

# 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

### PROPOSED

#### Education Impact Analysis Pursuant To 14 Del.C. Section 122(D)

#### 736 Local School District and Charter School Citizen Budget Oversight Committees

##### A. Type of Regulatory Action Required

New Regulation

##### B. Synopsis of Subject Matter of the Regulation

The Secretary of Education intends to amend 14 DE Admin. Code by adding a new regulation 736 Citizen Budget Oversight Committees pursuant to the requirements of House Substitute No. 1 to House Bill No. 119 of the 145<sup>th</sup> General Assembly. The regulation was first published in the November 2009 Register of Regulations and is now being re-published. The Department received several comments from several constituencies including citizens, lawmakers and the Governors Advisory Council for Exceptional Citizens and the State Council for Persons with Disabilities. This republication reflects most of the concerns raised. The most common comments related to the selection committee and the ability to reject a locally developed policy. The Department did not incorporate any changes in relation to comments related to compensation for the committee members or indemnification since this is an advisory board.

Persons wishing to present their views regarding this matter may do so in writing by the close of business on or before February 3, 2010 to Susan Haberstroh, Education Associate, Regulation Review, Department of Education, at 401 Federal Street, Suite 2, Dover, Delaware 19901. A copy of this regulation is available from the above address or may be viewed at the Department of Education business office.

##### C. Impact Criteria

1. Will the amended regulation help improve student achievement as measured against state achievement standards? This regulation establishes oversight committees for the finances of districts and charter schools pursuant to legislative action and does not specifically address student achievement as measured against state achievement standards.

2. Will the amended regulation help ensure that all students receive an equitable education? This regulation establishes oversight committees for the finances of districts and charter schools pursuant to legislative action and does not specifically address students receiving an equitable education.

3. Will the amended regulation help to ensure that all students' health and safety are adequately protected? This regulation establishes oversight committees for the finances of districts and charter schools pursuant to legislative action and does not specifically address student health and safety.

4. Will the amended regulation help to ensure that all students' legal rights are respected? This regulation establishes oversight committees for the finances of districts and charter schools pursuant to legislative action and does not specifically address students' legal rights.

5. Will the amended regulation preserve the necessary authority and flexibility of decision making at the local board and school level? This regulation establishes oversight committees for the finances of districts and charter schools. The authority and flexibility of the decision making at the local board or school levels are preserved.

6. Will the amended regulation place unnecessary reporting or administrative requirements or mandates upon decision makers at the local board and school levels? This regulation establishes oversight committees for the finances of districts or charter schools. It is not intended that unnecessary reporting or administrative requirements are imposed upon decision makers at the local board and school levels.

7. Will the decision making authority and accountability for addressing the subject to be regulated be placed in the same entity? This regulation establishes oversight committees for the finances of the district or charter

school. The financial decisions making authorities do not change with this new regulation.

8. Will the amended regulation be consistent with and not an impediment to the implementation of other state educational policies, in particular to state educational policies addressing achievement in the core academic subjects of mathematics, science, language arts and social studies? This regulation establishes oversight committees for the finances of the district or charter school and is not an impediment to the implementation of other state educational policies, in particular, those addressing achievement in the core academic subjects.

9. Is there a less burdensome method for addressing the purpose of the regulation? The Department has asked for feedback from the business managers and charter directors and believes there is not a less burdensome method for compliance with the legislation.

10. What is the cost to the State and to the local school boards of compliance with the regulation? There are no specific costs identified with compliance with the regulation. There may be minimum costs related to the actual meetings, notices and any reproduction of material costs.

## **736 Local School District and Charter School Citizen Budget Oversight Committees**

### **1.0 Purpose**

- 1.1 The purpose of this regulation is to outline procedures, criteria and responsibilities related to the local school district and charter school Citizen Budget Oversight Committees required pursuant to 14 Del.C. §1508. The Citizen Budget Oversight Committee is solely established to oversee the financial position of the local school district or charter school it is assigned to oversee. The local school board or 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.

"Charter School" shall mean a school pursuant to 14 Del.C., Ch. 5.

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

"Trainer" means an individual approved by the Secretary of Education to provide the Citizen Budget Oversight Committee training.

### **3.0 Committee Members for Local School Districts**

- 3.1 Each Local School District shall be required to establish a 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 Local School District 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.

- 3.2 The Committee shall have at least five (5) members with representation from parents, educators and taxpayers residing in the district. 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.

- 3.3 Each Local School district may establish its own policy for its Citizen Oversight Budget Committee. 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 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 3.4

- 3.3.1 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 The Department's Citizen Budget Oversight Committee membership provisions shall be as follows:
- 3.4.1 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:
- 3.4.1.1 Membership pursuant to 3.2;
- 3.4.1.2 Conflict of interest, and disqualification from membership upon identification thereof, criteria;
- 3.4.1.3 Selection, or removal, of the Chairperson to be determined by a majority of the membership of the committee;
- 3.4.1.4 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
- 3.4.1.5 Experience and statement for reason for participation on the Committee.
- 3.4.2 Post the request for Committee members for at least fifteen (15) work days on its website and all school building main entrance doors;
- 3.4.3 Identify and post on its website the Selection Committee that consists of one educator from the district, one local school board member, one member of the local teacher's union, and at least two parents or community members who are not district employees or local school board members; and
- 3.4.4 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.

## **6.0 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.

**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. 886 (01/01/10) (Prop.)**