

# CAREER AND TECHNICAL EDUCATION

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PERFORMANCE AUDIT  
FISCAL YEARS ENDED JUNE 30, 2022 AND 2023



# CAREER AND TECHNICAL EDUCATION

## REPORT SUMMARY FISCAL YEAR ENDED JUNE 30, 2023 AND 2022

### BACKGROUND

The Office of Auditor of Accounts contracted a performance audit by Gunnip & Company, LLP to address certain objectives as detailed in the following report related to the State Career and Technical Education's (CTE) funding to the school districts for FYs 2023 and 2022.

This audit was conducted in accordance with the mandate contained within 14 Del. C. § 1706, which specifies that "...Random audits [of Division II appropriation funds] shall be scheduled and conducted by the State Auditor. The Secretary of Education shall request an annual report from the State Auditor evidencing an audit schedule of 10% of the affected schools." 29 Del. C. § 2906 establishes the duty of the Auditor of Accounts to "...conduct audits of all the financial transactions of all state agencies."

The General Assembly provides funding for secondary occupational-vocational Career and Technical Education through House Bill 509. The State funds that support CTE are commonly referred to as "509" funds based on the title of this legislation. Local Education Agencies (LEAs) meeting certain provisions receive State "509" funds as part of the school system's annual allocation. Delaware Admin Code provides guidance to LEAs in establishing CTE Programs of Study that are aligned to industry needs and provide equitable access, supports, and outcomes for students in grades 5 to 12.

This examination engagement was conducted in accordance with attestation standards established by the American Institution of Certified Public Accountants and Government Audit Standards issued by the Comptroller General of the United States of America.



# CAREER AND TECHNICAL EDUCATION

## REPORT SUMMARY FISCAL YEAR ENDED JUNE 30, 2023 AND 2022

### KEY INFORMATION AND FINDINGS

The audit resulted in four findings

Finding 1 – Some instructors were missing credential support for the occupational-vocational unit division II funds being earned.

Context: Some instructors were missing the proper credentials to teach CTE courses based on the licenses and/or certificates noted in the Delaware Educator Data System.

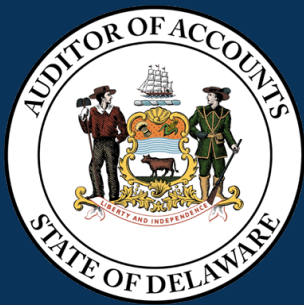
Finding 2 – There was inconsistency between requiring Vocational Education funds be allocated to the school that generated those funds versus the school district's ability to include those funds as part of its Alternative Reduction Plan (i.e. aka "give back").

Context: At least 90% of the occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, shall be allocated to each school that generates these funds and expended to support the State-approved occupational-vocational courses and programs at that school. If any school district requested a waiver of the 90% requirement, then the school district should have secured approval from the Executive Director of the Delaware Advisory Council on Career and Vocational Education, the Secretary of Education, and the Controller General.

Finding 3 – It would be beneficial for the CTE Division to provide further guidance on the documentation that should support State CTE expenditures.

Context: Auditors noted that while a number of expenditures did not meet CTE Federal expenditure guidelines, after further discussions with the school districts and State Director of CTE, such expenditures were allowable under the much broader use of State CTE funds.

For any questions regarding the attached report, please contact [OAOA\\_Comms@delaware.gov](mailto:OAOA_Comms@delaware.gov).



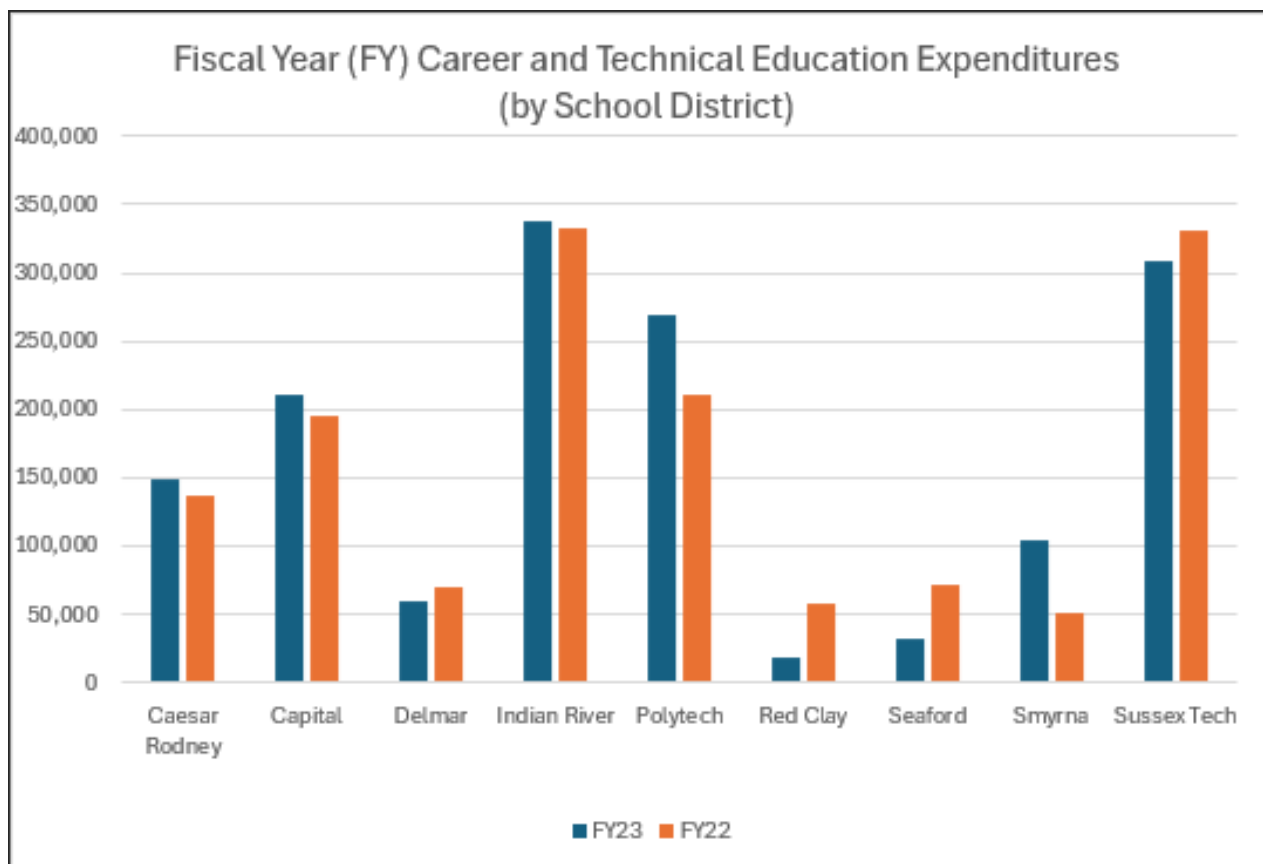
# CAREER AND TECHNICAL EDUCATION

## REPORT SUMMARY FISCAL YEAR ENDED JUNE 30, 2023 AND 2022

### KEY INFORMATION AND FINDINGS CONT.

Finding 4 – The SDs should establish reports with line-item accounts for occupational-vocational expenditures.

Context: Auditors did not note any specific reports being utilized by the sampled school districts that tracked occupational-vocational Division II Funds (CTE Funds) by object category line items, but rather they utilized various First State Financials reports that illustrated the type of expenditures that were applied against the State CTE funds appropriation account.



The State of Delaware Career and Technical Education Performance Audit of the State's CTE (509) Funds For Fiscal Years ended June 30, 2023 and 2022, can be found on our website: [Click Here](#)

State of Delaware

Career and Technical Education

Performance Audit of the State's CTE (509) Funds

For Fiscal Years Ending June 30, 2023 and 2022

November 17, 2025

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### **Abbreviations**

<b>AOA</b>	Auditor of Accounts
<b>AOC</b>	All Other Costs
<b>CTE</b>	Career and Technical Education
<b>DDOE</b>	Delaware Department of Education
<b>DE Admin Code</b>	Delaware Administrative Code
<b>DE Code</b>	Delaware Code
<b>DGL</b>	Delaware General Ledger
<b>FSF</b>	First State Financials
<b>LEA</b>	Local Education Agency (i.e. school district)
<b>IT</b>	Information Technology
<b>OMB</b>	Office of Management and Budget
<b>SDs</b>	School District or Districts



# **State of Delaware School Districts Career and Technical Education Performance Audits**

## **INTRODUCTION**

### **State Career and Technical Education Funds (509) for Secondary Programs**

In 1970, the 125th General Assembly provided funding for secondary occupational-vocational Career and Technical Education (CTE) units with a multiplier of one (1), two (2), or three (3) times the amount of non-CTE units through House Bill 509. The State funds that support CTE are commonly referred to as “509” funds based on the title of this legislation.

Local Education Agencies (LEAs) meeting the provisions of the Strengthening Career and Technical Education for the 21st Century Act (Perkins V), as outlined in the Delaware State Plan for Career and Technical Education and Delaware Administrative Code (DE Admin Code) 14 Del. C. §525, receive State “509” funds as part of the school system’s annual allocation. DE Admin Code 14 Del. C. §525 also provides guidance to LEAs in establishing CTE Programs of Study (POS) that are aligned to industry needs and provide equitable access, supports, and outcomes for students in grades 5 to 12.

### **Distribution of State Funds**

The Delaware unit system for funding schools is based on Title 14, Chapter 17 of Delaware Code (DE Code). LEAs implementing at least one State-approved POS receive State CTE funds based on September 30 enrollment and occupational-vocational unit (CTE) allotment. DE Code 14 Del. C. §1702(a) requires that appropriations for the support, maintenance, and operation of Delaware schools fall under three (3) divisions:

1. Division I includes state appropriations designated for the purpose of paying salaries;
2. Division II includes state appropriations for all other school costs and energy, except those for debt service and the transportation of students; and
3. Division III includes state appropriations for educational advancement.

### **Division I Funds**

DE Code 14 Del.C. §1703(g) defines an occupational-vocational unit (CTE) to mean 27,000 pupil minutes per week for comprehensive or charter school districts; however, units for students enrolled in technical school districts shall be counted on the basis of one (1) unit for each thirty (30) students enrolled. In addition, each eligible LEA may hire a CTE teacher for an additional fifteen (15) days for participation in program development and oversight of summer CTE cooperative programs. These CTE teachers are entitled to payment of the State share of salaries according to the guidelines found in DE Code 4 Del. C. §1703(j). AgriScience teachers may be employed for 12 months and paid in accordance with DE Code 14 Del. C. §1305. These CTE teachers are entitled to payment of the State share of salaries according to the guidelines found in DE Code 14 Del. C. §1321(h). Student enrollment and unit computation reporting requirements and preparation guidelines are available through the Delaware Department of Education (DDOE) September 30th Enrollment and Unit Allotment Regulations.

## **State of Delaware School Districts Career and Technical Education Performance Audits**

### **Division II Funds**

The funds appropriated to each LEA for CTE related expenses included in Division II – Voc AOC appropriation are based upon the Division II Voc AOC unit (Voc AOC unit) multiplied by an approved legislative amount for each Voc AOC unit (\$2,925 per unit for fiscal year (FY) 2023 and 2022). The Voc AOC unit is determined by multiplying the CTE Division I earned units by a level of funding for each CTE course. The CTE funds are to be used for the purchase of textbooks, furniture, other classroom equipment, as well as consumable materials and supplies needed to maintain the CTE POS. All purchases made using state funds must adhere to the guidelines found in the Delaware Budget and Accounting Policy Manual.

In 2000, Senate Bill 385 stipulated that at least 90% of the Division II – Voc AOC funds, with the exception of Division II-Energy funds, must be allocated to the school that generates these funds and expended to support the state approved CTE POS at that school. Each LEA, with the exception of charter schools, must establish line-item accounts for Division II – Voc AOC funds. These funds are in addition to the regularly generated units and all other financial resources normally allocated to each school through DE Code 14 Del. C. §1706. LEAs may request a waiver of the 90% requirement subject to the approval of the Executive Director of the Delaware Advisory Council on Career and Technical Education, the Secretary of Education, and the Controller General. Waiver requests must be submitted to the Secretary of Education by November 15 of each year.

### **Audit**

AOA is authorized, under 29 Del. C., c. 29, to perform post audits of all the financial transactions of all State agencies. In addition, 14 Del. C. § 1706 states, “At least 90% of the occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, shall be allocated to each school that generates these funds and expended to support the State-approved occupational-vocational courses and programs at that school. ... Random audits shall be scheduled and conducted by the State Auditor. The Secretary of Education shall request an annual report from the State Auditor evidencing an audit schedule of 10% of the affected schools.”

The AOA contracted a performance audit by Gunnip & Company, LLP (Gunnip) to address certain objectives as detailed in the following report related to the State CTE’s funding to the school districts (SDs) for FYs 2023 and 2022.



**State of Delaware School Districts  
Career and Technical Education Performance Audits**

**OBJECTIVES, OBSERVATIONS AND FINDINGS**

**Objective 1**

To determine if the occupational-vocational unit Division II funds earned and allocated to the following school districts were properly computed based on the unit count figures and its underlying support (courses, instructors, enrollment, minutes, etc.).

<b>Casear Rodney</b>	<b>Red Clay</b>
<b>Capital</b>	<b>Seaford</b>
<b>Delmar</b>	<b>Smyrna</b>
<b>Indian River</b>	<b>Sussex Tech</b>
<b>Polytech</b>	

**Relevant Regulation for Objective 1**

DE Code 14 §1703 - Unit of pupils(g) An occupational-vocational unit for financing purposes shall mean 27,000 pupil minutes per week; provided, however, units shall be counted on the basis of 1 unit for each 30 students for students enrolled in the New Castle County Vocational-Technical School District, the Kent County Vocational-Technical School District and the Sussex County Vocational-Technical School District. Computation of 27,000 pupil minutes per week shall be in accordance with the rules and regulations established by the Department of Education.

DE Code 14 §1510 to §1559 - CTE Program Educators and CTE POS educators must hold both a Delaware teaching license and at least one certificate. The license authorizes an educator to work in a LEA. The certificate identifies the area for which the educator is authorized to practice. CTE certificates are issued in the areas of agriscience, business education, family and consumer sciences, marketing education, and technology education. In addition, a skilled and technical sciences certificate may be issued in a specific career area for a CTE teacher candidate with related work experience (e.g., Skilled and Technical Sciences (STS) in Therapeutic Services (Allied Health), Skilled and Technical Sciences (STS) Construction (Electrician), Skilled and Technical Sciences (STS) Programming and Software Development). The DDOE's Delaware Educator Data System (DEEDS) portal provide information regarding all CTE teacher licensure and certification requirement.

**Context and Sampling for Objective 1**

In connection with **Objective 1**, the underlying courses (and corresponding instructors) and enrollment for FY 2023 (school year 2022-2023) and 2022 (school year 2021-2022) were tested for nine of the State's 19 SDs.

**State of Delaware School Districts  
Career and Technical Education Performance Audits**

School District	Fiscal Year 2023				Fiscal Year 2022			
	Courses	Sampled	Enrollment	Sampled	Courses	Sampled	Enrollment	Sampled
Caesar Rodney	66	7	4,486	45	67	7	4,153	42
Capital	60	6	3,188	32	60	6	3,771	38
Delmar	27	5	1,289	15	28	5	1,221	15
Indian River	100	10	8,929	90	98	10	8,301	84
Polytech	62	7	1,259	15	63	7	1,196	15
Red Clay	150	15	6,486	65	135	14	6,312	64
Seaford	33	5	2,214	23	37	5	1,581	16
Smyrna	72	8	5,335	54	66	7	3,989	40
Sussex Tech	52	6	1,361	16	52	6	1,306	15
Total	622	69	34,547	355	606	67	31,830	329

**Our Observations and Recommendations for Objective 1**

**Finding 1 - Some instructors were missing credential support for the occupational-vocational unit division II funds being earned**

**Condition:** A summary of the findings by district and support category are listed below.

<b><i>Findings</i></b>			
School District		FY 2023 (School Year 2022-2023) September 30, 2022 Units	FY 2022 (School Year 2021-2022) September 30, 2021 Units
Indian River			
	Courses	None	None
	Instructor Qualifications	Instructor for 1 out of 10 courses tested missing credential support	None
	Student Attendance	None	None
Red Clay			
	Courses	None	None
	Instructor Qualifications	Instructors for 2 out of 15 courses tested missing credential support	Instructors for 3 out of 14 courses tested missing credential support
	Student Attendance	None	None
Smryna			
	Courses	None	None
	Instructor Qualifications	Instructor for 1 out of 8 courses tested missing credential support	None
	Student Attendance	None	None

## State of Delaware School Districts Career and Technical Education Performance Audits

### Criteria: DE Code 14 §1510 to §1559 - CTE Program Educators

CTE Program Educators and CTE POS educators must hold both a Delaware teaching license and at least one certificate. The license authorizes an educator to work in a LEA. The certificate identifies the area for which the educator is authorized to practice. CTE certificates are issued in the areas of agriscience, business education, family and consumer sciences, marketing education, and technology education. In addition, a skilled and technical sciences certificate may be issued in a specific career area for a CTE teacher candidate with related work experience (e.g., Skilled and Technical Sciences (STS) in Therapeutic Services (Allied Health), Skilled and Technical Sciences (STS) Construction (Electrician), Skilled and Technical Sciences (STS) Programming and Software Development). The DDOE's Delaware Educator Data System (DEEDS) portal provide information regarding all CTE teacher licensure and certification requirement.

**Cause:** Some instructors were missing the proper credentials to teach CTE courses based on the licenses and/or certificates noted in in DEEDS. This may be the result of school districts not confirming the licenses and/or certificates presently recorded in DEEDS or allocating instructors to classes without the proper licenses and/or certificates.

**Effect:** Some CTE courses are accumulating Division II minutes, units and corresponding funding that they may not be entitled to if the instructor does not have the proper credentials in accordance with DE Admin. Code.

**Recommendation:** We recommend that the SDs reassess the processes they have in place to ensure all instructors are properly qualified to teach the CTE courses that have been assigned. In addition, we recommend the CTE or licensing division at the DDOE consider providing each SD a periodic list of all instructors and their corresponding qualifications to teach CTE classes based on the information they presently have in their system. This would help ensure that all instructors are properly qualified, and the DDOE system is up-to-date and aligned with the SDs.

#### ***View of Responsible Officials:***

See District responses to findings and recommendation on pages 15 to 18.

See DDOE response to findings and recommendation on page 19.

**State of Delaware School Districts  
Career and Technical Education Performance Audits**

**Objective 2**

**To determine if those school districts complied with 14 Del. C. §1706 by allocating at least 90% of their occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, to the school that generated those funds. If any school district requested a waiver of the 90% requirement, then the school district should have secured approval from the Executive Director of the Delaware Advisory Council on Career and Vocational Education, the Secretary of Education, and the Controller General. The waiver requests should have been submitted to the Secretary of Education by November 15 of each year. The Secretary of Education should have notified the school district as to the disposition of the waiver request no later than January 4 of the following year.**

**Relevant Regulation for Objective 2**

DE Code 14 §1706 - The funds appropriated to each district for expenses included in Division II are based upon each occupational-vocational unit as defined in DE Code 14 §1703 of this title and shall be either 1, 2 or 3 times the amount determined for each non-occupational-vocational unit as designated according to rules and regulations of the Department of Education. At least 90% of the occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, shall be allocated to each school that generates these funds and expended to support the State-approved occupational-vocational courses and programs at that school. Each school district shall establish line-item accounts for occupational-vocational Division II funds. These funds are in addition to the regularly generated units and all other financial resources normally allocated to each school. Random audits shall be scheduled and conducted by the State Auditor. The Secretary of Education shall request an annual report from the State Auditor evidencing an audit schedule of 10% of the affected schools.

Local school districts may request a waiver of the 90% requirement subject to the approval of the Executive Director of the Delaware Advisory Council on Career and Vocational Education, the Secretary of Education, and the Controller General. Such waiver requests must be submitted to the Secretary of Education by November 15 of each year. The Secretary of Education shall notify the local school districts as to the disposition of the waiver request no later than January 3 of the following year.

**Context and CTE Units for Objective 2**

In connection with **Objective 2**, the underlying Division II minutes and corresponding CTE units for FY 2023 (school year 2022-2023) and 2022 (school year 2021-2022) were tested for nine of the State's 19 SDs.

**State of Delaware School Districts  
Career and Technical Education Performance Audits**

School District	<u>Fiscal Year 2023</u>		<u>Fiscal Year 2022</u>	
	Div II Minutes	CTE Units	Div II Minutes	CTE Units
Caesar Rodney	1,614,202.50	59.79	1,725,411.25	63.90
Capital	1,362,248.00	50.45	1,650,072.50	61.11
Delmar	647,000.00	23.96	746,500.00	27.65
Indian River	3,285,925.90	121.70	3,635,931.45	134.66
Polytech	3,142,800.00	116.40	3,129,300.00	115.90
Red Clay	3,629,305.00	134.42	3,584,758.50	132.77
Seaford	684,100.50	25.34	667,693.75	24.73
Smyrna	2,465,900.00	91.33	3,196,480.00	118.39
Sussex Tech	3,400,200.00	125.93	3,448,800.00	127.73
Total	20,231,681.90	749.32	21,784,947.45	806.84

**Our Observation and Recommendation for Objective 2**

**Finding 2 – Inconsistency between requiring Voc Ed funds be allocated to the school that generated those funds versus the SD’s ability to include those funds as part of its Alternative Reduction Plan (i.e. aka “give back”).**

**Condition:** Based on the Voc Ed AOC Division II funds earned by the nine districts selected for audit, three of the districts (Polytech, Red Clay and Seaford) in FY 23 and four districts (Polytech, Red Clay, Seaford and Smyrna) in FY 22, applied either all or part of its allocation to their SDs Alternative Reduction Plan.

**Criteria:** The funds appropriated to each district for expenses included in Division II are based upon each occupational-vocational unit as defined in DE Code 14 § 1703 of this title and shall be either 1, 2 or 3 times the amount determined for each non-occupational-vocational unit as designated according to rules and regulations of the Department of Education. At least 90% of the occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, shall be allocated to each school that generates these funds and expended to support the State-approved occupational-vocational courses and programs at that school. If any SD requested a waiver of the 90% requirement, then the SD should have secured approval from the Executive Director of the Delaware Advisory Council on Career and Vocational Education, the Secretary of Education, and the Controller General.

**Cause:** Some SDs have applied either all or part of their Division II the occupational-vocational to their SD’s Alternative Reduction Plan.

**Effect:** Without some more definitive guidance addressing the possible exceptions to the requirements of DE Code 14 Del. C. §1706, there can be some confusion on whether such CTE funds can be returned as part of the State’s Alternative Reduction Plan.

**Recommendation:** We recommend that the Attorney General (AG) determine the Legislative Intent of the DE Code 14 Del. C. §1706 and provide more definitive guidance on whether it is not necessary to comply with that legislation or whether that regulation can be overridden and allow for those CTE funds to be included as part of a district’s Alternative Reduction Plan.

**State of Delaware School Districts  
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***View of Responsible Officials:***

While we recommended the AG respond to this finding, we were informed that the recommendation is outside their jurisdiction. Accordingly, we will continue to work with the DDOE and AOA to determine the best path to address this finding.

**State of Delaware School Districts  
Career and Technical Education Performance Audits**

**Objective 3**

To determine if the CTE expenditures within the aforementioned school districts were expended to support the State approved occupational-vocational courses and programs at each school.

**Context and Sampling for Objective 3**

In connection with **Objective 3**, the following expenditures were tested for FY 2023 (school year 2022-2023) and 2022 (school year 2021-2022) were tested for nine of the State's 19 SDs.

School District	<u>Fiscal Year 2023</u>		<u>Fiscal Year 2022</u>	
	Expenditures	Sampled	Expenditures	Sampled
Caesar Rodney	149,867	25	136,539	25
Capital	211,071	25	195,424	25
Delmar	60,167	12	70,554	13
Indian River	338,455	25	332,085	25
Polytech	268,769	25	210,354	25
Red Clay	18,478	4	58,150	12
Seaford	31,616	9	71,070	14
Smyrna	104,059	25	51,643	14
Sussex Tech	307,845	25	330,194	25
Total	1,490,327	175	1,456,013	178

**Our Observations and Recommendations for Objective 3**

**Finding 3 – It would be beneficial for the CTE Division to provide further guidance on the documentation that should support State CTE expenditures.**

**Condition:** As we audited numerous CTE expenditures, we noted that while a number of expenditures did not meet CTE Federal expenditure guidelines, after further discussions with the SDs and State Director of CTE such expenditures were allowable under the much broader use of State CTE funds. Without further documentation or discussions, it is not always readily determinable if State CTE expenditures are aligned with CTE POS or programs.

**Criteria:** The funds appropriated to each LEA for expenses included in CTE Division II (Division II – Voc AOC) are determined by providing a sum for each unit of students for the purchase of textbooks, furniture, other classroom equipment, as well as consumable materials and supplies needed to maintain the CTE POS. All purchases made using State funds must adhere to the guidelines found in the Delaware Budget and Accounting Policy Manual.

**Cause:** While there is a lot of guidance on how Federal CTE funds can be expended, there is not much detail on how State CTE funds should be monitored and tracked.

**Effect:** Without more detail guidance, there is the opportunity for CTE funds to be inadvertently utilized for non-CTE related items.



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***Recommendation:*** We recommend the State CTE program guidance should include more documentation detailing how State CTE expenditures are in alignment with a particular course or program. The State's CTE division should also update their latest Fiscal Accounting Policies and Procedures Manual (from August 2021) to require more documentation to support their use of State CTE funds as well as making sure it is current with the latest CTE requirements.

***View of Responsible Officials:***

See DDOE response to finding and recommendation on page 19.

## State of Delaware School Districts Career and Technical Education Performance Audits

### **Objective 4**

**To determine if the aforementioned school districts established line-items accounts for occupational-vocational Division II Funds**

### **Relevant Regulation for Objective 4**

**14 Del. C. §1706 - Determination of amount of Division II appropriation.** As cited previously, the funds appropriated to each SD for expenses included in Division II shall be determined by providing a sum, which shall be uniform for all SDs throughout the State, for each unit of pupils in such school district provided that the sum allocated during the school year for new and additional units in a school district in which the additional units have no facilities and in which the additional units give a total number of units in excess of the maximum present at any time during the past five years may exceed the uniform amount appropriated for expenses included in Division II; such moneys shall be used for the purchase of textbooks, furniture and other classroom equipment.

The first paragraph of this section notwithstanding, the funds appropriated to each SD for expenses included in Division II based upon each occupational-vocational unit as defined in § 1703 of this title shall be either 1, 2 or 3 times the amount determined for each non-occupational-vocational unit as designated according to rules and regulations of the DDOE. At least 90% of the occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, shall be allocated to each school that generates these funds and expended to support the State-approved occupational-vocational courses and programs at that school. **Each school district shall establish line-item accounts for occupational-vocational Division II funds.** These funds are in addition to the regularly generated units and all other financial resources normally allocated to each school. Random audits shall be scheduled and conducted by the State Auditor. The Secretary of Education shall request an annual report from the State Auditor evidencing an audit schedule of 10% of the affected schools.

### **Our Observation and Recommendation for Objective 4**

**Finding 4 – The SDs should establish reports with line-item accounts for occupational-vocational expenditures.**

**Condition:** Our interpretation of Delaware Code would be to establish reports that illustrate the tracking of State CTE expenditures by object categories (salaries, textbooks, equipment, materials, supplies, etc.) Based on the nine districts tested, we did not note any specific reports being utilized by the sampled SDs that tracked occupational-vocational Division II Funds (CTE Funds) by object category line items, but rather they utilized various State FSF reports that illustrated the type of expenditures that were applied against the State CTE funds appropriation account.

**Criteria:** The first paragraph of this section notwithstanding, the funds appropriated to each SD for expenses included in Division II are based upon each occupational-vocational unit as defined in §1703 of this title and shall be either 1, 2 or 3 times the amount determined for each non-occupational-vocational unit as designated according to rules and regulations of the Department of Education. occupational-vocational courses and programs at that school. **Each school district shall establish line-item accounts for occupational-vocational Division II funds.**

## **State of Delaware School Districts Career and Technical Education Performance Audits**

***Cause:*** There is not a specific reporting template for State CTE expenditures that illustrate how the reporting should comply with the requirements of 14 Del. C. §1703.

***Effect:*** The SDs may not be complying with the intent of the legislation under 14 Del. C. §1706.

***Recommendation:*** We recommend that the Attorney General (AG) determine the Legislative Intent of the 14 Del. C. §1706 as it related to “Each school district shall establish line-item accounts for occupational-vocational Division II funds,” and whether just tracking the overall expenditures fulfils the Legislative Intent.

### ***View of Responsible Officials:***

While we recommended the AG respond to this finding, we were informed that the recommendation is outside their jurisdiction. Accordingly, we will continue to work with the DDOE and AOA to determine the best path to address this finding.

**State of Delaware School Districts  
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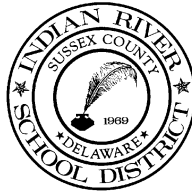
**APPENDIX I**

**Responses of Responsible Officials**

# INDIAN RIVER SCHOOL DISTRICT

“A Model of Excellence”

Jay F. Owens, Ed.D.  
Superintendent



Renee Jerns, Ed.D.  
Deputy Superintendent

Mr. Robert Wright, CPA  
Partner  
Gunnip & Company LLP  
Wilmington, DE 19808

Dear Mr. Wright,

The following is the response of the Indian River School District for the finding from the CTE Performance Audit as stated below:

## ***Criteria***

To determine if the occupational-vocational unit Division II funds earned and allocated to the school districts were properly computed based on the unit count figures and its underlying support (courses, enrollment, minutes, etc.).

## ***Condition***

We were able to obtain all proper documentation to determine instructor qualifications.

## ***Recommendation***

IRSD follow the IRSD policy for making sure teachers are certified and documentation is complete.

## ***Response***

The Instructor was hired as an Agriculture teacher on 9/1/2021. He was enrolled in the RELAY ARTC program on 6/21/2021 and he graduated from the program on 6/05/2023. He graduated from Delaware State University in 2019 in General Agriculture. He was required to enroll in and complete an ARTC program. He applied for his standard certification on 2/4/2022. He was not eligible for a standard certification because he was in an ARTC program. He received a deficiency in DEEDS on 3/15/2022. His Relay Graduate School-Masters' Transcript did not show the wording Student teaching. This is required by DDOE so his application was not processed. The district worked with DDOE to prove that he was completing student teaching during the entire time he was enrolled in his ARTC program. DDOE wanted to see the term "Student Teaching". His application was closed on 5/15/2023 even though IRSD was working with DDOE. He resubmitted his standard application on 5/18/2023 after the completion of his

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ARTC program. He conferred his master's degree from RELAY on 6/05/2023. On 8/28/2023-DDOE sent deficiencies in application to employee-missing student teaching. The district continued to work with DDOE to resolve the wording issue because the Instructor completed his ARTC program with student teaching throughout the entire program. His initial license and standard certificate were issued on 9/18/2023 after the district was able to resolve the student teaching wording issue with DDOE. His master's degree was reviewed and approved by DDOE on 11/7/2023.

Thank you for the opportunity to respond to this finding.

Sincerely,

*Chris Parker, CPA*

Director of Business & Finance

**DORRELL GREEN, Ed.D.**  
*Superintendent*

**TED AMMANN, MBA, Ed.D.**  
*Chief Operating Officer*

Response from Responsible Official  
Performance Audit of the State's (509) Funds for FY22 and FY23

Finding 1

In the case of two courses, Career and Technical Exploration (17.03301022) schools had assigned these courses to the course load of JDG teachers not recognizing that JDG contracted teachers may not have the requisite certifications.

To address this issue, when Master Schedules are created, we will ensure that schools confirm the appropriate certification of teachers of record for approved CTE/STS pathways.

Finding 2

In the case of one instructor, evidence of the appropriate credential was not in the employee's file. We identified this through our own internal human resources auditing procedures. When we found that the employee had not complied with requirements for certification, we notified him that he would not be eligible for further employment unless the issue was rectified. The employee complied and was ultimately issued a valid license.

We changed our onboarding process in FY23. The new process prevents an employee from being offered a teaching contract until we confirm that they are eligible for the appropriate certification.





# SMYRNA SCHOOL DISTRICT

82 Monrovia Avenue, Smyrna, Delaware 19977

Telephone (302) 653-8585

Fax (302) 659-6290

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October 6, 2025

Gunnip and Company LLP  
Little Falls Centre Two  
2751 Centerville Road, Suite 300  
Wilmington, DE 19808-1627

This letter serves as response to the findings identified in the FY 2023 CTE Audit for the Smyrna School District.

## Finding Number 1 – Instructor qualifications for one CTE instructor

During the timeframe of the sample for the selected CTE courses, the instructor of one course identified was a long-term substitute assigned to the classroom because of a vacancy and was assigned to that class based on their experience but was in this role as a substitute until a fully qualified instructor was secured in this CTE course. The district, at the time, continued their recruiting efforts, as with any vacant position, to secure highly qualified staff.

Sincerely,

Steven Gott  
Finance Director

The Smyrna School District does not discriminate in employment, educational programs, services or activities based on race, color, marital status, creed, religion, national origin, gender, age, genetic information, sexual orientation, gender identity, disability or any other protected category or status in accordance with state and federal laws. Inquiries should be directed to the District Superintendent.



## DEPARTMENT OF EDUCATION

Townsend Building  
401 Federal Street Suite 2  
Dover, Delaware 19901-3639  
<http://education.delaware.gov>

Cindy Marten  
Secretary of Education  
(302) 735-4000  
(302) 739-4654 - fax

October 8, 2025

Robert Wright, CPA  
Gunnip & Company, LLP (Gunnip)  
Little Falls Centre Two  
2751 Centerville Road, Suite 300  
Wilmington, DE 19808-1627

Dear Mr. Wright,

Thank you for forwarding the report, *Career and Technical Education Performance Audit of the State's (509) Funds for Fiscal Years Ending June 30, 2023 and 2022*. In response to your request,

... we are looking for your responses to the following items -

- 1) *Objective 1 - Finding 1 on page 5 and corresponding recommendation (In addition....) on page 6.*
- 2) *Objective 3 – Finding 3 on page 9 with corresponding recommendation on page 10.*

DOE's statement is:

1. The Department of Education routinely audits educators' credentials and makes reporting tools available to LEAs via its platform, DEEDS (Delaware Educator Data System). DEEDS also provides a public search tool to verify an educator's qualifications and credentials online. House Bill 97, signed into law in September 2025, requires LEAs to financially reimburse salary for unlicensed educators longer than 90 days from date of employment starting in School Year 2026-2027.
2. The Department of Education agrees with the recommendation that State CTE program guidance should include more documentation detailing the use the State's 509 funds via the *Fiscal Accounting Policies and Procedures Manual*.

Sincerely,

Cynthia Marten  
Secretary of Education

**State of Delaware School Districts  
Career and Technical Education Performance Audits**

**APPENDIX II**

**Audit Scope, Compliance, Methodology, Results and Conclusion**

## **State of Delaware School Districts Career and Technical Education Performance Audits**

### **Scope**

The Performance Audit was fiscal years 2022 and 2023 which covers the period from July 1, 2021 to June 30, 2023. Since the audit is primarily focused on the school districts, fiscal year 2022 represents school year 2021-2022 and fiscal year 2023 represents school year 2022-2023.

The following nine school districts were included in the performance audit

<b>Casear Rodney</b>	<b>Red Clay</b>
<b>Capital</b>	<b>Seaford</b>
<b>Delmar</b>	<b>Smyrna</b>
<b>Indian River</b>	<b>Sussex Tech</b>
<b>Polytech</b>	

### **Compliance with GAGAS**

We conducted this performance audit in accordance with *Government Auditing Standards* as issued from the U.S. Government Accountability Office by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Planning and Risk Assessments**

In order to properly conduct the performance audit, Gunnip obtained an understanding of the objectives based on the following:

- Review of applicable section of the Delaware Code and Delaware Administrative Code
- Reviewed any prior reports on CTE and determined their impact on the current performance audit objectives.
- Interviews and discussions with DOE and school district personnel regarding the CTE programs.
- Performed risk assessments over CTE expenditures taking into account the size, complexity and resources at each School District.
- Obtained an understanding of the control environment at each School District that could possibly impact the CTE unit counts and its corresponding funding and expenditures.
- Had engagement team meetings with both Gunnip and AOA staff to discuss the performance audit risks and testwork.
- Made inquiries with management regarding compliance with laws and regulations, risks, internal controls and fraud and abuse.
- Unit Count/Enrollment samples were based on student listings from the Unit Count Plus system for CTE approved classes.

**State of Delaware School Districts  
Career and Technical Education Performance Audits**

**Methodology and Summary of Results**

**Objective 1 – Determine if the occupational-vocational unit Division II funds earned and allocated to the following SDs were properly computed based on the unit count figures and its underlying support (courses, enrollment, minutes, etc.).**

**Methodology/Procedures**

- Obtain the certified CTE (Vocational Division II) Unit figures maintained from DDOE and agree to the DDOE's Division II Transfer Sheet.
- Determine if the SD has the underlying support for the CTE unit count figures.
  - Obtain the CTE Total by District for year and reconcile to the Division II Minutes by School for the year.
  - Determine the cluster categories and corresponding course codes listed on the CTE Totals by District are all approved CTE courses (sample).
  - Obtain the Division minutes for each approved CTE course and recalculate the total amount of minutes and Division II Units based upon the enrollment for each course, the minutes for that course and the funding level.
  - Determine the school district/school has a student list that supports the enrollment in the CTE Totals by District. (sample) and verify attendance.
  - Based upon the cluster categories and corresponding course codes listed on the CTE Totals by District, obtain a list of the instructors teaching those courses and verify that they have the proper credentials to teach such courses (sample).

**Results and Conclusion**

- Our Observations and Recommendations described above.
- Except for the findings included in Finding 1 above, the school districts CTE unit count allotment was properly computed based on the underlying support.

## **State of Delaware School Districts Career and Technical Education Performance Audits**

**Objective 2 – Determine if those school districts complied with 14 Del. C. §1706 by allocating at least 90% of their occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, to the school that generated those funds. If any SD requested a waiver of the 90% requirement, then the SD should have secured approval from the Executive Director of the Delaware Advisory Council on Career and Vocational Education, the Secretary of Education, and the Controller General. The waiver requests should have been submitted to the Secretary of Education by November 15 of each year. The Secretary of Education should have notified the SD as to the disposition of the waiver request no later than January 4 of the following year.**

### **Methodology/Procedures**

- Based upon the certified CTE (Vocation Division II) Unit figures maintained by the DDOE and carried forward to the DDOE's Division II Transfer Sheet, recalculate the balance due to each SD from the Division II Transfer Sheet based on the legislatively approved dollars per units and the allocation of 90% of those funds to the corresponding SDs after the reduction of the SD's indirect costs.
- Agree the amount due to each SD from Division II Transfer Sheet to the amounts appropriated on the DGL 060.
- Based upon the Division II Transfer Sheet, determine the amount of the 90% allocation to the SD should be allocated to the schools that earned those funds.
- Obtain the SD's allocation to each school and agree the recalculation to school level allocation in FSF.
- If the funds allocated to the school are less than the 90%, excluding the indirect costs, obtain the waiver approved by the Executive Director of the Delaware Advisory Council on Career and Vocational Education, Secretary of Education, and the Controller General approving the superseding of the requirement.

### **Results and Conclusion**

- Our Observation and Recommendation described above.
- Except for the observation included in Finding 2 above, the SDs allocated at least 90% of their occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, to the school that generated those funds.

**State of Delaware School Districts  
Career and Technical Education Performance Audits**

**Objective 3 - Determine if the CTE expenditures within the aforementioned school districts were expended to support the State approved occupational-vocational courses and programs at each school.**

Methodology/Procedures

- Obtain expenditure data from FSF (DGL 011) for the SDs selected for testing. Select a sample (between 10% of total transactions or 25 for each SD).
- Agree the total expenditure detail from the DGL 011 to the DGL 060.
- Obtain supporting documentation for expenditures and determine if the cost has been properly approved and is an allowable CTE State expense.

Results and Conclusion

- Our Observations and Recommendations described above.
- Except for the observation included in Finding 3 above, it was determined that all school district expenditures supported State approved occupational-vocational courses and programs.

**Objective 4 - Determine if the aforementioned school districts established line-items accounts for occupational-vocational Division II Funds.**

Methodology/Procedures

- Obtain reporting maintained by the SDs for tracking CTE funding and corresponding expenditures.
- Reconcile the reporting for each school district to the funding (DoE Transfer Sheet) and the total expenditures (DGL 060).

a. Results and Conclusion

1. Our Observation and Recommendation described above
2. Except for the observation noted in Finding 4 above, the school districts track the expenditures against the corresponding appropriation for their occupational-vocational Division II Funds.



**State of Delaware School Districts  
Career and Technical Education Performance Audits**

**Appendix III**

**Overview**

## **State of Delaware School Districts Career and Technical Education Performance Audits**

### **Authority and Contracted Performance Audit**

In accordance with 14 Del. C. §1504, the Office of Auditor of Accounts is directed to examine the number of authorized positions versus the number of actual positions a district has employed as part of the regular, annual audit review for all public-school districts that commence on or after July 1, 1991.

The AOA contracted a performance audit by Gunnip & Company, LLP (Gunnip) to address certain objectives as detailed in the following report related to the State CTE's funding to the SDs for FYs 2023 and 2022

### **Performance Audits**

Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability. Performance audit objectives vary widely and include assessments of program effectiveness, economy, and efficiency; internal control; compliance; and prospective analyses. Audit objectives may also pertain to the current status or condition of a program. These overall objectives are not mutually exclusive.

### **Prior Relevant Reports**

Below is summary of the CTE related reports that have been issued over the last several years.

On October 31, 2018, the AOA issued a report on its performance audit of the Occupational-Vocation/Career and Technical Education (CTE) Program for the period July 1, 2017 through June 30, 2018.

A summary of the objectives of that performance audit and corresponding results was as follows:

**Objective 1:** Determine if school districts are in compliance with 14 Del. C. §1706 by allocating at least 90% of their occupational-vocational (CTE) funds to the school that generated those funds.

#### **Results**

The schools selected for testing are in compliance with 14 Del. C. §1706. All schools that generated the CTE funds were allocated greater than the required 90%. Please note, under 14 Del. C. §1706, Districts are allowed to keep up to 10% at the District level to fund CTE administrative or District-wide initiatives.

**Objective 2:** Evaluate the selected school's CTE expenditures to determine if the funds were appropriately used for the CTE program clusters.

#### **Results**

The State CTE expenditures tested were expended to support the State approved CTE courses and programs as the Schools.

**State of Delaware School Districts  
Career and Technical Education Performance Audits**

**Prior Relevant Reports, continued**

**Objective 3:** Determine if the underlying internal control structure is designed to provide reasonable assurance of achieving the CTE program objectives.

**Results**

Internal control deficiencies were not for Polytech High School, Sussex Technical High School, Sussex Central High School and Woodbridge High School. The deficiencies are related to the following:

- Noncompliance with policies and procedures requiring the completion and authorization of internal purchase request forms, invoices and received items;
- Missing documentation to support quarterly visits to cooperative education student's places of employment;
- Missing documentation related to authorized cooperative education students training agreements and work permit.

**Objective 4:** Provide the selected schools with metrics to better align State funding and expenditures to CTE program objectives.

**Results**

The majority of the school districts do not allocate CTE funding or expenditures to career pathways.

CTE examinations done for the fiscal year ending June 30, 2019.

Subsequent to the 2018 performance audit summarized above, the AOA issued separate examination reports for the fiscal year ending June 30, 2019 on the following eight school districts: Appoquinimink, Cape Henlopen, Lake Forest, Laurel, Milford, NCC VoTech, Smyrna and Woodbridge.

The examinations focused on whether the districts allocated the mandated 90 percent of funds to the correct schools and whether a sampling of CTE expenditures were expended to support the state-approved occupational-vocational courses and programs.

There were no findings on any of those eight SD examinations.

No CTE related reports were issued since June 30, 2019.

## **State of Delaware School Districts Career and Technical Education Performance Audits**

### **CTE Fiscal Policies and Procedures and Accountability Manual**

The most recent Fiscal and Accountability Policies and Procedures (Manual) for the DDOE CTE was last published in August of 2021. The Manual and CTE Programs of Study Policies and Procedures are very useful guides put out by DDOE's Academic Support team to help develop and management CTE programs and funding.

While the Fiscal and Accountability Policies and Procedures (Manual) is over 71 pages, there are only 4 pages that specifically address the use of CTE State Funds. The vast majority of the Manual focuses on Federal Funds that are managed under the 21<sup>st</sup> Century Act or Perkins V Funding.

Local education agencies (LEAs or School Districts or Charters) and postsecondary institutions are encouraged to use this Manual's guidance when planning for the use of both federal (Perkins V) and state (509) funds to support the development, implementation, and continuous improvement of CTE programs of study (POS).

State funds that support secondary Career and Technical Education are allocated in accordance with [14 DE Admin. Code 525]. Local education agencies meeting the provisions of the Strengthening Career and Technical Education for the 21st Century Act (Perkins V) and Delaware Administrative Code [14 DE Admin. Code 525] receive state "509" funds as part of the school system's annual allocation.

### **State Career and Technical Education Funds (509) for Secondary Programs**

In 1970 the [125th General Assembly](#) provided funding for secondary occupational- vocational (CTE) units with a multiplier of one (1), two (2), or three (3) times the amount of non-CTE units through House Bill 509 (see Appendix A). State funds that support CTE are commonly referred to as "509" funds based on the title of this legislation.

Local education agencies meeting the provisions of the Strengthening Career and Technical Education for the 21st Century Act (Perkins V) as outlined in the Delaware State Plan for Career and Technical Education and Delaware Administrative Code [14 DE Admin. Code 525] receive state "509" funds as part of the school system's annual allocation. Delaware Administrative Code [14 DE Admin. Code 525] provides guidance to LEAs in establishing CTE programs of study that are aligned to industry needs and provide equitable access, supports, and outcomes for students in grades 5 to 12.

### ***Distribution of State Funds***

The Delaware unit system for funding schools is based on Title 14, Chapter 17 of Delaware Code. LEAs implementing at least one state-approved POS receive state CTE funds based on September 30 enrollment and occupational-vocational unit (CTE) allotment. Delaware Code [14 Del. C. §1702(a)] requires that appropriations for the support, maintenance, and operation of Delaware schools fall under three (3) divisions:

1. Division I includes state appropriations designated for the purpose of paying salaries;
2. Division II includes state appropriations for all other school costs and energy, except those for debt service and the transportation of students; and
3. Division III includes state appropriations for educational advancement

## **State of Delaware School Districts Career and Technical Education Performance Audits**

### ***Division I Funds***

Delaware Code [14 Del.C. §1703(g)] defines an occupational-vocational unit (CTE) to mean 27,000 pupil minutes per week for comprehensive or charter school districts; however, units for students enrolled in technical school districts shall be counted on the basis of one (1) unit for each thirty (30) students enrolled. In addition, each eligible LEA may hire a CTE teacher for an additional fifteen (15) days for participation in program development and oversight of summer CTE cooperative programs. These CTE teachers are entitled to payment of the State share of salaries according to the guidelines found in Delaware Code [14 Del.C. §1703(j)]. AgriScience teachers may be employed for 12 months and paid in accordance with Delaware Code [14 Del.C. §1305]. These CTE teachers are entitled to payment of the State share of salaries according to the guidelines found in Delaware Code [14 Del.C. §1321(h)]. Student enrollment and unit computation reporting requirements and preparation guidelines are available through the DDOE September 30<sup>th</sup> Enrollment and Unit Allotment Regulations.

### ***Division II Funds***

The funds appropriated to each LEA for expenses included in CTE Division II (Division II – Voc AOC) are determined by providing a sum for each unit of students for the purchase of textbooks, furniture, other classroom equipment, as well as consumable materials and supplies needed to maintain the CTE POS. All purchases made using state funds must adhere to the guidelines found in the Delaware Budget and Accounting Policy Manual. The funds appropriated to each district for expenses included in Division II – Voc AOC are based upon each CTE unit as defined above and are allocated at either one (Level 1), two (Level 2), or three (Level 3) times the amount determined for each non-CTE unit.

In 2000, Senate Bill 385 (see Appendix A) stipulated that at least 90% of the Division II – Voc AOC funds, with the exception of Division II-Energy funds, must be allocated to the school that generates these funds and expended to support the state approved CTE POS at that school. Each LEA, with the exception of charter schools, must establish line item accounts for Division II – Voc AOC funds. These funds are in addition to the regularly generated units and all other financial resources normally allocated to each school through Delaware Code [14 Del.C. §1706]. LEAs may request a waiver of the 90% requirement subject to the approval of the Executive Director of the Delaware Advisory Council on Career and Technical Education, the Secretary of Education, and the Controller General. Waiver requests must be submitted to the Secretary of Education by November 16 of each year.

### ***Division III Funds***

Any school district that provides funds for local taxation for current operating expenses in excess of the basic state appropriation is eligible for Division III equalization state funds on a matching basis via Delaware Code [14 Del.C. §1707]. Charter schools are also eligible for Division III equalization funds [14 Del.C. §509]. Division III funds supplement funds appropriated under Division I and Division II for the purpose of advancing education beyond the level authorized through the basic appropriation. The Delaware Secretary of Education appoints a committee to annually review and make recommendations on the Division III equalization formula. This committee includes at minimum: a representative of the State Board of Education; a representative from the Governor's Office designated by the governor; at least one member each from the State House of Representatives and the State Senate designated by the Speaker of the House and the President Pro Tempore of the Senate, respectively; the Secretary of Finance or the

## **State of Delaware School Districts Career and Technical Education Performance Audits**

secretary's designee; the director of the Office of Management and Budget or the director's designee; the controller general or the controller general's designee; a representative of the state teachers' union designated by that organization; and at least three representatives of the local school districts, one from each county.

The DDOE uses the following criteria to determine the level of funding (Level 1, Level 2, or Level 3) for each CTE course within a state-approved CTE program of study (POS):

- Level 1 courses require minimal fiscal resources to maintain program quality and meet two or fewer of the criteria above. Any course not aligned with the DDOE Policies and Procedures for CTE Programs of Study will receive Level 1 funding.
- Level 2 courses require moderate fiscal resources and meet three of the criteria above.
- Level 3 courses are material intensive and require a significant investment to maintain program quality. These courses meet four or more of the criteria above.

### ***CTE Unit Count Determination***

Delaware Administrative Code [14 DE Admin. Code 701] allows for a maximum of 900 minutes of career and technical education time per week, per student, to be credited toward the CTE unit determination in comprehensive, charter, and technical school districts. However, CTE units are counted on the basis of one (1) unit for each thirty (30) students enrolled in technical school districts, therefore every student in a technical school district generates 900 minutes toward the CTE unit determination.

### ***CTE Unit Count for Non-Traditional Schedules***

A LEA with a nontraditional schedule (e.g., block scheduling) is credited units based on the yearly average of CTE instructional time, provided students receive the same amount of instruction they would have received under a traditional class schedule and a minimum of 300 minutes of instruction are provided per week [14 DE Admin. Code 701]. Students participating in cooperative education or work-based learning experiences as defined in Delaware Administrative Code [14 DE Admin. Code 525] will generate 60 minutes of instructional time for every 120 minutes of documented cooperative education work experience.

### ***CTE Unit Count Deduction***

Students counted in the occupational-vocational (CTE) unit of pupils are deducted from the regular unit entitlement for a comprehensive high school according to the following formula: Occupational-vocational units (OU#) multiplied by 0.5 = deductible units (DU) or  $(OU\# * 0.5 = DU)$  [14 Del.C. §1703(i)]. Despite the deduction, the LEA will realize a net gain on Division I, II, and III funds for state-approved CTE programs of study.

### ***Audit of State Funds***

Random audits of state CTE funds are scheduled and conducted by the state auditor. The Delaware Secretary of Education may request an annual report from the State Auditor evidencing an audit schedule of 10% of the affected schools through Delaware Code [14 Del.C. §1706].