

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 by adding a new regulation 736 Local School District and Charter School Citizen Budget Oversight Committees pursuant to the requirements of House Substitute No. 1 to House Bill No. 119 of the 145th 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.

Notice of the proposed regulation was published in the *News Journal* and the *Delaware State News* on Tuesday, January 5, 2010, in the form hereto attached as Exhibit "A". Comments were received from Governor's Advisory Council for Exceptional Citizens, the State Council for Persons with Disabilities, and two citizens. The Councils commented that the stated two hours of training is considered insufficient and that the oversight committee be provided insurance coverage or right to indemnification. The Department has provided for additional training as outlined in 6.1. In addition, this section can be revisited and amended based on any feedback from the districts and charter schools and their committee members on this training component. The citizen comments included a suggestion to add language to §3.1, which the Department has incorporated, and a suggestion that the committee reports be posted on the district or charter school website. At this time, the Department will not require website posting of committee reports.

II. Findings of Facts

The Secretary finds that it is appropriate to amend Title 14 of the Delaware Administrative Code by adding a new regulation 736 Local School District and Charter School Citizen Budget Oversight Committees pursuant to the requirements of House Substitute No. 1 to House Bill No. 119 of the 145th General Assembly.

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 February 18, 2010. 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 18th day of February 2010.

DEPARTMENT OF EDUCATION

Lillian M. Lowery, Ed.D., Secretary of Education

Approved this 18th day of February 2010

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 [as permitted by the state's Freedom of Information Act].
- 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.

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