



Governor's Advisory Council for Exceptional Citizens (GACEC)
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MEMORANDUM

DATE: January 26, 2016

TO: The Honorable Members of the Delaware General Assembly

FROM: Robert D. Overmiller, Chairperson
GACEC

RE: **House Bill No. 186 (Charter School Audits)**

The Governor's Advisory Council for Exceptional Citizens (GACEC) has reviewed House Bill No. 186 which would add charter schools to the list of entities for audits through the Auditor of Accounts which currently includes all other school districts except charter schools. Council **endorses** the proposed legislation.

Financial irregularities and misuse of finances within multiple charter schools have been highly publicized in recent years. See attached articles. This has resulted in proposals to improve financial oversight of charter schools. At present, all school districts are subject to the Auditor of Accounts. In contrast, charter schools are not statutorily subject to the Auditor of Accounts. House Bill No. 186 would require charter schools to be subject to and pay the State Auditor of Accounts to conduct postaudits of their financial transactions for the time period starting on or after July 1, 2015.

Numerous incidents have been highlighted in the news in recent years on the misuse of funds and financial mismanagement by charter schools, such as using school funds to make personal purchases and unethical hiring practices. See attachments. House Bill No. 186 appears to be a prudent initiative to enhance safeguards in the use of State funds by charter schools. Charter schools are public schools and Auditor of Accounts involvement in audits should have a deterrent effect on the misuse of funds.

Thank you for your time and consideration of our observations. Please feel free to contact me or Wendy Strauss should you have any questions.

Enclosures