

DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

Statutory Authority: 14 Delaware Code, Section 122(b) (14 **Del.C.** §122(b))
14 **DE Admin. Code** 736

FINAL

REGULATORY IMPLEMENTING ORDER

736 Local School District and Charter School Citizen Budget Oversight Committees

I. SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED

The Secretary of Education intends to amend 14 **DE Admin. Code** 736 Local School District and Charter School Citizen Budget Oversight Committees. The Department of Education reviewed this and other regulations which were four years or older as part of the 2016 Regulation Review as required by 29 **Del.C.** §10407. After an internal review, the regulation is amended to remove training information that is noted in Regulation 734 and thus not needed in this regulation, and to clarify the definition of "Charter School" to be consistent with Regulation 734.

Notice of the proposed regulation was published in the *News Journal* and *Delaware State News* on June 1, 2017, in the form hereto attached as *Exhibit "A"*. Comments were received from the Delaware Charter School Network regarding the inadvertent omission of "and Charter Schools" in Section 3.0 and 3.1. Comments were received from a private citizen related to the composition of the Citizen Board Oversight Committee (CBOC), approval of CBOC policies, maintenance of the CBOC application form, and the extension for membership terms. The Department reviewed each comment and revised the proposed amendment as needed. The regulation follows the Delaware Code for membership therefore no changes were made. Clarification was provided related to the policy referenced in the renumbered 3.2. The policy referenced is the selection process policy. Additionally, the Department made minor renumbering and technical corrections for clarity.

II. FINDINGS OF FACTS

The Secretary finds that it is appropriate to amend 14 **DE Admin. Code** 736 Local School District and Charter School Citizen Budget Oversight Committees in order to remove training information that is noted in Regulation 734 and thus not needed in this regulation, and to clarify the definition of "Charter School" to be consistent with Regulation 734.

III. DECISION TO AMEND THE REGULATION

For the foregoing reasons, the Secretary concludes that it is appropriate to amend 14 **DE Admin. Code** 736 Local School District and Charter School Citizen Budget Oversight Committees. Therefore, pursuant to 14 **Del.C.** §122, 14 **DE Admin. Code** 736 Local School District and Charter School Citizen Budget Oversight Committees attached hereto as *Exhibit "B"* is hereby amended. Pursuant to the provision of 14 **Del.C.** §122(e), 14 **DE Admin. Code** 736 Local School District and Charter School Citizen Budget Oversight Committees hereby amended shall be in effect for a period of five years from the effective date of this order as set forth in Section V. below.

IV. TEXT AND CITATION

The text of 14 **DE Admin. Code** 736 Local School District and Charter School Citizen Budget Oversight Committees amended hereby shall be in the form attached hereto as *Exhibit "B"*, and said regulation shall be cited as 14 **DE Admin. Code** 736 Local School District and Charter School Citizen Budget Oversight Committees in the *Administrative Code of Regulations* for the Department of Education.

V. EFFECTIVE DATE OF ORDER

The actions hereinabove referred to were taken by the Secretary pursuant to 14 **Del.C.** §122 on August 15, 2017. The effective date of this Order shall be ten (10) days from the date this Order is published in the *Delaware Register of Regulations*.

IT IS SO ORDERED the 15th day of August 2017.

Department of Education

736 Local School District and Charter School Citizen Budget Oversight Committees

1.0 Purpose

- 4.4 The purpose of this regulation is to outline procedures, criteria and responsibilities related to ~~the local school district and charter school~~ Local School District and Charter School Citizen Budget Oversight Committees (CBOC) required pursuant to 14 ~~Del.C.~~ §1508. ~~The Citizen Budget Oversight Committee is solely~~ CBOCs are established to oversee the financial position of the local school district or charter school it is assigned to oversee each Local School District and Charter School for which it was appointed. The ~~local school board or charter school board~~ Local School District and Charter School Board shall retain all policy and decision-making authorities granted pursuant to Delaware Code.

2.0 Definitions

"**Certificate of Completion**" means the document provided by the Department of Education indicating the individual has attended and completed ~~the Citizen Budget Oversight Committee training~~ Financial Responsibility Training.

"**Charter School**" ~~shall mean a school pursuant to 14 Del.C., Ch. 5~~ means a non-home based full-time public school that is operated in an approved physical plant under a charter granted by, or transferred to, the Department or other authorizing body for the personal physical attendance of all students.

"**Local School District**" ~~shall mean~~ means a reorganized school district or vocational technical school district established pursuant to 14 ~~Del.C.~~ Ch. 10.

"**Trainer**" means an individual or organization approved by the ~~Secretary~~ Department of Education to provide ~~the Citizen Budget Oversight Committee training~~ Financial Responsibility Training.

3.0 Committee Members for Local School Districts [and Charter Schools]

- 3.1 Each Local School District and Charter School shall be required to establish a ~~Citizen Budget Oversight Committee (Committee)~~ CBOC. The ~~Committee~~ CBOC shall have access either electronically or in hard copy format to financial documents and financial information the Local School District **[or Charter School]** has in its possession and that are relevant to the financial position of the **[district District or Charter School]**, with redactions permitted only to protect confidential personal information regarding students or employees as permitted by the state's Freedom of Information Act.

[3.2 3.1.1] ~~The Committee~~ Local School District's CBOC shall have at least five (5) members, ~~with representation from Representation~~ shall consist of parents, educators and taxpayers residing in the district. In addition, where possible, the ~~Committee~~ CBOC shall have at least two members with formal educational or vocational backgrounds amenable to oversight of school district financial statements. Further provided, ~~Committee~~ CBOC members shall not be compensated, except for allowable mileage for training or similar activities, for participation on such ~~Committee~~ CBOC.

[3.3 3.1.2] The Charter School's CBOC shall have at least five (5) members. Representation shall consist of educators and parents of students in the school, with no more than two being Charter School Board members and one being a representative of the Department. In addition, where possible, the CBOC shall have at least two members with formal educational or vocational backgrounds amenable to oversight of school **[district]** financial statements. Further provided, CBOC members shall not be compensated, except for allowable mileage for training or similar activities, for participation on such CBOC.

- 3.3**[3.4 3.2]** Each Local School district ~~may~~ District and Charter School shall establish its own **[selection]** policy for its ~~Citizen Oversight Budget Committee~~ CBOC, and shall submit the **[selection]** policy to the Department for review. The Local School District, if it chooses to establish its own policy, shall submit the policy to the Department within ninety (90) calendar days of the effective day of this regulation. The Associate Secretary for Finance and Services Department's Finance Office shall review the proposed policy and make a decision within fifteen (15) work days to approve or request revisions. The decision to approve or request revisions shall be based on whether the **[selection]** policy meets the provisions in 3.4 subsection **[3.5 3.3]**.

3.3.4 If the Department does not approve the submitted policy, the Department shall provide comment for areas requiring revisions within fifteen (15) work days of receipt of the proposed policy. The Local School District may submit a revised policy. If the revised policy is not subsequently approved, the Local School District shall follow the Department's ~~Citizen Budget Oversight Committee~~ policy for Local School Districts

pursuant to 3.4. In addition, a Local School District may not resubmit a policy for approval more than one time during a fiscal year.

3.4[3.5 3.3] The Department's Citizen Budget Oversight Committee CBOC membership provisions shall be as follows:

3.4.1[3.5.1 3.3.1] Use the appropriate District or Charter School application form[,], as developed and **[approved maintained]** by the Department[,], that delineates standard application language and additional information that includes, but is not limited to, the following:

3.4.1.1 [3.5.1.1 3.3.1.1] Membership pursuant to subsections [3.2 3.1.1] and [3.3 3.1.2];

3.4.1.2 [3.5.1.2 3.3.1.2] Conflict of interest, and disqualification from membership upon identification thereof, criteria;

3.4.1.3 [3.5.1.3 3.3.1.3] Selection, or removal, of the Chairperson to be determined by a majority of the membership of the committee CBOC;

3.4.1.4 [3.5.1.4 3.3.1.4] Term length **[of shall be]** two (2) years with **[an]** option **[at the end of the term]** to **[extend to no more than three (3) approve an]** additional **[terms two-year term]** based on the majority vote of the **[other]** existing members of the Committee CBOC;; **provided that the cumulative number of extensions shall not exceed three (3);** however, a member may terminate his or her position upon written notice to the Chairperson; and

3.4.1.5 [3.5.1.5 3.3.1.5] Experience and statement **[for of]** reason for participation on the Committee CBOC.

3.4.2 [3.5.2 3.3.2] Post the request for Committee CBOC members for at least fifteen (15) work days on its website and all school building main entrance doors;

3.4.3 [3.5.3 3.3.3] Identify and post on its website the Selection Committee selection committee that consists of one educator from the district Local School District or Charter School, one local school board Local School Board or Charter School Board member, one member of the local teacher's union, and at least two parents or community members who are not district Local School District or Charter School employees or local school board members; and

3.4.4 [3.5.4 3.3.4] Use the selection rubric developed and approved by the Department of Education.

3.5 Notwithstanding the above, a Local School District with an established citizen budget oversight committee or similar type of citizen committee established for financial oversight may submit a request to the Associate Secretary of Finance and Services for this established committee to be considered the Citizen Budget Oversight Committee pursuant to this regulation as long as the membership meets 3.2 of this regulation. The request shall be made in writing and the Associate Secretary of Finance and Services shall respond within fifteen (15) work days whether to approve such established committee to meet the requirements of this regulation. Upon the effective date of this regulation, any new members or membership solicitation shall be subject to the provisions herein.

4.0 ~~Committee Members for Charter Schools~~

4.1 Each Charter School shall be required to establish its Citizen Budget Oversight Committee (Committee) no later than June 1, 2010. The Committee shall have access either electronically or in hard copy format to financial documents and financial information the Charter School has in its possession and that are relevant to the financial position of the district, with redactions permitted only to protect confidential personal information regarding students or employees.

4.2 The Committee shall have at least five (5) members with representation from educators and parents of students in the school and representation from the Department of Education. In addition, where possible, the Committee shall have at least two members with formal educational or vocational backgrounds amenable to oversight of school district financial statements. Further provided, Committee members shall not be compensated, except for allowable mileage for training or similar activities, for participation on such Committee.

4.3 Each Charter School may establish its own policy for its Citizen Oversight Budget Committee. The Charter School, if it chooses to establish its own policy, shall submit the policy to the Department within ninety (90) calendar days of the effective day of this regulation. The Associate Secretary for Finance and Services shall review the proposed policy and make a decision within fifteen (15) work days to approve or request revisions. The decision to approve or request revisions shall be based on whether the policy meets the provisions in 4.4.

4.3.1 If the Department does not approve the submitted policy, the Department shall provide comment on areas requiring revisions within fifteen (15) work days of receipt of the proposed policy. The Charter School may submit a revised policy. If the revised policy is not subsequently approved, the Charter School shall follow the Department's Citizen Budget Oversight Committee policy for Charter Schools pursuant to 4.4. In addition, a Charter School may not resubmit a policy for approval more than one time during a fiscal year.

4.4 The Department's Citizen Budget Oversight Committee membership provisions shall be as follows:

- 4.4.1 ~~Use the application form as developed and approved by the Department that delineates standard application language and additional information that includes, but is not limited to, the following:~~
 - 4.4.1.1 ~~Membership pursuant to 4.2;~~
 - 4.4.1.2 ~~Conflict of interest, and disqualification from membership upon identification thereof, criteria;~~
 - 4.4.1.3 ~~Selection, or removal, of the Chairperson to be determined by a majority of the membership of the committee;~~
 - 4.4.1.4 ~~Term length of two (2) years with option to extend to no more than three (3) additional terms based on the majority vote of the existing members of the Committee; however, a member may terminate his or her position upon written notice to the Chairperson; and~~
 - 4.4.1.5 ~~Experience and statement for reason for participation on the Committee.~~
- 4.4.2 ~~Post the request for Committee members for at least fifteen (15) work days on its website and all school building main entrance doors;~~
- 4.4.3 ~~Identify and post on its website a Selection Committee that consists of one educator from the school, one Charter School board member, one teacher, and at least two parents or community members who are not Charter School employees or Charter School Board members; and~~
- 4.4.4 ~~Use the selection rubric developed and approved by the Department of Education.~~
- 4.5 ~~Notwithstanding the above, a Charter School with an established citizen budget oversight committee or similar type of citizen committee established for financial oversight may submit a request to the Associate Secretary of Finance and Services for this established committee to be considered the Citizen Budget Oversight Committee pursuant to this regulation as long as the membership meets 4.2 of this regulation. The request shall be made in writing and the Associate Secretary of Finance and Services shall respond within fifteen (15) work days whether to approve such established committee to meet the requirements of this regulation. Upon the effective date, any new members or membership shall be subject to the provisions herein.~~

5.0 ~~Citizen Budget Oversight Committee Training~~

- 5.1 ~~The Citizen Budget Oversight Committee Training (Training) means the educational programs developed by the Department of Education for the local school district and charter school Citizen Budget Oversight Committee members. This Training shall, at a minimum, consist of two (2) hours and cover the following topics:~~
 - 5.1.1 ~~Overview of education budget process and timeliness~~
 - 5.1.2 ~~Instruction in the basic rules of budgeting, including State of Delaware funds, local funds, and federal funds;~~
 - 5.1.3 ~~State Financial Management System; and~~
 - 5.1.4 ~~Reporting requirements.~~

6.04.0 District School Board and Charter School Board Financial Responsibility Training Requirement

- 6.1 ~~Each member of a Citizen Budget Oversight Committee shall attend and receive a Certificate of Completion for the Citizen Budget Oversight Committee training within three ((3)) months of subsequent appointment to a Citizen Budget Oversight Committee. Provided further, additional training may be required from time to time as determined by the Department. District School Board, Charter School Board and Citizen Budget Oversight Committee Financial Responsibility Training, including frequency and required trainings, is outlined in 14 DE Admin. Code 734.~~

7.0 ~~Schedule of School Board Financial Training~~

- 7.1 ~~The Department shall annually publish a list of date(s) for Training. The Training shall be conducted by a Trainer as defined in this regulation.~~

13 DE Reg. 1203 (03/01/10)

21 DE Reg. 213 (09/01/17) (Final)