SPONSOR: Rep. K. Williams & Sen. Peterson
Reps. Baumbach, Bennett, Bolden, Brady, J. Johnson, Keeley, Kowalko, Lynn, Matthews, Mitchell, Mulrooney, Osienski, Potter, B. Short, Viola

HOUSE OF REPRESENTATIVES
148th GENERAL ASSEMBLY

HOUSE BILL NO. 186

AN ACT TO AMEND TITLES 14 AND 29 OF THE DELAWARE CODE RELATING TO OVERSIGHT OF CHARTER SCHOOLS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 513(a), Title 14 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 513 Reporting and oversight.

(a) On or before December 1, each charter school shall produce an annual report for the school year ending the previous June, which shall:

(1) Discuss the school's progress in meeting overall student performance goals and standards;

(2) Discuss the innovation occurring at the charter school, including but not limited to the areas of curriculum development, instruction, student culture and discipline, community and parental involvement, teacher and staff development, school operations and management, and extracurricular and after-school programming; and

(3) Contain ~~a financial statement setting forth by appropriate categories the school's revenues and expenditures and assets and liabilities.~~GAAP – compliant financial statements; and

(4) In the case of a single gender school, the report shall include the efforts made by the charter school to further advance its students' education and a quantitative analysis of its efforts and results in recruiting and retaining economically-disadvantaged students, regardless of race.

Each charter school seeking renewal of its charter shall produce the annual report as outlined above on or before September 30. The approving authority may, in its discretion and for good cause shown, elect to accept an annual report submitted subsequent to this deadline. To ensure that such reports provide parents and approving authorities with clear and comparable information about the performance of charter schools, the Department of Education shall prescribe a uniform format for such reports, which may be supplemented by requirements set by the approving authority for schools it has chartered. Each charter school shall be subject to and pay for a postaudit conducted by the Auditor of Accounts pursuant to § 2906, Title 29 of the Delaware Code. ~~The charter school shall contract to have an audit of the business and financial~~

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~~transactions, records, and accounts after July 1 for the prior fiscal year.~~ The results of the ~~audit~~ postaudit shall be shared with the Department of Education by October 1. A charter school shall display on its website the annual report including financial statement and ~~audit~~ postaudit required by this subsection. A charter school shall also display on its website all standardized financial report forms for the current fiscal year and the final monthly standardized financial report forms for each previous fiscal year of operation. Charter schools that are required to file Internal Revenue Service Form 990 shall post the current and prior year Form 990 on the website as well.

Section 2. Amend § 2906, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and redesignating accordingly:

§ 2906 Duties of the Auditor of Accounts.

(i) The Auditor of Accounts shall conduct postaudits of all financial transactions of all charter schools established under Chapter 5, Title 14 of the Delaware Code. The Auditor of Accounts shall have sole responsibility for the arrangements under which the charter school postaudits shall be conducted and for the selection of certified public accountants who shall make the postaudits. No charter school, nor any official or employee thereof, shall have any part in, or responsibility for, the selection of the certified public accountants, nor shall they make any arrangements, agreements, or contracts for the employment of the certified public accountants for the purpose of making charter school postaudits.

Section 3. This Act shall take effect with the Auditor of Accounts conducting the first postaudit hereunder for the postaudit periods starting on or after July 1, 2015.

SYNOPSIS

Currently, all school districts, including vocational schools, are subject to the Auditor of Accounts. Edits to the November 2010 Charter School Manual removed instructions for charter schools to go through Auditor of Accounts when contracting for audits. There is presently no legislative authority to require charter schools to submit to the Auditor of Accounts processes. This bill adds charter schools to the list of entities for audits through the Auditor of Accounts. The bill takes effect so that the Auditor of Accounts shall conduct postaudits for the time periods starting on or after July 1, 2015.