the Commission’s authority is limited to enforcing the School Ethics Act (Act), *N.J.S.A. 18A:12-21 et seq.*, a set of minimum ethical standards by which all school officials must abide. In this regard, the Commission has jurisdiction only over matters arising under the Act, and it may not receive, hear, or consider any matter that does not arise under the Act, *N.J.A.C. 6A:28-1.4(a)*. To the extent that you are requesting whether you may purchase/own/operate/take part in a business opportunity in your private capacity, specifically a daycare center, the Commission notes it does not have jurisdiction over such a determination.

Turning to your request, in its review of the specific facts and circumstances detailed within, as well as in the supplemental information you provided, and absent another conflict, which has not been presented here, the Commission advises that because the independent daycare center that you are potentially acquiring does not appear to be a daycare center under the control of, overseen by, or otherwise managed by the Board and/or the District where you are employed, the Act does not *per se* prohibit your involvement in the daycare center generally, or in an ownership role, specifically.

However, although you are permitted to own a daycare center, in your private capacity, as you have described, the Commission notes it cannot predict any and all possible conflicts which may arise for you, as a school official, with regard to your employment in the District. Therefore, the Commission strongly cautions that there are safeguards that you will need to take in order to avoid a violation of the Act. Importantly, it is imperative that you do not engage in any business, transaction, or professional activity, which is in substantial conflict with the proper discharge of your duties in the public interest.

More specifically, you have indicated that the Supervisor “manages all aspects of [the] PEA funding and partnerships” for the District and that you do not have “direct involvement in PEA funding or in managing partnerships with private providers, as those responsibilities are handled entirely by our preschool supervisor.” Therefore, should your role within the District change, you must ensure that you continue not to be involved, in any way, with the PEA funding for the District.

In addition, you note that you are employed in the District, which is located in the A County, and the daycare center that you are interested in acquiring is located in the B County. Although these schools are not in the same county, they are in neighboring counties and in proximity to each other. Therefore, the Commission advises that you must not encourage families/students from the District to

attend your XYZ Daycare center or encourage District employees to come work for you at your XYZ Daycare and you cannot solicit business for your XYZ Daycare within the District schools and/or among its employees.

Further, as you have indicated, you must ensure that you “will not be on-call or on-site during preschool hours,” and you “will never conduct daycare business during [your] workday as a district principal.” In other words, you should not undertake any employment or service, which might reasonably be expected to prejudice your independence of judgment in the exercise of your official duties as a principal in the District. Moreover, you may not use your position as a principal, or any information, not generally available to the public that you may have obtained because you are a principal in the District to secure financial gain for yourself as an owner of the XYZ Daycare. Also, when you need to interface with the public school districts regarding the XYZ Daycare, who will partner with your preschool through PEA funding, in your capacity as the owner of a preschool, you should advise the individuals with whom you are speaking (or meeting) that you are doing so as the owner of the private daycare center, and make sure that you do not invoke your status as a principal in another school district.

The Commission reiterates that being an owner of an independent daycare while you are simultaneously employed in the District as a principal subjects you to the scrutiny of the public and a plethora of potential violations. Despite taking every possible precaution, you are still vulnerable to numerous potential violations of the Act. Moreover, there may be other statutes and/or board policies that your outside employment may violate that are beyond the Commission’s authority.

Finally, although there is no presumption of a conflict based on the facts presented in your request, as well as in the supplemental information you provided, the Commission cannot determine if a conflict involving your employment in the District and your ownership of the XYZ Daycare **may** present itself, or if one of a different nature may develop, but is unknown at this time to the Commission, you and/or your employer. As a reminder, school officials must always be cognizant of their responsibility to protect the public trust, to honor their obligation to serve the interests of the public and the Board, and to periodically reevaluate the existence of potential conflicts of interest. The only way for a school official to truly safeguard against alleged violations of the Act is to avoid any conduct which could have the appearance, actual or perceived, of being in violation of the Act.

Sincerely,

Dennis M. Roberts, Chairperson
School Ethics Commission