

DEPARTMENT OF EDUCATION
OFFICE OF THE SECRETARY

Statutory Authority: 14 Delaware Code, Section 122(b)(11) (14 **Del.C.** §122(b)(11))
14 **DE Admin. Code** 735

PROPOSED

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

735 Standardized Financial Reporting

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 titled 735 Standardized Financial Reporting that is now required by passage of House Bill 21 from the 144th General Assembly. This regulation requires all school districts and charter schools to post the summary of their financial documentation on their respective website. The format of the documentation is prescribed by the Department.

Persons wishing to present their views regarding this matter may do so in writing by the close of business on or before November 5, 2007 to Susan Haberstroh, Education Associate, Regulation Review, Department of Education, at 401 Federal Street, Suite 2, Dover, DE 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 outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format and does not specifically address student achievement as measured against the state achievement standards.

2. Will the amended regulation help ensure that all students receive an equitable education? This regulation outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format and does not specifically address the assurance that all students receive and equitable education.

3. Will the amended regulation help to ensure that all students' health and safety are adequately protected? This regulation outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format and does not specifically address the health and safety of students.

4. Will the amended regulation help to ensure that all students' legal rights are respected? This regulation outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format and does not specifically address the assurance that all students' legal rights are respected.

5. Will the amended regulation preserve the necessary authority and flexibility of decision making at the local board and school level? This regulation outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format and does not change any of the authority or flexibility of decision making at the local board or school level.

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 outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format so therefore does affect the reporting and administrative requirements. This is a new requirement pursuant to the 14 **Del. C.** §122 (b)(11).

7. Will the decision making authority and accountability for addressing the subject to be regulated be placed in the same entity? This regulation outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format and does not change the entity where

decision making authority or accountability currently lies.

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 outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format and is not an impediment to the implementation of other state educational policies.

9. Is there a less burdensome method for addressing the purpose of the regulation? This regulation outlines the criteria and process for school districts and charter schools in reporting financial information to the public in a standardized format as mandated by statute. There is not a less burdensome method for addressing this requirement.

10. What is the cost to the State and to the local school boards of compliance with the regulation? There are no substantive additional costs to the State or local school boards for compliance with this regulation.

735 Standardized Financial Reporting

1.0 Purpose

The purpose of this regulation is to outline the criteria and process for the required standardized financial reporting pursuant to 14 Del.C. §122 (b)(11).

2.0 Definitions

“Charter School” shall mean a charter school board established pursuant to Chapter 5 of Title 14 of the Delaware Code.

“District” shall mean a reorganized school district or vocational technical school district established pursuant to Chapter 10 of Title 14 of the Delaware Code.

3.0 Standardized Financial Report

3.1 Standardized Financial Report shall mean the summary of the District’s or Charter School’s financial documentation provided in a format approved by the Department of Education that includes, but is not limited to, the District’s or Charter School’s most current expenditure and revenue budgets. This documentation shall include encumbrances, expenditures, and remaining balances by category as prescribed in the approved format. Districts and Charter Schools shall indicate on the Standardized Financial Report whether the most current expenditure and revenue budgets are preliminary, amended or have been finalized by its approving entity.

4.0 Reporting Requirements and Timelines

4.1 Effective February 1, 2008, each District and Charter school, no later than five (5) working days after the most recent District or Charter School board meeting, shall post the current Standardized Financial Report on its website. Provided further, the District or Charter School shall provide the preliminary or final Standardized Financial Report for the current school year, no later than January 1st of each year.