

**SUFFOLK COUNTY COURT
SPECIAL GRAND JURY**

**SEPTEMBER 19, 2005
TERM 1E**

**GRAND JURY REPORT
CPL §190.85(1)(C)**

Dated: June 29, 2006

**FOREPERSON
COUNTY COURT
SPECIAL GRAND JURY
TERM 1E
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GRAND JURY REPORT, CPL §190.85(1)(C)

PRELIMINARY STATEMENT

The Suffolk County Court Special Grand Jury, Term IE, was empanelled on September 19, 2005, and thereafter extended to June 30, 2006 and September 29, 2006, by order of the Honorable Ralph Gazzillo, to complete its investigation into matters involving school districts.

The Grand Jury heard testimony from 138 witnesses, and considered 470 exhibits, many consisting of multiple pages and documents.

As a result of this investigation, the following report has been adopted pursuant to New York State Criminal Procedure Law §190.85 (1)(c), and is respectfully submitted to the Court.

FINDINGS OF FACT: PART I

BACKGROUND¹

The Grand Jury has conducted an extensive investigation into fiscal matters relating to the school districts in Suffolk County. It has received evidence of many examples of fraud, waste, and criminal conduct in the financial arena of Suffolk County school districts, due, in large measure, to a lack of oversight by those charged with the responsibility to safeguard public funds, as well as a pervasive lack of internal controls. It has discovered expenditures of vast amounts of public funds on compensation and fringe benefits to school district administrators that have remained largely hidden from the districts' constituents. The Grand Jury has investigated the public pension fund system, and seen examples of ways in which unscrupulous individuals have taken advantage of flaws in that system to defraud it of millions of dollars in public monies. Similarly, the Grand Jury has, through its investigation of the distribution of grant funds to school districts in Suffolk County, seen how a lack of oversight by administering agencies, and a lack of accountability at the school district level, has led to the waste of hundreds of thousands of dollars in grant funds, just in the recent past. The Grand Jury has ultimately concluded that action must be taken in order to bring a halt to the huge waste of taxpayer monies that has besieged this county.

As a result of its investigation, the Grand Jury makes the following findings of fact:

¹ Dates, page numbers and exhibit numbers refer to the Grand Jury Minutes submitted to the Court under separate cover. Citations utilizing the format of "mm/dd/yy p.____" refer to the month, date, year and page of Grand Jury testimony. Citations utilizing the format of "GJ" refer to Grand Jury Exhibit Number(s).

A. Overall Structure of the Educational System

The University of the State of New York² is the overall entity for all educational institutions in New York and oversees all state colleges and universities, schools, libraries and museums. The New York State Board of Regents governs the University of the State of New York. It designs New York State educational policies and procedures and supervises all education at any level. The New York State Department of Education, headed by a Commissioner, is the governmental entity charged with carrying out every rule and regulation the Board of Regents promulgates.

B. Local School Districts

There are five basic types of local school districts in New York State: common, union free, central, central high school and city. Created by legislation in 1812, a “common” school district is a small district that typically offers public education to children in kindergarten through eighth grade. “Union free” school districts are, in fact, not union-free at all. The name derives from its purpose, established in 1853, to create a union of smaller common school districts to provide free kindergarten through twelfth grade education. If some union free and common school districts unite, as authorized by statute in 1914, they could form a larger “central” school district. A central high school district provides only secondary education to children from two or more common or

²The University of the State of New York should not be confused with the State University of New York (SUNY). SUNY consists of thirty-four SUNY campuses and thirty community colleges.

union free school districts. Finally, a city school district, such as Long Beach and Glen Cove, is one that follows a city boundary.

C. Board of Education

Voters residing within a local school district elect their fellow citizens to be members of the local board of education, or in the case of common school districts, trustees of the district. A board member or trustee must be literate and a qualified voter residing within the school district for at least one year prior to his or her election.³ Each school district has anywhere from one to nine trustees or board members, depending on the type of school district.⁴ The community entrusts the members of the board of education to oversee and manage all the school district's affairs, personnel and property.⁵ The board also sets school district policies and ensures that all employees adhere to them. One of the board's most important responsibilities is the selection and supervision of the Superintendent of Schools.

The board of education has the ultimate responsibility to manage the fiscal affairs of its district and must approve all expenditures, vendor agreements and employment contracts. However the board can turn to other individuals to help them with its fiscal oversight responsibilities.

An internal claims auditor can review all proposed expenditures and supporting documentation such as purchase orders, bills and invoices. This individual then verifies for the board that every expenditure is appropriate and valid. The district treasurer is

³ New York State Education Law §2102

⁴ New York State Education Law §2101; Herein after, the report will refer to both boards of education and trustees of the school district as boards of education or members of the board of education.

⁵ New York State Education Law §§ 1604 and 1709

“the chief accounting officer and the custodian of all moneys belonging to the district from whatever source derived.”⁶ At regular meetings, the treasurer provides a report to the board that details the school district expenditures to date as compared to the available revenue so that the board can ensure the district does not overspend the amount allocated in the annual budget. The treasurer also gives the board a fund balance report that describes the funds available in the district’s bank accounts. As of 2006, every school district also has an audit committee. The duties of the audit committee are described in detail on page 12 and in the attached appendix under New York Education Law Section 2116-c. In essence, the audit committee reviews the external auditor’s report and management letters, helps the members of the board interpret the findings, and constructs a plan of action to correct any fiscal practices and strengthen internal fiscal controls.

The board conducts its business in regular meetings that are open to the public.⁷ With certain limited exceptions,⁸ all board votes must be cast before the public. At times, the board adjourns from the public portion of the meeting to go into executive session. These sessions give the board an opportunity to discuss matters such as collective bargaining negotiations, pending litigation, and matters regarding the employment, promotion, demotion, discipline, suspension, dismissal or removal of employees.⁹ Only persons authorized by the board may attend executive sessions.¹⁰

Boards of education must keep official records of their proceedings called minutes.¹¹ Minutes are “a record or summary of all motions, proposals, resolutions and

⁶ New York State Education Law §2122

⁷ New York State Public Officers Law §103

⁸ See New York State Public Officers Law §105 for the enumerated purposes for which a board may go into executive session.

⁹ New York State Public Officers Law §105

¹⁰ New York State Public Officers Law §105(2)

¹¹ New York State Public Officers Law §106

any other matter and any other matter formally voted upon and the vote thereon.”¹² Although the board conducts executive sessions in private, it must take minutes of “any action that is taken by formal vote which shall consist of a record or summary of the final determination of such action [and] the date and vote thereon.”¹³ Therefore, although the board may discuss sensitive matters in executive session, any formal actions, such as votes, must be reported in the open portion of the board meeting. The school district clerk maintains the official board of education minutes and such minutes should include any referenced attachments such as approved contracts, policies and warrant reports.

The board holds three basic kinds of meetings: reorganizational, regular and special. In the first week in July of each school year, the board holds a reorganizational meeting during which they swear in new board members, elect board officers, and appoint people or entities to serve in various capacities such as external auditor, treasurer, public information officer and attorney. During the course of the school year, the board has regular meetings to discuss matters and take action on issues presented. In addition, the board can hold special meetings to afford residents of the school district an opportunity to discuss unusual or unexpected events or to devote more time to consider matters of particular importance.

D. The Superintendent of Schools

The Superintendent is the chief executive officer and educational leader of the school district.¹⁴ He¹⁵ recommends policies to, and develops administrative procedures

¹² New York State Public Officers Law §106(1)

¹³ New York State Public Officers Law §106(2)

¹⁴ New York State Education Law §1711

for, the board of education.¹⁶ Under the direction of the board, he enforces all rules, laws and regulations regarding the management of the schools in the district.¹⁷ His duties include oversight of the day-to-day operations of the district, making recommendations to the board about the hiring and/or termination of staff, evaluating school employees and delegating authority to an appropriate staff member.¹⁸ The Superintendent has direct contact with the board.

E. Scandals in Long Island Schools

In October of 2002, School District A's external auditor discovered that a long-standing and trusted administrator had stolen approximately \$230,000 in school district funds. The auditor told the Superintendent of the theft and the Superintendent then advised the board of education. Rather than invite adverse publicity, the board of education agreed to allow the embezzling official to repay the stolen funds, reimburse the district for the cost of the investigation and quietly retire. The board decided not to report the loss to the police, the local district attorney's office or the district's insurance carrier. However, in the spring of 2004, an anonymous letter warned public officials that the \$230,000 was just the tip of the iceberg and that school administrators had actually stolen much more.

The local district attorney, along with the school district's external auditor, started investigating the anonymous complaint. As the investigation grew, the local district attorney began to suspect that the external auditor might actually be involved in, if not the

¹⁵ The fact that the word "he" is used throughout this report should not be taken as an indication of the gender of the person to which it is referring. It is a generic classification utilized to minimize the possibility of identification of an individual referred to within the report.

¹⁶ New York State Education Law §1711(2)(a)(c)(d) and (f)

¹⁷ New York State Education Law §1711(2)(b)

¹⁸ New York State Education Law §1711(2)(e)

theft itself, certainly a cover-up. The Office of the State Comptroller [“OSC”] stepped in to the investigation and discovered that the senior managers of School District A, along with their family and friends, stole at least \$11.2 million dollars of school district funds.

The New York State Comptroller called it “the most remarkable theft of public funds in the history of American education.” School District A senior management used the embezzled funds to pay for mortgages on their private homes, discharge their own childrens’ student loans, travel to exotic locales and purchase jewelry, computers, holiday gifts and leases of expensive cars. They also created fictitious companies and sent phony bills to the school district for non-existent services and merchandise. These officials helped themselves to tens of thousands of dollars in school district funds each month in cash advances on their district issued credit cards and also used school district funds to pay off the balances on their personal credit cards.

As the OSC and local district attorney’s office investigated the fraud in School District A, allegations of fraud surfaced in other Long Island school districts. For example, local authorities arrested a senior manager in one Long Island school district for unlawfully collecting hundreds of thousands of dollars in pension payments from a public pension system [“Pension System A”].¹⁹ A second administrator in the same district embezzled over \$700,000 in school funds.²⁰ The Superintendent of another school district charged drinks and other expenses incurred at a “gentleman’s club” to his school district issued card.²¹

¹⁹ See further discussion starting on p. 100

²⁰ See further discussion starting on p. 160

²¹ See further discussion starting on p. 172

F. Five Point School Financial Accountability Plan

With these scandals undermining public confidence in Long Island's public schools, the OSC redeployed \$2.1 million dollars in existing resources and began to audit twenty-three school districts in Nassau and Suffolk Counties. In the fall of 2004, the Office of the State Comptroller, working in conjunction with the New York State School Board Association, the New York Society of Certified Public Accountants, the New York State Counsel of School Superintendents, the New York State Association of School Business Officials and the New York State Education Department, developed a school oversight initiative that later became known as the "Five Point School Financial Accountability Plan" ["Five Point Plan"]. The plan's goal was to "promote strong internal controls, improve school district audits and strengthen the role of the school boards in conducting appropriate oversight."²² The New York State Legislature passed bills to implement the Five Point Plan under Laws of 2005, Chapter 267²³ and Governor Pataki signed them into law in July of 2005. The Grand Jury submits the following synopsis of the Five Point Plan.

G. Laws of 2005, Chapter 267

Point One: Strengthen the Role of the Internal Claims Auditor

Boards of education must authorize all payments for a school district's expenses and review all supporting documentation before permitting the school district to issue a check for payment. In Long Island school districts, where the yearly expenditures in nearly every school district are in the millions of dollars, this review can be a full time

²² GJ #248

²³ GJ #248

job. Therefore, many boards of education delegate this expenditure review to an individual known as an internal claims auditor. However the board still has responsibility to authorize the actual payment for all district expenses. Under the 2005 amendments to New York State Education Law §§ 1604 and 1709, the internal claims auditor position has been given increased independence. He must report directly to the board of education, rather than to the superintendent of schools or a school district business official. Members of the board of education, the district clerk, the treasurer, the superintendent, business management officials, purchasing agents and accounting/purchasing staff cannot serve as the internal claims auditor.²⁴ School districts can hire a full time employee or contract the job to an outside independent contractor or certified public accounting firm.

Point Two: Required Training for New School Board Members

The New York State Comptroller described school board members as

the first line of defense against fraud: they provide governing policies and an atmosphere of integrity that affect the rest of the district. As the taxpayers' representatives, they also have the strongest incentive to prevent fraud. However, board members have not always realized the extent or importance of their financial oversight.²⁵

Therefore, under the newly enacted New York State Education Law §2102-a, all school board members elected or appointed after July 1, 2005 must complete six hours of training on financial oversight, accountability and their fiduciary responsibilities.²⁶ This is a one-time requirement for new board members only; those elected prior to July 1, 2005 are exempt from this training. The board members attend courses offered by

²⁴ New York State Education Law §§1604(35)(a) and 1709(20)(a)

²⁵ New York State Comptroller School District Accountability Initiative 2005 Annual Report, p. 52

²⁶ New York State Education Law §2102(a)(1)

approved trainers and must complete the training within one year of their election or appointment.

Point Three: More Rigorous External Audit Standards

Since 1964, all school districts have been required to have a certified public accounting firm annually audit the districts' financial statements.²⁷ The external auditor must present an annual audit report to the school board²⁸ and the district must ensure that the Commissioner of Education receives a certified copy by October 15th of each year.²⁹ The board must prepare a plan to correct any fiscal management and/or internal control deficiencies.³⁰ With the help of the newly required audit committee,³¹ the board should put their corrective plan into action by the end of the following fiscal year.³² School districts must now use a competitive bidding process at least once every five years to select their external auditors to “ensure that the districts are getting the best value for their audit expenditure, and to prevent the relationship between the auditor and the [school district] from getting too cozy.”³³

Point Four: Creation of Internal Audit Function

By July 1, 2006, every school district must have established an internal audit function. An internal auditor will review the district's financial policies and

²⁷ See findings of Findings of Fact – Part III for a detailed discussion of financial statements.

²⁸ New York State Education Law §2116

²⁹ New York State Education Law §2116-a

³⁰ New York State Education Law §2116-a(1)(c)

³¹ See Point Five

³² New York State Education Law §2116-a(1)(c)

³³ New York State Education Law §2116-a(3)(b); Office of the Comptroller School District Accountability Initiative 2005 Annual Report

procedures and provide a risk assessment of the district's operations, including internal controls.³⁴ In his 2005 annual report, the Comptroller defined internal controls:

The internal control system, which is established by management and implemented by school district officials, is the integration of activities, plans, attitudes, policies and efforts of the people of an organization to provide reasonable assurance that the organization will achieve its objectives. A vital component in any internal control system is the "tone at the top" or the control environment. The foundation of any effective control environment is competent managers with integrity that attentively monitor operations. Having a good control environment helps ensure that all employees follow school district policies and procedures. ...To establish the proper control environment, management must act with the highest ethical standards and must adhere to the same rules and guidelines they expect all other staff to adhere to. Management must show leadership in carefully safeguarding the public resources entrusted to them. To achieve these goals, management must first establish clear policies and procedures that will govern operations, communicate them broadly and then ensure that all employees comply with these policies and procedures.³⁵

The internal auditor, like the internal claims auditor, reports directly to the board of education and should be independent of the business office and superintendent.

Point Five: Creation of Audit Committees

The aforementioned legislation created a completely new entity – the school district audit committee.³⁶ As of January 1, 2006, all school districts³⁷ have an audit committee whose members assist the school board to fulfill its financial oversight responsibilities. This committee can be composed entirely of school board members, interested residents of the school district or a combination of both. The audit committee will assist the board to select the external auditor and meet with the external auditor before he begins the annual audit. It will review the external auditor's final report and

³⁴ New York State Education Law §2116-b

³⁵ Office of the Comptroller School District Accountability Initiative 2005 Annual Report; GJ# 248

³⁶ New York State Education Law §2116-c

³⁷ Except those with fewer than eight teachers, 300 students or less than \$5 million in annual expenditures

accompanying management letter to help explain its contents to the board and to implement any corrective actions that need to be taken as a result of the audit.³⁸

H. New York State Comptroller to Audit Every School District by 2010

The New York State Comptroller has four major functions. First, as the state's treasurer, the Comptroller is responsible for managing and disbursing the state's cash. He is also the chief accountant of New York State. In this role, he keeps all the books and records of the state, approves payments of all of the state's expenditures and handles the state's payroll. Third, his office audits all of the state agencies and local governments. Finally he is the sole trustee of the New York State Public Pension System and manages all the plan's investments.

The Division of Local Governmental Services and Economic Development of the New York State Comptroller's Office ["Local Government Services"] oversees the audits of approximately 4,300 active local government units in New York. Local governments include counties, villages, towns, cities, school districts and special fire, water and sanitation districts. More than seven hundred school districts or related educational agencies fall under the purview of Local Government Services.

Headquartered in Albany, New York, Local Government Services has seven regional offices throughout the state, including one on Long Island. The Office of the Comptroller has found that this regional allocation of its auditors is both an efficient and effective way of providing services to OSC's constituents. It helps to reduce the agency's cost for employee travel and opens the potential employee pool up to qualified applicants throughout the state. Moreover, the regional office structure gets experienced

³⁸ New York State Education Law § 2116-c(5)(a-c)

people on the ground that are familiar with local issues and better able to identify problems and provide services. These regional office employees establish good working relationships with the local officials, whom they often get to know on a first name basis.

Prior to the late 1970's, OSC regularly audited school districts. However, due to state wide budgetary constraints, the then State Comptroller removed school districts from the regular audit cycles for several reasons. First, school districts had a certified public accountant review their financial statements every year that thereby provided some regular oversight. Second, the school districts, unlike other local governmental agencies, had a specific state entity tasked with monitoring the districts and providing assistance. Third, school districts had the ability to hire trained professional staff to run their business offices. In other governmental agencies, the chief financial officer got their job because they received the most votes in a general election, not due to their educational background in business or finance.

Under the new legislation, OSC will examine, audit and evaluate every school district; assess the financial practices of the school districts to ensure they conform to established standards; and determine whether the school districts have adequate internal controls in place to protect the district from fraud, theft and professional misconduct. The Comptroller will report any findings of fraud, abuse or criminal conduct his office uncovers during these audits to agencies such as the Commissioner of Education, the New York State Attorney General or the United States and/or local District Attorney's Offices so these agencies can take appropriate action.³⁹ In addition, school districts must publish the Comptroller's report on their website, or make it otherwise available to the

³⁹ New York State Municipal Law §33(3)(d)

public, for five years. Finally the Comptroller will make an annual report of all his findings to the New York State Legislature and the Governor.⁴⁰

The Grand Jury finds these changes in legislation to be an appropriate and effective response to the problems that prompted them. The Grand Jury is confident that the Office of the State Comptroller will continue in the admirable job that it is doing in performing its duties under the new legislation. However, the Grand Jury is mindful of other areas of potential school district fraud, waste and abuse that have come to light during the course of its investigation and that cannot be addressed or controlled by this one governmental agency. Those areas are discussed in the sections of this report that follow.

⁴⁰ New York State Municipal Law §33(3)(g)

FINDINGS OF FACT: PART II

SALARIES AND FRINGE BENEFITS FOR EDUCATORS

“These items might make life more pleasant for public servants, but they can hardly be termed educational necessities, particularly in a time when children in overcrowded classes are going without textbooks and desks.”⁴¹

During its tenure, the Grand Jury focused on the amount of taxpayer dollars spent to provide salary and fringe benefits to educational professionals. The Grand Jury recognizes that the overwhelming majority of educational professionals are extraordinarily talented and dedicated civil servants. Moreover, the Grand Jury acknowledges that one of the things that make Long Island schools so wonderful is the tradition of local control. The Grand Jury does not wish to interfere with that process. However, the Grand Jury discovered that information regarding salaries and expenditures for fringe benefits paid to teachers and school district administrators is beyond the reach of citizens who have neither the time nor resources to make an application under New York State’s Freedom of Information law.⁴² In addition, the Grand Jury found that many school district administrators receive perks and benefits more usually associated with private sector employees as opposed to civil servants.

The Grand Jury reviewed thousands of pages of records from approximately seventy school districts in Suffolk County. These records included the districts’ financial statements and external auditor’s reports; the adopted and approved budgets; records, payroll reports, contracts and supporting documentation regarding teacher and administrator salaries; various reports filed with the New York State Education Department, compilations of enrollment, number of schools and enrollment per school;

⁴¹ GJ #420

⁴² New York State Public Officers Law §87

and lists of all administrator fringe benefits and compensation. The aforementioned documents spanned the 2001-2002 through 2004-2005 school years.

The Grand Jury compiled this voluminous data into several different spreadsheet analyses. These analyses include reviews of:

1. The total enrollment, total revenue, total expenses, total number of administrators, total administrators' salaries, total administrators' salaries as a percentage of total expenditures and number of students per administrator per district for the 2003-2004 and 2004-2005 school years.
2. School district superintendents' salaries for the 2003-2004 and 2004-2005 school years;
3. All fringe benefits excluding any life insurance benefits, paid to all school district administrators in the 2004-2005 school year;⁴³
4. Lucrative life insurance fringe benefits afforded to school district administrators; and⁴⁴
5. Issues found in external auditors' management letters and New York State Comptroller audits.⁴⁵

For purposes of this report, the Grand Jury defined salary as not only the employee's or administrator's annual compensation per the employment or collective bargaining unit contracts, but also all other payments made during the year such as longevity awards and money received in lieu of unused sick or vacation days. In order to make an "apples to apples" comparison of superintendents' salaries and administrators'

⁴³ This spreadsheet and related discussion can be found on pages 34 through 41

⁴⁴ Readers can find a discussion of this issue on pages 42 through 55

⁴⁵ This discussion begins in Findings of Fact – Part III

fringe benefits, the Grand Jury compared this data by the school districts' need to resource capacity, or N/RC, index.

One method by which the New York State Education Department classifies school districts is according to a district's ability to raise resources locally to meet the need of their students. This classification or code is known as an "N/RC" or "need to resource capacity" index. As noted in the New York State Education Department 2004 School Report Card, the N/RC index is "a ratio of the estimated poverty percentage...to the combined wealth ratio...A district with both estimated poverty and combined wealth ratio equal to the State average has a need to resource capacity index of 1.0." The N/RC index has six categories or codes. The lower the N/CR code, the greater the need for outside financial assistance. Suffolk County school districts have N/RC codes of three, five or six. ⁴⁶ Codes one through four indicate that the students' needs are relatively high compared to the district's ability to raise funds locally. Included in code three, entitled "urban/suburban" are all districts at or above the 70th percentile (1.1855) who have either 100 or more students per square mile, or at least 50 but fewer than 100 students per square mile and an enrollment of 2,500 or more. N/CR index five - "average N/CR Districts" - encompasses all districts "between the 20th (0.7693) and 70th (1.1855) percentile." Finally, districts falling within N/RC code Six are "low N/RC" and best able to use their tax base to fund their students' needs.

Further, the Grand Jury broke each N/RC code into four revenue strata or buckets: school districts with annual revenues in excess of \$100 million, school districts with revenues between \$50 million and \$100 million, school districts with revenues

⁴⁶ Code one is for New York City Schools; Code two is for the Buffalo, Rochester, Syracuse and Yonkers; Code six is for rural areas.

between \$25 million and \$50 million and school districts with revenues less than \$25 million.

Analysis of All Administrators Salaries

The Grand Jury analyzed the salaries for all administrators in 68 school districts in Suffolk County for the 2003-2004 and 2004-2005 school years. The Grand Jury defined “administrator” as superintendents, deputy superintendents, assistant superintendents, assistants to the superintendents or assistant superintendents, principals, assistant principals, directors, assistant directors, executive directors, chairpersons, district chairpersons, coordinators and deans of students. The Grand Jury compiled this data into two charts and attaches them to this report as Appendix A⁴⁷ and Appendix B.⁴⁸

A. School Districts with N/RC Index of 3

The Grand Jury found five Suffolk County school districts⁴⁹ with an N/RC Index of 3. SD⁵⁰ 3-1, SD 3-2 and SD 3-3 had revenues in excess of \$100 million, while SD 3-4 and SD 3-5 had annual revenues between \$50 and \$100 million. Based on the evidence presented, namely the financial data supplied by the school districts themselves, the Grand Jury accepts the following as an analysis of the superintendents’ salaries for the N/CR Index 3 school districts in Suffolk County.

⁴⁷ 2003-2004 school year

⁴⁸ 2004-2005 school year

⁴⁹ For purposes of discussion, the Grand Jury designates the districts as SD 3-1 through SD 3-5.

⁵⁰ For the remainder of this report, the designation SD refers to a school district.

Revenues in Excess of \$100 Million		2004-2005 Superintendent Salaries		2003-2004 Superintendent Salaries
SD 3-1		\$ 192,747		\$ 186,393
SD 3-2		\$ 206,151		\$ 165,378
SD 3-3		\$ 206,110		\$ 234,922
Average Salary		\$ 201,669		\$ 195,564
Revenues between \$50 million and \$100 million				
SD 3-4		\$ 168,204		\$ 166,058
SD 3-5		\$ 156,250		\$ 164,133
Average Salary		\$ 162,227		\$ 165,096

B. School Districts with N/RC Index 5

The Grand Jury found a total of thirty school districts with an N/RC Index of 5 and has designated them as SD 5-1 through SD 5-30. SD 5-1 through 5-6 had annual revenue in excess of \$100 million for the 2003-2004 and 2004-2005 school years. SD 5-7 through 5-17 had annual revenues between \$50 million and \$100 million for the same period. In addition, there were five districts, namely SD 5-18 through 5-22 that had annual revenues for school years 2003-2004 and 2004-2005 between \$25 million and \$50 million. Finally the Grand Jury notes that six N/RC school districts, hereinafter designated as 5-23 through 5-28, had annual revenues of less than \$25 million for the

aforementioned school years.⁵¹ The below chart summarizes the Grand Jury’s findings regarding the salaries paid to superintendents of N/RC Index 5 school districts located in Suffolk County for the 2004/2005 and the 2003/2004 school years.

Revenues in excess of \$100 million		2004-2005 Superintendents’ Salaries		2003-2004 Superintendents’ Salaries
SD 5-1		\$175,000		\$123,217
SD 5-2		\$212,168		\$204,656
SD 5-3		\$165,000		\$158,000
SD 5-4		\$ 221,028		\$187,962
SD 5-5		\$200,500		\$190,500
SD 5-6		\$204,100		\$183,068
AVERAGE SALARY		\$196,299		\$174,567
Revenues between \$50 million and \$100 million		2004-2005 Superintendents’ salaries		2003-2004 Superintendents’ salaries
SD 5-7		\$214,270		\$205,291
SD 5-8		\$204,536		\$197,836
SD 5-9		\$187,607		\$175,288
SD 5-10		\$169,924		\$210,821
SD 5-11		\$242,329		\$222,653

⁵¹ The Grand Jury did not include the superintendents’ salaries of SD 5-29 and SD 5-30 in the analysis because those districts’ superintendents serve only in a part-time capacity.

Revenues between \$50 million and \$100 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 5-12		\$169,500		\$147,825
SD 5-13		\$190,314		\$179,497
SD 5-13		\$190,314		\$179,497
SD 5-14		\$175,544		\$174,818
Revenues between \$50 million and \$100 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 5-15		\$205,400		\$165,918
SD 5-16		\$218,994		\$221,062
SD5-17		\$189,896		\$168,621
AVERAGE SALARY		\$197,119		\$188,148
Revenues between \$25 million and \$50 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 5-18		\$200,713		\$168,000
SD 5-19		\$181,014		\$171,680
SD 5-20		\$206,912		\$197,103
SD 5-21		\$166,184		\$157,540
SD 5-22		\$196,315		\$154,800
AVERAGE SALARY		\$190,228		\$169,825

Revenues less than \$25 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 5-23		\$147,847		\$162,016
SD 5-24		\$195,622		\$130,000
SD 5-25		\$176,688		\$177,771
SD 5-26		\$173,035		\$157,592
SD 5-27		\$147,764		\$141,574
SD 5-28		\$145,464		\$122,065
AVERAGE SALARY		\$164,403		\$148,503

C. School Districts with N/RC Index 6

The Grand Jury found thirty-three school districts in Suffolk County with an N/RC Index of 6 and designated them as SD 6-1 through SD 6-33. For the 2003/2004 and 2004/2005 school years, the Grand Jury finds that SD 6-1 through SD 6-5 had annual revenues in excess of \$100 million; SD 6-6 through SD 6-9 had annual revenues between \$50 million and \$100 million; SD 6-10 through SD 6-19 had annual revenues between \$25 million and \$50 million; and SD 6-20 through 6-32 had annual revenues of less than \$25 million.⁵² The below chart summarizes the Grand Jury's findings regarding the salaries paid to superintendents of N/RC Index 6 school districts located in Suffolk County for the 2004/2005 and the 2003/2004 school years.

⁵² The Grand Jury did not consider the salary of SD 6-33's superintendent because that individual served only in a part-time capacity.

Revenues in excess of \$100 Million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 6-1		\$418,566		\$326,734
SD 6-2		\$228,504		\$207,480
SD 6-3		\$236,354		\$225,938
SD 6-4		\$198,297		\$198,296
SD 6-5		\$185,000		\$165,000
AVERAGE SALARY		\$253,344		\$224,690
Revenues between \$50 million and \$100 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 6-6		\$196,111		\$187,107
SD 6-7		\$198,749		\$199,068
SD 6-8		\$161,200		\$155,000
SD 6-9		\$176,003		\$170,457
AVERAGE SALARY		\$183,016		\$177,908
Revenues between \$25 million and \$50 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 6-10		\$185,583		\$174,667
SD 6-11		\$240,350		\$170,636

Revenues between \$25 million and \$50 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 6-12		\$207,678		\$199,690
SD 6-13		\$183,313		\$175,000
SD 6-14		\$129,063		\$125,000
SD 6-15		\$179,455		\$168,773
SD 6-16		\$270,100		\$274,609
SD 6-17		\$157,132		\$164,076
SD 6-18		\$185,606		\$180,200
SD 6-19		\$177,794		\$158,851
AVERAGE SALARY		\$191,607		\$179,150
Revenues less than \$25 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 6-20		\$142,155		\$135,000
SD 6-21		\$144,000		\$136,000
SD 6-22		\$111,000		\$100,000
SD 6-23		\$106,632		\$103,526
SD 6-24		\$123,000		\$117,000
SD 6-25		\$128,000		\$125,000
SD 6-26		\$154,530		\$147,171

Revenues less than \$25 million		2004-2005 Superintendents' Salaries		2003-2004 Superintendents' Salaries
SD 6-27		\$130,350		\$110,240
SD 6-28		\$142,500		\$136,000
SD 6-29		\$138,331		\$129,499
SD 6-30		\$118,605		\$108,150
SD 6-31		\$150,000		\$137,208
SD 6-32		\$157,071		\$129,000
AVERAGE SALARY		\$134,321		\$124,138

The Grand Jury, during the course of its analysis of superintendent and administrators' salaries, found two examples of remuneration to superintendents that were particularly noteworthy, in terms of the striking largess enjoyed by the recipients in each instance.

D. Superintendent of SD 3-3: A \$42,000 bonus

In SD 3-3, the building level administrators, such as the building principals and assistant principals, have their own collective bargaining unit ["CBU"] to negotiate salary as well as other rights and fringe benefits. Every three years, the board of education and members of this bargaining unit execute a written employment contract. The Superintendent, the Assistant Superintendents and other district office administrators negotiate individual employment contracts with the board. These higher-level

administrators start with all the benefits enumerated in the CBU contract and then receive additional benefits such as higher salaries or more generous retirement packages.

Toward the end of the 2004-2005 school year, the SD 3-3 district office administrators asked the board of education to give them the same longevity payments⁵³ afforded the lower level administrators per the CBU contract. The board of education agreed. In the case of SD 3-3, the CBU members received an extra \$1,500 per year after five years of employment and \$2,000 per year after ten years. For the Superintendent, the payroll department calculated what his longevity payments should have been over his years of service, determined the total amount to be approximately \$42,000 and cut him a check. Thus the Superintendent received an extra \$42,000 in addition to his six figure annual salary.

E. Superintendent of SD 6-1: The \$120,000 “buy-back”

Based on a review of the superintendents’ employment contracts, the Grand Jury noted that many of them afforded the superintendents the right to “buy back” unused vacation days.⁵⁴ The terms of the buy-backs varied from district to district.⁵⁵ Certain districts permitted superintendents to be paid or “cash in” their unused vacation time every year. Usually, these districts allowed the administrators to cash in a maximum of ten days per year. If at the end of the school year a superintendent had not used all of his vacation days, he could “buy back” or receive a cash equivalent based on his per diem salary.

⁵³ A longevity payment is a financial award to those employees who remain for a stated period of time.

⁵⁴ Most of the superintendents’ contracts allowed them twenty-five days of vacation per year because, unlike teachers, they are twelve-month employees.

⁵⁵ Some districts had a “use it or lose it” policy and the superintendents could not buy back unused vacation time.

School District 6-1 was unusual in that the superintendent's contract had no limitation on the amount of vacation days he could buy back in any given year. And unlike many of the other Suffolk County superintendents, SD 6-1's superintendent was also paid for his unused sick time while he was still employed at the district.⁵⁶ In the 2004-2005 school year, SD 6-1 paid its superintendent approximately \$120,000 for his accrued sick and vacation time.

⁵⁶ An analysis of the records that the school districts submitted to the Grand Jury revealed that this provision was odd because most school districts gave administrators cash payments as a percentage of their unused sick time only as part of a retirement severance, not while the administrator was still employed at the district. 3/7/06 pp. 61-64

Number of Administrators Earning in Excess of \$135,000 Per Year

The Grand Jury examined 2004-2005 administrator salaries to determine what percentage of school district administrators earned salaries in excess of \$135,000 per year.⁵⁷ In the following chart, the Grand Jury summarizes this data. The listed compensation figures exclude fringe benefits such as life insurance policies, health insurance policies and mandatory employer contributions to a public pension system charged with managing the pension funds of educational professionals [“Pension System A”].

School District	Number of Administrators earning more than \$135,000 in 2004-2005	Percentage of Total Administrators
3-1	29	32%
3-2	6	20%
3-3	9	14%
3-4	3	17%
3-5	1	5%
5-1	4	9%
5-2	6	12%
5-3	4	11%

⁵⁷ The Grand Jury notes that the lowest average superintendent’s salary in school year 2004-2005 was \$134,321. See Appendix B.

School District	Number of Administrators earning more than \$135,000 in 2004-2005	Percentage of Total Administrators
5-4	2 ⁵⁸	
5-5	4	6.5%
5-6	3	8%
5-7	7	23%
5-8	7	18%
5-9	3	8.5%
5-10	5	19%
5-11	7	15%
5-12	1 ⁵⁹	3%
5-13	4	24%
5-14	3	10%
5-15	3	6%
5-16	3	14%
5-17	7	14%
5-18	3	17%
5-19	3	21%
5-20	6	33%
5-21	4	11.5%
5-22	1	3%

⁵⁸ data incomplete

⁵⁹ person retired and received retirement incentive in addition to salary

School District	Number of Administrators earning more than \$135,000 in 2004-2005	Percentage of Total Administrators
5-23	1	3 %
5-24	1	33%
5-25	1	6%
5-26	1	25%
5-27	1	6%
5-28	1	50%
5-29	0	0%
5-30	0	0%
6-1	16	40%
6-2	20	40%
6-3	8	24%
6-4	5	8%
6-5	3	5%
6-6	7	35%
6-7	4	14%
6-8	3	14%
6-9	3	9%
6-10	3	12%
6-11	2	13%
6-12	7	28%
6-13	4	26%

School District	Number of Administrators earning more than \$135,000 in 2004-2005	Percentage of Total Administrators
6-14	0	0%
6-15	4	15%
6-16	3	20%
6-17	2	11%
6-18	4	31%
6-19	1	5%
6-20	1	50%
6-21	1	17%
6-22	0	0%
6-23	0	0%
6-24	0	0%
6-25	0	0%
6-26	3	27%
6-27	0	0%
6-28	1	20%
6-29	1	33%
6-30	0	0%
6-31	1	100%
6-32	1	100%
6-33	0	0%

Analysis of Fringe Benefits Other Than Insurance⁶⁰

The Grand Jury analyzed the fringe benefits afforded school district administrators in Suffolk County in the 2004-2005 school year and has included a summary chart below. Fringe benefits are perks or payments received in addition to base salary excluding life, health, disability and other types of insurance. Again, the Grand Jury grouped this data by the need to resource capacity, or N/RC, index. The Grand Jury finds the most prevalent non-insurance fringe benefits to be car allowances, tuition reimbursement and contributions to private retirement funds.

⁶⁰ The Grand Jury notes that some school districts manage to function without all the below described perks. In SD 6-8, a school district servicing approximately 4,200 students in five different buildings, not one person receives an annual car allowance. The Superintendent receives a self-described handsome salary of approximately \$175,000, the mandatory employer contributions on his behalf to Pension System A and no extra payments into a private retirement plan. GJ# 392

Fringe Besides Insurance		2004-2005							
		Title		Totals	Car	Deferred Comp	Other		
Districts with NRC Code of 3									
Revenues > 100 mm									
	SD 3-1	Supt		\$6,400	\$ 6,400				
	SD 3-1	Dir Special Svcs		\$400	\$ 400				
	SD 3-1	Asst Supt of Schools Sec C&M		\$400	\$ 400				
	SD 3-1	Asst Supt of Schools Elem		\$400	\$ 400				
	SD 3-2	Supt		\$4,800	\$ 4,800				
	SD 3-3	Deputy Supt		\$5,250	\$ 5,250				
	SD 3-3	Asst Supt		\$5,250	\$ 5,250				
	SD 3-3	Asst to Supt		\$2,250	\$ 2,250				
	SD 3-3	Asst Supt Business		\$4,950	\$ 4,950				
	SD 3-3	Dir Spec Ed		\$2,250	\$ 2,250				
	SD 3-3	Asst Supt Personnel		\$4,200	\$ 4,200				
	SD 3-3	Supt		\$14,460	\$ 7,500	\$ 6,960			
	SD 3-3	Facilities Admin		\$3,750	\$ 3,750				
	SD 3-3	Asst to Supt		\$2,250	\$ 2,250				
	SD 3-3	Plant Facilities Mgr		\$3,750	\$ 3,750				
Revenues >50mm < 100mm									
	SD 3-4	Supt		\$6,100	\$ 3,600	\$ 2,500			
	SD 3-4	Asst Supt Finance		\$700	\$ 700				
	SD 3-4	Asst Supt Curriculum		\$1,200	\$ 1,200				
	SD 3-4	Director HR		\$1,200	\$ 1,200				
	SD 3-5	Supt		\$9,375				\$9,375	
Districts with NRC Code of 5									
Revenues > 100 mm									
	SD 5-1	Supt.		\$4,800	\$ 4,800				
	SD 5-3	Supt.		\$220	\$ 220				
	SD 5-3	Supt. -left 8/04		\$5,440	\$ 440			\$5,000	
	SD 5-3	Dep Supt of Instruction		\$2,500	\$ 2,500				
	SD 5-3	Asst Supt for Business		\$660	\$ 660				
	SD 5-4	Supt							Contract calls for district to buy a new mid size SUV maintain all costs.
Revenues >50mm < 100mm									

A. Contributions to Retirement Fund Accounts

School districts make mandatory employer contributions to Pension System A for all member employees, including administrators. The Grand Jury finds that in addition to these mandatory contributions, many districts also fund private retirement savings accounts for administrators. The fortunate administrators in these districts received six figure annual salaries, mandatory pension contributions on their behalf to Pension System A, as well as money placed into a private account for the administrator to use upon his retirement. For the most part, the school districts afforded this perk only to the superintendent and other district office administrators. The following chart highlights some of the more generous retirement account contributions.

School District	Superintendent's 2004-2005 salary	School District contribution to private retirement account for Administrators⁶¹
SD 3-3	\$206,110	\$6,960
SD 3-4	\$168,204	\$2,500
SD 5-7	\$214, 270	\$29,000
SD 5-11	\$242,329	\$4,250
SD 5-13	\$190,314	\$10,000 for Superintendent \$9,000 for Assistant Superintendent for Business
SD 5-15	\$205,400	\$3,000
SD 5-16	\$218,994	\$15,000

⁶¹ Unless otherwise indicated, figures are for superintendents and assistant superintendents.

School District	Superintendents 2004-2005 salary	School District contribution to private retirement account for Administrators⁶²
SD 5-18	\$200,713	\$9,000
SD 5-20	\$206,912	\$15,000
SD 5-22	\$196,315	\$30,000
SD 5-25	\$176,688	\$4,000 for Assistant Superintendent of Business
SD 5-26	\$173,035	\$17,000
SD 5-29	\$9,000	\$15,000
SD 6-1	\$418,566	\$40,000 for Superintendent \$25,000 for the Associate Superintendent
SD 6-3	\$236,354	\$10,500
SD 6-6	\$196,111	\$3,000 for Superintendent \$2,000 for Deputy Superintendent \$14,464 for Assistant Superintendent
SD 6-12	\$207,678	\$6,000
SD 6-13	\$183,313	\$6,800
SD 6-15	\$179,455	\$6,000 for Superintendent \$10,000 for Assistant Superintendent for Business
SD 6-16	\$270,100	\$17,000
SD 6-17	\$157,132	\$1,800
SD 6-18	\$185,606	\$3,800 for Superintendent \$2,840 for Assistant Superintendent for Business
SD 6-33	\$35,000	\$1,000

⁶² Unless otherwise indicated, figures are for superintendents.

B. Car Allowances⁶³

Almost every district afforded their administrators some type of stipend to pay for gas and vehicle maintenance. As seen in the spreadsheet on pages 33 to 37, over twenty-five different school districts provided administrators with annual car allowances of more than \$3,000. In school district 5-22 for example, the superintendent received an annual car stipend of \$12,000.

School District 5-4 went a step further. Instead of a stipend, they gave their superintendent a car to use and paid for its upkeep. Not just any car, but as per the superintendent's contract, a new mid-sized SUV.

However SD 6-2's board of education is the most generous. In the 2004-2005 school year, it gave car allowances to approximately fifty different administrators at a cost to the taxpayers of over \$45,000.

C. Tuition Reimbursement

The Board of Education of SD 3-3 gave its superintendent extra vacation time so that he could complete his doctoral studies, a degree that cost the taxpayers approximately \$52,000.

Similarly, the taxpayers of SD 6-13 reimbursed their Assistant Superintendent of Curriculum \$32,415 for the tuition costs of his doctoral studies. This payment was in addition to his \$150,854 annual salary.

⁶³ See Appendix.

Analysis of Life Insurance

One of the benefits afforded school district administrators, particularly the district superintendents, was an astonishing array of life insurance products. The school districts generally provide the employees with either term or permanent life insurance coverage. A term policy covers an individual for a set period of time, typically twenty years and rarely more than thirty. Term insurance provides nothing more than a death benefit. The insured or his employer pays a regular fee, called a premium, for a particular period of time in order to purchase a stated amount of insurance. For example, if an individual purchases a term life insurance policy with \$100,000 of coverage, his beneficiaries will receive \$100,000 upon his death.

In contrast, permanent insurance covers an individual for as long as he pays the premium. Permanent insurance has an investment component and is therefore more costly than term insurance. A “whole life” policy is one, and probably the most common, type of permanent insurance. It has a fixed annual premium amount based upon an actuarial mortality table. The insurance company calculates a premium amount based upon things such as a person’s gender, age, health and habits such as use of tobacco products.

Whole life policies also have an equity component and the policy’s value grows over time. The policy owner can access these accrued funds via a policy loan. Whole life policies also pay dividends. The policy owner can use the dividends to pay the policy’s premiums or roll the funds into the equity component. The owner can surrender the policy in its entirety and receive the value of the equity. Thus whole life policies

have a death benefit portion (the amount the beneficiary receives upon the insured's death) and an actual cash value. As an example, an individual could purchase a whole life insurance policy with a stated death benefit of \$500,000. After five years of premium payments, the policy might accrue a cash value of \$30,000. The policy owner could surrender his policy and walk away with \$30,000. If he died while the policy was still in effect, his beneficiaries would receive \$500,000.

Another type of permanent insurance school districts award as a fringe benefit is "split dollar" coverage. In essence, split dollar coverage is a permanent policy, typically a whole life policy, where there has been a contractual assignment of certain policy benefits. The school districts can retain a financial interest in the policy upon the insured's death, retirement or separation from the district as a means to recoup the money it expended to pay the policy's premiums.

The Grand Jury finds that Suffolk County school districts gave a variety of expensive life insurance benefits to their administrators. In general, the superintendents received higher amounts of coverage than other administrators. Certain school districts gave their administrators whole life policies upon their retirement while others provided a stipend so that the administrators could purchase life insurance coverage on their own. Several districts merely maintained basic term coverage for the administrators.⁶⁴

The Grand Jury has discovered certain examples of the distribution of expensive life insurance benefits to administrators that are worthy of particular mention.

⁶⁴ School Districts 3-1, 3-3, 3-4, 5-3, 5-9, 5-11, 5-20, 5-22, 5-24, 6-3, 6-8, 6-19, 6-20, 6-21,6-22, 6-24,6-26, 6-27, 6-29, 6-30 provided only term coverage.

A. SD 3-3: A \$2 million dollar give away

In the mid 1980's, an insurance broker crafted a whole life insurance program for SD 3-3 administrators. Although the premiums were very expensive,⁶⁵ the policies would over time build up a cash value and ultimately pay sufficient dividends to cover the cost of the premiums by approximately 1996. The school district owned the policies, paid the premiums, and received the benefits upon the deaths of any insured administrators. The administrators were the insured or persons upon whom the policies were written.

As originally designed, this program had some advantages. First, the policies were transferable. If one administrator left, the district could assign that policy to cover his or her replacement. If the new administrator was more actuarially attractive, i.e. younger, female or a non-smoker, the policy could be reworked and the district would pay a lower premium.

The policies could also be used as a retirement negotiation tool. Per their various employment contracts, SD 3-3 administrators received a severance payout upon retirement. The total amount received was usually a percentage of the administrator's final salary multiplied by the number of years of service. The Grand Jury notes that in the records it reviewed, the administrators' retirement payouts in SD 3-3 were often in excess of \$100,000 and ran as high as \$330,000. Under this insurance program, SD 3-3 could offer to sell the administrator his insurance policy to offset the cost of the retirement severance. For example, Administrator One might be due \$100,000 upon

⁶⁵ The first year's premium for approximately 45-50 administrators cost approximately \$125,000. 11/17/05 p. 22

retirement. If the cash value of the policy assigned to him had increased from \$35,000⁶⁶ to \$50,000,⁶⁷ the district could transfer the policy to the administrator. In this way, the district would pay the administrator \$50,000 in cash and deliver the insurance policy instead of spending \$100,000 in cash.

A third advantage, although one SD 3-3 ignored, was that the policies would pay for themselves by 1996. As noted above, whole life policies pay dividends and earn interest. Eventually the amount of annual dividends and interest SD 3-3's policies earned exceeded the amount of the annual premium, so the district could have stopped paying premiums. However, SD 3-3 looked at the insurance policies as an investment vehicle and continued to pay premiums until they terminated the program in 2005.

Finally, the school district, as the beneficiary of the policies, profited financially when two administrators died while covered under this program. Both administrators received, per their employment contracts, a specific amount of death benefit. The policies associated with these two administrators had been in existence for many years at the time of the administrators' deaths and had more value than SD 3-3 had contractually agreed to pay the administrators' beneficiaries. SD 3-3 paid the death benefit owed per the administrators' contracts to the administrators' beneficiaries and held the remaining funds in an account kept off the school district's books for almost ten years.

Three SD 3-3 administrators⁶⁸ were the trustees of this plan and the only people authorized to make decisions about the policies. Although the school district chose three trustees, any single trustee could take action on his own initiative. Most disturbingly, any

⁶⁶ At the time of its purchase.

⁶⁷ At the time of the administrator's retirement.

⁶⁸ Hereinafter referred to as Administrator A, Administrator B and Administrator C.

trustee could direct the insurance company to make policy changes for his own benefit without the approval and/or knowledge of the other two trustees.

In January 1999, Administrator B transferred ownership of four policies with a cash surrender value of approximately \$227,137 and a face value or death benefit of \$526,620 from SD 3-3 to himself. The school district continued this practice and transferred valuable whole life policies to five other administrators between July of 1999 and July of 2000.⁶⁹ The following chart summarizes these transactions.

<u>NAME</u>	<u>DATE OF TRANSFER</u>	<u>CSV⁷⁰ AT DATE OF TRANSFER</u>	<u>POLICY DEATH BENEFIT AT DATE OF TRANSFER</u>
Administrator A	July 1, 1999	\$134, 796	\$516,562
Administrator B	January 9, 1999	\$227, 137	\$526,620
Administrator C	July 12, 2000	\$55,040	\$259,020
Administrator D	July 12, 2000	\$112,373	\$313,302
Administrator E	July 12, 2000	\$85,501	\$291,875
Administrator F	July 12, 2000	\$51,289	\$360,848
<u>TOTALS</u>		\$666,136	\$2,268,227

The board of education did not approve these transfers at the time they occurred. In June of 2004, almost five years after the transactions took place, the board retroactively approved the policy transfers for Administrators A, D and F.⁷¹

Upon examination of the school district board minutes, the Grand Jury discovered that these retroactive approvals for the transfer of hundreds of thousands of dollars of district assets were not recorded in the actual minutes. The minutes of SD 3-3 record the

⁶⁹ Moreover, the school district did not report the cash value of the policies transferred to the administrators on 1099 forms in fiscal years 1999 and 2000. GJ 3/2/06 pp 67-69

⁷⁰ Cash Surrender Value.

⁷¹ The board never approved the transfers to Administrators B, C and E. These administrators had left the district by the end of the 2003-2004 school year.

events of a particular board of education meeting. The district clerk and secretary's signatures appear at the end of the minutes with any addendums following thereafter. In the June 7, 2004 minutes, votes retroactively approving the insurance policy transfers appear in several documents attached after the addendums and thus not in the minutes themselves. If any citizen of SD 3-3 had reviewed the June 7, 2004 board minutes, he would be unaware that this distribution of school assets ever took place.

Incredibly, after the transfer, the school district continued to pay premiums on the policies - assets the district no longer owned nor in which they retained a financial interest.

B. Life Insurance Fringe Benefits for Administrators at Other Districts

SD 3-3 is not the only school district in Suffolk County that bestowed valuable whole life insurance policies upon its administrators. The Grand Jury finds that sixteen other Suffolk County school districts purchased expensive permanent life insurance policies for their administrators. The Grand Jury summarizes its findings below and notes that any stated value is for the death benefit, i.e. the amount the beneficiaries receive upon the death of the insured.

1. SD 5-2

The superintendent's contract calls for a \$200,000 whole life policy with premium payments to be made by the district.

2. SD 5-3

The recently retired superintendent received a \$275,000 whole life policy owned and paid for by the district. His replacement does not receive any district financed insurance coverage.

3. SD 5-7

The superintendent receives a \$250,000 whole life or universal life policy, and the district and superintendent each pay half of the premiums. The district retains ownership of the policy until the superintendent completes his contract, at which time the policy is turned over to the superintendent.

The other administrators each receive a \$100,000 term policy and an annual stipend of \$2,000 a year for up to ten years toward a split dollar policy. If the administrator leaves the district before the end of the aforementioned ten years, they must pay the premiums on their own or else surrender the policy to the district and reimburse the district for any premiums it had already paid. Thus if the administrator leaves the district in year six, he or she can pay the premiums for years seven through ten and then take the policy. If the administrator dies in service, part of the policy proceeds go to the district to reimburse them for any premiums paid.

4. SD 5-8

The superintendent receives a \$1,000 annual premium allowance to purchase whatever type of insurance he wishes. In addition, the school district contributes \$10,000 per year toward either a whole life or split dollar policy. The district owns the policy. Should the superintendent die during his period of employment, his beneficiaries receive the policy's death benefit less any premiums the district previously paid. If the superintendent leaves the district to pursue other employment, the policy can be transferred to him only if he reimburses the district for the premiums it has paid. If the superintendent retires from the district, he gets ownership of the policy and does not have to reimburse the district for any premiums.

5. SD 5-12

The superintendent receives a \$3,000 stipend to purchase whatever type of life insurance he wishes. In addition, the administrators are eligible for split dollar policies,

of which the district retains ownership. Upon the death of an administrator, the district will receive payments equal to the amount of premiums the district paid subsequent to the tenth anniversary of the policy. If the administrator wants ownership of the policy, he must reimburse the district for any premiums it has already paid.

6. SD 5-13

The superintendent owns a \$350,000 universal life policy for which the district pays the premiums. Upon the superintendent's retirement or termination, he keeps the policy but the district ceases to pay the premiums. The assistant superintendent for business has a split dollar policy with a face value of \$325,000. When he dies, the district receives \$75,000 from the policy proceeds that represents ten years of premium payments the district made on the administrator's behalf.

7. SD 5-16

The superintendent received \$6,000 over three years to purchase whatever type of insurance he wished. Upon his final year with the district, the district will purchase a single premium life insurance policy with a face value equivalent to two times the superintendent's annual compensation. The superintendent will own this policy.⁷²

⁷² A single premium life insurance policy is a type of a whole life policy. In this type of product, the insurance company calculates the total amount of premium necessary to pay for the policy, and the purchaser pays that amount up front. For example, in order to purchase a policy with a \$300,000 death benefit, the insurance company calculated, based on actuarial statistics, the insured must pay a one-time premium payment of \$60,000. With this initial one time premium payment, the policy will generate enough income over its life to fund the policy.

8. SD 5-17

The district owns and maintains a whole life or universal life policy that insures the superintendent for a face value of three times the superintendent's annual salary. Upon the superintendent's death, the district will receive funds equivalent to the amount of money they spent on the policy's premiums.

9. SD 5-26

The superintendent has a \$100,000 split dollar policy that he owns and for which the district pays the premiums. If the superintendent retires from the district, he takes the policy with him. However if he leaves the district for employment elsewhere or dies in service, the district must be reimbursed for any of the premiums it paid. In addition, the district also purchased a \$150,000 whole life policy for the superintendent and transferred ownership of the policy to him.

10. SD 5-27

The superintendent receives a \$150,000 split dollar policy while the other administrators⁷³ each receive a \$100,000 split dollar policy. The school district pays the premiums for seven years. If the superintendent or other administrator voluntarily leaves the district with those seven years, they may purchase the policy from the district. After seven years, the district stops paying the premiums and the endorsement remains in effect. This means that upon surrender of the policy or upon the administrator's death, the superintendent and administrators must reimburse the district for any premiums it paid on their behalf.

⁷³ Those holding the titles of Director and higher.

11. SD 6-10

The superintendent owns a \$100,000 split life policy that the district purchased for him. The assistant superintendent for business, the assistant superintendent for curriculum, two principals and one assistant principal each own a \$50,000 whole life policy purchased on their behalf by the district. The district pays the policies' premiums until the administrators leave the district.

12. SD 6-13

SD 6-13 purchases universal life policies for its administrators. Universal life is another type of whole life policy that has investment vehicles attached to it and, as a result, does not have fixed premiums. The premium amount fluctuates based upon the underlying investments. The district pays for universal life policies for the superintendent in the amount of \$200,000, for the assistant superintendent in the amount of \$490,000, and for all other administrators in the amount of \$100,000. All the aforementioned administrators own the policies. The district also pays premiums on a \$12,500 term policy for the superintendent.

13. SD 6-15

The school district purchased \$100,000 split dollar policies for the assistant superintendent for instruction and for a principal. The district also purchased a \$100,000 whole life policy for the Superintendent. The aforementioned administrators own the policies.

14. SD 6-16

All administrators receive a \$100,000 permanent life insurance policy for which the district pays the premiums for eight years. After eight years, the district turns the policies over to the administrators and has no further financial obligation. If an administrator dies before the end of the initial eight-year period, the district gets reimbursed for any premiums paid from the life insurance proceeds. If the administrator leaves the district's employment prior to the end of the initial eight-year period, the administrator may take the policy if he gives the district funds to repay the district's premium costs.

15. SD 6-18

The administrators receive \$2,450 annually to purchase whatever insurance coverage they wish. After their retirement or severance, the administrators must maintain their own premiums. The superintendent owns a whole life policy that he received during his employment at another school district. SD 6-18 agreed to fund this policy's annual premiums during the superintendent's tenure at the district. If upon the superintendent's retirement, the life insurance policy is not self-sustaining and still requires premium payments, the district will fund those premiums.

16. SD 6-31

In addition to a \$100,000 term policy that terminates upon his leaving the district, the superintendent also receives \$2,500 per year towards the payment of a whole life

policy that the superintendent owns and retains upon termination of his employment. The superintendent is responsible for any annual premium payments in excess of the allotted \$2,500.

Number of Administrators Per Student

Given the cost of salaries and benefits that school districts pay administrators, the Grand Jury compared how many administrators the various districts needed to run their districts and supervise the students. These compilations are a means by which the readers of this report can make an “apples to apples” comparison of some overall data relative to school districts in Suffolk County. Analyzing data on a strict dollar basis makes it difficult to compare school districts of disparate sizes. Appendix C contains the data for school year 2003-2004, while Appendix D shows the same information for school year 2004-2005.⁷⁴

The Grand Jury did a further analysis of 2004-2005 data by taking districts of similar size and seeing how they compare. As the following charts illustrate, certain school districts spend a seemingly large proportion of the total expenditures⁷⁵ on administrators' salaries. Similarly, there is a wide range in the number of students to each administrator. For example, SD 5-5 needs only one administrator for every 255 students while SD 6-10 has one administrator for every 79 students. The Grand Jury recognizes that there can be a variety of reasons for this particular statistic. However in an effort to

⁷⁴ In each Appendix, the first row describes the school district's total number of students enrolled for that particular school year. The next two rows list the school district's annual revenues and expenditures as described in the district's annual financial statements. The rows entitled “total administrator salaries” describe the total amount the district spent on all administrator salaries, per the information submitted to the Grand Jury, for each particular year. The subsequent rows give information based upon the above-described data. The row entitled “percentage of total salaries to total expenditures” represents the percentage that administrator salaries are of the total amount of money a district spends in a given year. The Grand Jury notes that “salaries” does not include the cost of any fringe benefits such as health insurance, life insurance or other monetary perks. The following row lists the total number of administrators employed in each district. The figures in the last row, entitled “# of Students per Administrator,” is a calculation of the total enrollment divided by the total number of administrators. These numbers show how the districts varied in terms of the number of administrators they had relative to the student population.

⁷⁵ 8.5% to as much as almost 9%.

control costs by reducing administrative overhead, the Grand Jury believes that a statewide study is necessary in order to assess administrative efficacy on a district-by-district basis.

A. Largest school districts

	SD 3-1	SD 3-3	SD 5-5	SD 6-2
Total enrollment	17,811	10,191	15,548	10,244
Total Expenditures	\$219,892,000	\$152,128,000	\$239,314,000	\$150,679,000
Total Administrator Salaries	\$11,104,000	\$6,838,000	\$6,394,000	\$6,799,000
% Total Salary to Total Expenditures	Approximately 5%	4.5%	2.64%	4.5%
Total Number of Administrators	91	63	61	50
# of Students per Administrator	196	162	255	205

B. Mid-Sized Districts

	SD 5-9	SD 5-11	SD 5-15	SD 5-16	SD 5-22
Total enrollment	4,467	4,202	4,922	3,946	3,617
Total Expenditures	\$75,326,000	\$79,792,000	\$70,106,000	\$57,929,000	\$45,948,000
Total Administrator Salaries	\$3,672,000	\$4,908,000	\$5,030,000	\$2,498,000	\$4,100,000
% Total Salary to Total Expenditures	4.88%	6.15%	Approximately 7%	4.3%	8.92%
Total Number of Administrators	35	46	48	22	40
# of Students per Administrator	128	91	103	179	90

C. Smaller Districts

	SD 5-20	SD 6-10	SD 6-12	SD 6-16	SD 6-28
Total Enrollment	2,437	1,981	2,124	1,267	1,012
Total Expenditures	\$37,157,000	\$3,056,000	\$35,854,000	\$27,682,000	\$19,126,000
Total Administrator Salaries	\$2,371,000	\$2,843,000	\$3,056,000	\$1,638,000	\$597,000
% Total Salary to Total Expenditures	6.38%	8.5%	8.5%	5.9%	3%
Total Number of Administrators	18	25	25	15	5
# of Students per Administrator	135	79	85	84	202

Instructional Salaries and Total Employee Benefits

In order to obtain a more complete picture of the proportion of school budgets devoted to salaries and benefits, as well as how information regarding that proportion is disseminated to the voting public, the Grand Jury randomly sampled data relating to the salary for teachers and their immediate superiors [“instructional salary”] and total employee benefits for school districts in Suffolk County. The Grand Jury culled this information from the school districts’ ST-3 reports,⁷⁶ the contract for members of the teacher’s bargaining unit, and the districts’ audited financial statements. In addition, the Grand Jury reviewed information published on the same school districts’ websites and compared the quality of information available to the public with regards to employee and administrator compensation and budget data.

The Grand Jury reviewed information from the ST-3 reports relating to the amount of money the sampled districts spent on the salaries of teachers⁷⁷ and other employees that deal with the instruction of children such as principals, assistant principals, substitute teachers, occupational educators and guidance personnel. The ST-3 reports have a category called “total instructional” that delineates, in sum, the cost of the instructional employees’ salaries and the materials used to educate the districts’ children. It does not include overhead expenses such as the cost of fuel, electricity or salaries for the custodial staff. The Grand Jury also examined, as detailed in the ST-3 report, the cost

⁷⁶ An ST-3 report is a standardized document that all school districts file with the New York State Education Department. Among the voluminous information detailed in an ST –3 report is a detailed breakdown of the district’s revenue and expenditures by standardized categories and codes.

⁷⁷ Teachers’ contracts contain salary schedules. These schedules have two components: one based on years of service and another based upon educational level. The schedules were generally in a grid form, with the years of service listed in ascending order down the left hand side and the educational levels listed in ascending order as column headings across the top. The longer a teacher has been employed in a district, the higher the salary he commands. Teachers also receive salary increases as they obtain additional educational credits or higher-level graduate degrees. As with the superintendent and administrators’ contracts, the teachers’ salary schedules were not found to be accessible on the school districts’ web sites.

of overall benefits for every employee of the district. Unfortunately, due to the composition of the ST-3 reports, there is no separate category for benefits paid only for instructional personnel, and thus the Grand Jury used benefits for all employees in its random sample analysis.⁷⁸

The Grand Jury used the above-described costs to examine the percentage of the randomly sampled districts' total general fund expenditures that go toward paying instructional salaries and employee benefits. The following chart illustrates (a) the percentage that expenditures on instructional salaries are of the total instructional costs; (b) the total percentage that instructional salaries are of the overall total general fund expenditures; and (c) the cost that the instructional salaries, combined with the total cost of all employee benefits, are as a percentage of the total general fund expenditures. General fund expenditures are the total general expenses of the district excluding monies spent on special fund projects such as capital expenditures. The data for school districts are from the 2004-2005 school year.

	SD 6-4	SD 6-1	SD 5-20	SD 6-10	SD 6-32
Total Instructional Salary	61,647,039	50,629,697	15,528,382	14,498,132	1,031,415
Total Overall Instructional	85,844,273	64,661,435	22,125,309	20,067,681	1,791,211
% Salary/Total Instructional	71.81%	78.30%	70.18%	72.25%	57.58%
Total General Fund	145,982,743	108,077,753	37,157,048	33,324,830	3,882,022
% Salary/Total General Fund	42.23%	46.85%	41.79%	43.51%	26.57%
Total Employee Benefits	24,457,910	19,967,715	5,309,575	5,428,166	710,060
Total Benefits + Total Ins. Sala	86,104,949	70,597,412	20,837,960	19,926,298	1,714,475
% Benefits+Salary/ Total GF	58.98%	65.32%	56.08%	59.79%	44.86%

⁷⁸ Unlike instructional salary expenses, the ST-3 reports do not clearly separate the cost of employee benefits by employee category.

The Grand Jury observes that the instructional salaries comprise at least half, if not three quarters, of the total instructional costs for the sampled districts and, with the exception of SD 5-20, over half of all general fund expenditures. The Grand Jury does not find it unusual that the greatest cost is for the salaries and benefits of the employees, considering that education is a service-type business. What the Grand Jury does find disheartening, and recommends changing, is the inaccessibility of this information. Unlike the Grand Jury, John and Jane Taxpayer do not have subpoena power to obtain this information nor access to a stable of well-experienced certified public accountants to help interpret it.

FINDINGS OF FACT: PART III

FREQUENT AUDIT FINDINGS AND LACK OF INTERNAL CONTROLS

As noted earlier in this report, scandals involving the theft and waste of millions of dollars in school districts across Long Island prompted the promulgation of new legislation, and a vigorous program of audits of all of the school districts in New York State by the Office of the State Comptroller. The Grand Jury deemed it appropriate, at this juncture, to examine potential problems with internal controls at school districts both before and after the eruption of school district scandals on Long Island. The Grand Jury accomplished this by reviewing the external auditors' opinions and related management letters of Suffolk County school districts for the fiscal years ending June 2003 through June 2005. A management letter describes issues an external auditor found that could affect the auditee's internal and other fiscal controls. The management letter's purpose is to point out deficiencies in an auditee's operation that, if not corrected, can leave the auditee's assets vulnerable to theft and mismanagement. The Grand Jury also heard evidence about New York State Comptroller's Office audit findings at several school districts across Long Island.

In its review, the Grand Jury noted that both the external auditors and the New York State Comptroller had certain recurrent themes in their reports. Moreover, the Grand Jury observed that auditors pointed out the same deficiencies year after year in the same district. The auditee/ school district, therefore, did not correct the deficient policies and/or procedures when the auditor first found them.

In this section, the Grand Jury highlights some of the problems that both the various external auditors and the New York State Comptroller's Office found extant in school districts across Suffolk County during the 2002-2003 through the 2004-2005 school years.

A. Frequent Finding #1: Unsupervised Adjusting Journal of Entries and Wire Transfers

Many school districts permitted individuals to post adjusting journal entries to the districts' general ledgers without any management approval and review. An entity makes a journal entry to adjust an account for some reason. For example, if a school district voided a check, the business office would make an adjusting entry in its ledgers to reflect the cash replacement and offset the originally lodged expense. The adjusting journal entries should not be done without some kind of management supervision. Without oversight, a school district employee could post fictitious journal entries and manipulate the accounting system to cover up thefts. Similarly, certain school districts permitted a business office staff member to authorize wire transfers of school district funds without supervisor approval. Again, without oversight, a single individual could embezzle school district funds via wire transfers.

B. Frequent Finding #2: Insufficiently Segregated Duties

The New York State Comptroller notes that "an effective system of internal controls requires separation of duties so that no single individual controls most or all phases of a financial transaction. Concentrating key duties (i.e., authorization, recordkeeping and custody) with one individual who has little or no oversight weakens

internal controls and significantly increases the risk that errors and/or irregularities might occur, and go undetected and uncorrected.”⁷⁹ During the period reviewed, many school districts permitted the same person to perform multiple duties so that, if these individuals were so inclined, they could easily facilitate the theft of school district assets.

A commonly cited example of this failure to segregate duties was school districts using the same employee to set up the payroll system and process payments. Without appropriate segregation of duties, an unscrupulous payroll entry clerk could create a “ghost employee” – that is, put a non-existent person on the payroll - and have this fictitious person’s check sent to a location controlled by the employee. This is another method by which a dishonest employee could easily steal district funds.

C. Frequent Finding #3: Inadequate Oversight of Capital Assets

The New York State Comptroller defines capital assets as “those assets that have a useful life of more than one year and include such things as land, buildings and building improvements, furniture and equipment.”⁸⁰ Capital assets are a significant component of a school district’s resources. School districts should, and infrequently did not, have inventory lists, called schedules, detailing the type, value and location of their capital assets. Moreover, school districts should have written policies delineating how they record the arrival of a capital asset and how they keep track of the asset after it arrives. The Grand Jury finds that during the period reviewed, several school districts did not regularly update or verify their capital assets policies, maintain up to date inventory records or conduct regular asset inventories. Moreover, because the districts had

⁷⁹ GJ # 248 a-I, 263, 435, 436

⁸⁰ GJ# 248 a -I , 263, 435, 436

outdated or nonexistent fixed asset schedules, they were unsure as to what fixed assets they had. Assets could have been stolen and the district never would have known.

D. Frequent Finding #4: Lack of Written Policies for Cell Phones, Credit Cards, Computers and Travel and Meal Reimbursement

Every New York State Comptroller audit report the Grand Jury reviewed and almost every management letter reviewed cited inadequacies in the school districts' written policies concerning either cell phone, credit card or computer use. Boards of Education should have written guidelines governing the use of school district credit cards, cell phones and computers, so that all employees and board members clearly understand what is an acceptable use of these district assets.

In addition, several districts did not have written policies mandating pre-approval in writing before an employee can attend conferences and travel at the districts' cost. Written approvals should not only clearly specify the conference and travel options authorized, but also state acceptable costs for lodging and meals.⁸¹ Without these clearly delineated policies, some school districts paid for employees to stay at luxurious hotels while attending conferences and reimbursed them extravagant meals.

E. Frequent Finding #5: Failure to Obtain Bids for Equipment Purchases

Pursuant to New York State General Municipal Law §103, a school district must seek competitive bids for all contracts that authorize the expenditure of more than \$10,000 to purchase goods or \$20,000 to obtain professional services. The contracts

⁸¹ GJ# 436

must be awarded to the lowest responsible bidder.⁸² This practice helps to ensure that the district gets the best price for the goods and services. It also helps to prevent bid rigging or “sweetheart” deals with friends, relatives and associates of school district employees or members of the board of education. Management letters often cited Suffolk County school districts’ failures to follow appropriate purchasing practices.

F. Frequent Finding # 6: Overuse of Confirming Purchase Orders

A school district’s procurement process “should ensure that the district purchases goods and services from qualified vendors at reasonable prices, and obtains professional services based on written, board-approved contracts awarded through a competitive process that avoids the appearance of favoritism or fraud.”⁸³ Disbursements should be made via a purchase order. A purchase order is a document approving both the item to be purchased and the amount of money to be spent on that item. When the ordered item arrives, the school district should compare the invoice to the purchase order to ensure it received the item it actually ordered and the vendor charged the district the agreed upon amount. The management letters consistently noted that school districts often purchased things and paid for them without a purchase order or other type of prior approval.

School districts occasionally issued purchase orders after they received goods. This practice, known as confirmatory purchase orders, is acceptable, from an internal control standpoint, only in cases of emergency such as an immediate need to hire a plumber to fix a suddenly burst pipe. However the external auditors’ reports and the Comptroller’s audits found that some school districts use confirmatory purchase orders

⁸² New York State General Municipal Law §103

⁸³ GJ # 435

for routine, non-emergency expenditures. This lays the district open to such actions as double payment of vendor claims.

G. Frequent Finding #7: Incomplete Personnel Files

The management letters frequently noted that school districts' personnel files were not up to date. Without complete and accurate personnel files, the school districts cannot ensure their employees are getting paid the contractually authorized amount or that unauthorized persons, the aforementioned "ghost" employees, are not on the payroll.

H. Frequent Finding #8: School District Unnecessarily Paid Sales Tax

School districts are not for profit entities and thereby exempt from paying sales tax on goods purchased. However, because of inadequate internal claims auditing, some districts' invoices showed that they unnecessarily paid sales tax.

I. Frequent Finding #9: Excess Unappropriated Fund Balance

A fund balance represents the value of a school district's assets less the cost of its liabilities. Under New York State Real Property Tax Law, a district may have 2% of its fund balance unallocated to pay for specific costs to the district. For example, if a school district had a \$1 million annual budget, that budget may not contain more than \$20,000 in unspent funds from the previous year. That \$20,000 is the unappropriated fund balance.

If the unappropriated fund balance is over 2%, the school district should come within 2% in the next fiscal year. It is understandable how a district could exceed 2% in any one year because the actual expenses might have run under the estimated budget

amounts. It should not, however, happen continually. Several school districts' management letters noted that the auditee/school district had unappropriated fund balances in excess of 2% for more than two years in a row. The Grand Jury finds that unappropriated fund balances in excess of 2% should be used to decrease tax levies, not squirreled away as rainy day funds.

J. Summary of Management Letter Issues and Questionable Costs

The Grand Jury compiled a schedule of management letter issues and questionable costs for school districts in Suffolk County for the fiscal years ending June 2003 through June 2005. This schedule is attached as Appendix E. The Grand Jury examined whether school districts corrected deficiencies noted in the management letters or if the same deficiencies were noted from year to year.

The Grand Jury also reports any change in external auditors during the period in question. The Grand Jury notes that since the scandal in School District A became public, the number of reportable conditions in the management letters markedly increased. The Grand Jury concludes that the external audits have been much more thorough since the eruption of allegations of fiscal improprieties at Long Island school districts and also because of the increased scrutiny of the New York State Comptroller.

The newly enacted New York State Education Law §2116-a(3)(c) now requires school districts to come up with a corrective action plan to remedy issues found in the external audit reports. The Grand Jury applauds this new legislation but thinks it should go further and mandate the dissemination of the corrective action plans to the public.

FINDINGS OF FACT: PART IV

PENSION FRAUD

The Grand Jury heard testimony concerning retired school district administrators, school districts themselves and a private corporation's lack of compliance with and purposeful circumvention of sections of the New York State Civil Service Law, the New York State Retirement and Social Security Law, the New York State Education Law and the New York State Penal Law. The Grand Jury also investigated an unlawful practice referred to as "double dipping," wherein an education professional, once retired from public service, returns to employment in public education and simultaneously collected both his pension and a salary.

What the Grand Jury learned was, due to flaws in the pension system applicable to Suffolk County school districts, unscrupulous individuals motivated by greed have been, and continue to be, able to steal public pension funds.

Pension System A

Pension System A is a public pension system that manages and distributes the retirement funds of public sector teachers, administrators, teacher assistants and guidance counselors in New York State.⁸⁴ Pension System A receives mandatory contributions of its members as well as their employers and invests these funds.⁸⁵ There are four tiers of membership with each tier having slightly different entitlements. The year a member joins Pension System A determines the tier to which he belongs.

Any Pension System A member who retires and starts to collect his pension cannot return to public service and simultaneously collect a salary. New York State Civil Service Law §150 prohibits this practice, known as double dipping. The penalty for double dipping is forfeiture of the member's pension payments during the period of time the member earned a post-retirement public employment salary.

There are some exceptions to this rule. First, if a retiree is sixty-five years of age, he can return to public sector employment and earn any amount of money without diminution of his pension benefits. Second, a retiree can return to public employment at any age and earn a salary without penalty as long as he does not earn more than the limits imposed under Retirement and Social Security Law §212.⁸⁶ Third, under special circumstances a retiree can return to public service for a finite period of time, and receive unlimited earnings, if they apply for and are granted a waiver by an agency listed in New

⁸⁴ Pension System A does not manage and distribute retirement funds of persons retired from the New York City school system.

⁸⁵ Contributions are mandatory for the first ten years of membership in the system.

⁸⁶ New York State Retirement and Social Security Law §212 currently caps earnings at \$27,500 per year. See the "Applicable Statutes" section in the appendix for a full recitation of the salary caps from 1996 forward.

York State Retirement and Social Security Law §211. The agency charged with certifying the qualifications of licensed education professionals under Retirement and Social Security Law §211 is hereinafter referred to as New York State Department A.

A. Consultants

Pension System A puts certain restrictions on retired educators who wish to perform consulting services at a school district. Only members who joined Pension System A prior to May 31, 1973 are eligible to work as a consultant. Even if eligible, however, a Pension System A retiree cannot receive remuneration for consultant services, without jeopardizing his pension benefits, unless Pension System A reviews and approves the proposed consulting agreement between the member and the school district.

Pension System A uses the Internal Revenue Service twenty-factor test to determine if the retired member would be acting as a true consultant rather than performing functions that would normally be done a regular employee.⁸⁷ Merely giving a person the title of “consultant” or “independent contractor” in a contract or board minutes does not necessarily mean Pension System A would consider the relationship to be that of a consultant.

If Pension System A deems that the retiree will be acting as a consultant, it approves the application and the retiree can receive unlimited consulting fees while collecting his or her pension. Generally Pension System A limits the consultant waivers to no more than a two-year period. Moreover, a member must make a separate application for each consulting position.

⁸⁷ This test is described in detail starting on page 82

B. Earnings Limitations Pursuant to Retirement and Social Security Law §212

Retired public service employees who return to public employment for short periods of time can do so without a diminution in pension benefits as long as they do not earn more than the Retirement and Social Security Law §212 limits. An example of a typical situation is a retired teacher who occasionally works as a substitute. As long as the retiree's earnings do not exceed the current cap of \$27,500, the retiree is free to continue to collect the limited salary as well as his or her full pension benefits.

In the past, Pension System A suspended benefits of any retiree who, in post-retirement employment, earned salary in excess of the applicable year limitation outlined in Retirement and Social Security Law §212. Today however, Pension System A engages in a complex calculation that inures to the benefit of those retirees who violate the law. Pension System A calculates the number of days the retiree worked after hitting the current \$27,500 threshold. Then it calculates the per diem rate of the retiree's pension payment, multiplies that figure by the number of days the retiree earned in excess of the statutory limit and either withholds that amount of money or asks for the retiree to reimburse the retirement system.

Take for example a retiree who worked in one calendar year at hypothetical School District A for 60 days at a per diem rate of \$500 and earned a total of \$30,000.⁸⁸ Assume for this hypothetical, that the retiree's annual pension payment is \$100,000, and thus his per diem pension payment is \$274.⁸⁹ Retiree earned \$2,500 more than the current \$27,500 Retirement and Social Security Law salary limitation.⁹⁰ Using these calculations,

⁸⁸ 60 days multiplied by \$500 = \$30,000.

⁸⁹ \$100,000 divided by 365 days = 274 [rounded up to the closest whole number].

⁹⁰ \$500 a day multiplied by 55 days = \$ 27,500. 60 days total employment minus 55 days under the salary cap equals 5 days in excess of the salary cap.

the retiree worked for five days longer than he should have in order to avoid crossing the §212 limitation.⁹¹ Pension System A will withhold the equivalent of five days of the retiree's pension payments or \$1,870. However, if Pension System A recovered every dollar the retiree earned over the Retirement and Social Security Law §212 limit, the retiree would have to forfeit \$2,500.⁹² The current calculations Pension System A uses are in fact more beneficial to the retiree who violates the Retirement and Social Security Law. The retiree would lose more if Pension System A merely subtracted the actual amount of money that the retiree earned over the \$27,500.

C. Retirement and Social Security Law § 211 Waivers

1. Application to New York State Department A

At times, a board of education is not able to fill in a timely manner a professional position for which the New York State department charged with the licensing of education professionals ["New York State Department A"] requires the employee to hold an appropriate certificate.⁹³ How does a board of education attract a qualified interim employee if that person would have to sacrifice a portion of his hard-earned pension? Retirement and Social Security Law §211 addresses this problem and states that a retired person under the age of 65 may return to public service and earn a salary without suspension or diminution of his retirement allowance, as long as the individual obtains a

⁹¹ \$274 per diem pension rate multiplied by 5 days = \$1,870.

⁹² \$30,000 - \$27,500 = \$2,500.

⁹³ For example, a teacher might have to leave in the middle of the semester due to illness or a school administrator might suddenly be called up to serve in the military. Also, there is a dearth of qualified teachers in specialized subject areas such as math, technology and certain sciences and qualified school business administrators. In these circumstances, the board of education must fill the position immediately and can seek to have a retiree serve on an interim basis pending the board's ability to recruit and appoint a qualified non-retired individual.

waiver from an entity delineated in Retirement and Social Security Law §211.⁹⁴ In the case of retired school district teachers, administrators and superintendents, New York State Department A evaluates and approves the §211 waivers.

In order to apply for a 211 waiver, the retiree must submit a short application to New York State Department A. The retiree must include such information as the name of the school district from which he retired, the date of his retirement, the position he wishes to fill temporarily and the projected start and end date of his assignment. The retiree forwards this application to the school district/employer, who must then attach an affidavit from the district's superintendent and other supporting documentation. The superintendent, via affidavit, must affirm that the prospective retiree/employee is physically capable of filling the position, that the prospective retiree/employee has the appropriate New York State Department A certifications required for the job and that the district has unsuccessfully tried to find a certified and qualified non-retiree to fill the job. The school district must also provide New York State Department A with the reasons why the position needs to be filled; give a copy of the district's Board of Education minutes appointing the interim hire; explain why the district needs to hire an interim employee as opposed to a permanent replacement and list what actions it took to try and find a non-retired person to fill the job. Finally the school district must provide a timeline to explain what it plans to do to find a non-retired person to take the position permanently.

An employee at New York State Department A reviews the application and supporting documentation. He verifies that the proposed interim placement holds the certificates and credentials appropriate to the job for which he or she is being recruited.

⁹⁴ Hereinafter referred to as a "211 waiver".

Also, the New York State Department A ensures that the district has clearly stated that it has conducted a search for a non-retiree and plainly shows that they have not been able to do so. Finally the reviewer examines the documents to verify that no non-retired certified person responded to, or wanted, the job. Once the examiner completes his review, he, along with the head of New York State Department A, approves the waiver. New York State Department A indicates on the waiver the time period for which the interim hire has been approved to work, retains the original waiver in its files and sends a copy to both the applying school district and the retirement system to which the applicant belongs. Therefore, the proposed interim, the employing school district and applicable retirement system know that New York State Department A approved the 211 waiver and are aware of the time period that the interim may work.

The actual evaluation of a waiver application only takes between ten minutes to one hour. However the entire process from submission to evaluation lasts two to eight weeks due to the volume of mail and the other, more pressing, responsibilities of New York State Department A.⁹⁵ The rejection rate of the 211 waiver applications is quite small in proportion to the number of approvals given. Once New York State Department A approves the 211-waiver application, no one at the Department monitors the interim placement to insure that the retiree works only during the approved time period.

The approved 211-waiver period is for a maximum of one year. After the end of that one-year, the school district can submit an application for a second consecutive year and be approved, assuming all the above-described criteria are met. After two years

⁹⁵ The review of waiver applications consists of, at best, one percent of New York State Department A's overall responsibilities.

however, the interim must end his assignment and have a break in service before he can accept another interim position.

2. 211 waivers and Pension System A

Once Pension System A receives the approved waiver from New York State Department A, it sends the retiree a letter to notify him of the approved work periods and any salary limitations. If the retiree wishes to work for a former employer, his salary in any calendar year is restricted to the difference between his pension payment and his final average salary, whatever is greater. For example, if an individual's final average salary was \$150,000 and his annualized pension payment is \$100,000, his post retirement earnings would be limited to \$50,000 per year even with a §211 waiver.

Pension System A relies upon school district salary reports to monitor the earnings of retired persons. As of late 2005, Pension System A's computer system could not automatically flag the salaries of retirees who worked beyond an authorized period, if they had a §211 waiver or earned salary in excess of Retirement and Social Security Law §212 salary cap. Moreover, if a retired person's name is not listed on the employing school district's payroll,⁹⁶ Pension System A cannot monitor the retiree's post-retirement earnings at all.

The Grand Jury finds that this lack of monitoring and reliance on self-reporting opened the door for an unscrupulous educational professional to help hundreds of retirees receive millions of dollars in unauthorized pension payments from Pension System A.

⁹⁶ This occurs when a retiree forms a corporation and receives salary payments under the corporate, rather than the individual, name.

Entity A

“ I was very uncomfortable with the way [Entity A] operates...It’s an old boys network. It’s the [superintendents] picking [superintendents]...School boards should be doing that on their own, hiring people that are retired. To me, they were circumventing. It was more of a private business than a non-profit organization....It was almost like setting up to make yourself a job when you get finished, and a lot of people fell into the trap, I believe, of going with that because they wanted to make sure they have a place to go when they retire, to get an interim here, an interim there.”

Entity A is a “non-profit, private cooperative venture of school districts chartered by the Board of Regents.” Its “fundamental purpose...[is] to bring about the improvement of education, particularly in member school systems.” Membership is open to “universities, schools, school systems, non-public schools, colleges, non-profit education institutions and non-profit agencies.” Among other programs, Entity A ran an interim placement service and coordinated superintendent searches for school districts. By 2000, Entity A’s interim placement program was by far its most lucrative endeavor.

A. Structure of Entity A

Entity A had a board of directors elected by the superintendents of Suffolk County school districts. Entity A employed an Executive Director, a Deputy Director of Operations, a Deputy Director of Management Services [“Deputy Director A”] and support staff that ran the day-to-day operations. Entity A retained as General Counsel an attorney who specialized in educational law.

The Board of Directors held quarterly board meetings attended by the Executive Director and other administrators. A corporate secretary kept the official record or minutes of the matters discussed and votes taken during these regular Board of Director

meetings. Occasionally the board would adjourn the open meeting and go into executive or closed session. During these executive sessions, all non-Board members would be asked to leave and the Board of Directors could then discuss sensitive issues. If the Board decided to take any action during the executive session, it would announce these decisions in the open meeting. The members of the Board of Directors did not receive any remuneration for their service.

Entity A ran an interim placement program designed to provide school districts with qualified high level administrators to fill temporarily positions vacated due to retirement, illness, leave of absence or death. The Grand Jury finds that Deputy Director A transformed the interim placement program into a long-term employment agency that generated millions of dollars in revenue to Entity A and directly violated both New York State Education Law §503 and New York State Retirement and Social Security Law §211. The Grand Jury also finds that between 1997 and 2004, Deputy Director A earned hundreds of thousands of dollars in salary while running the interim placement program.

B. The Interim Placement Program

Deputy Director A joined Entity A in 1997 as its Director of Management Services. In a very short period of time, the interim placement program became the main thrust of his duties. In the beginning of the program, Entity A placed advertisements seeking retired administrators to work in the interim placement program. News of the program soon spread and retired, or soon to be retired, school administrators began to send their resumes directly to Entity A.

If a school district needed an experienced person to fill a temporary administrative position, it contacted Deputy Director A and described the job's duties and responsibilities. Deputy Director A looked through the resumes on file and would select a single candidate, based on a number of factors including the availability of candidates and their geographic proximity to the requesting school district. He sent the candidate's resume over to the school district's board of education for review. The board interviewed Deputy Director A's chosen candidate and decided if that person would get the interim position. The school district rarely rejected Deputy Director A's suggestions.

Deputy Director A negotiated with the school district and together they determined a dollar figure that the school district would pay for the interim's services. The school district paid this dollar amount, usually based on a per diem rate, directly to Entity A. Entity A retained a percentage of the interim's salary as its "fee" and remitted the remaining money to the interim.

Deputy Director A advised retirees, the school district for which they worked and Entity A's Board of Directors that the interims worked not for the school district, but rather for Entity A as consultants. This was despite the fact that the interims performed the duties of a regular employee, worked at the school district, and used school district staff and supplies. Most importantly, Deputy Director A told the interim placements that they did not need to get §211 waivers from New York State Department A because they worked for Entity A.

Since the late 1990's Entity A's general counsel had warned the Executive Director that there was "no way that these individuals [the Entity A placed interims] could be considered as non-employees of the school district and employees of [Entity

A].” The Executive Director summarily informed this experienced education law attorney that his legal opinion was absolutely wrong.

C. Warning from the General Counsel

In the spring of 1999, Entity A’s general counsel received a curious communication from another one of his clients, a Long Island school district. The school district contemplated hiring an interim administrator using Entity A’s interim placement service. The district’s superintendent questioned the legality of Entity A considering the interim placements as Entity A consultants, and not employees of the school district.

In May of 1999, the general counsel wrote a letter in response to the school district superintendent. In his letter, the attorney cited the Internal Revenue Service’s twenty-part test – a series of factors that determine whether an individual is an employee and therefore subject to income tax-withholding, or instead, an independent contractor.

The Internal Revenue Service considers one to be an employee if he or she

- a. must comply with the employer’s instructions about work;
- b. receives training from or at the direction of the employer;
- c. provides services that are integrated into the business;
- d. provides services that must be done personally;
- e. cannot hire, supervise and pay his/her own assistants;
- f. has a continuing relationship with the employer;
- g. must follow set hours of work;
- h. must work full-time for the employer;
- i. does the work on the employer’s premises;

- j. must do the work in a sequence set by the employer;
- k. is paid regularly on the basis of time worked;
- l. must submit regular reports to the employer;
- m. receives payment for business and/or travel expenses;
- n. relies on the employer to furnish tools to perform the work;
- o. cannot make a profit or suffer a loss from the services provided;
- p. works only for one employer at a time;
- q. does not offer services to the general public;
- r. can be fired by the employer; and
- s. may resign from the work at any time without incurring a liability.

In contrast, an independent contractor:

- a. decides when and how to do a job;
- b. sets his/her own hours;
- c. works for multiple companies;
- d. has a contractual obligation to finish the job;
- e. is paid by the task or job;
- f. provides his/her own tools and equipment;
- g. may work offsite; and
- h. puts his/her own capital at risk when taking on a job.

The general counsel noted that the proposed interim administrator worked at the school district, performed assignments as directed by the board of education and the superintendent, and attended board of education meetings as the superintendent directed.

In the attorney's opinion, the interim did everything for the school district and nothing for Entity A; therefore, the interim simply could not be an employee of Entity A.

Upon receiving his school district client's letter, the attorney felt compelled to counsel Entity A because he feared that Entity A could get itself into trouble by purposefully ignoring what the interims legally were – employees of the school districts. On the same day he sent the above described letter to his school district client, Entity A's general counsel wrote an opinion letter to Entity A's Executive Director, along with a copy of his opinion letter to his school district client. He stated "as you know, I play it straight, and on that basis, [Entity A] may have to deal with the issue of school districts utilizing [Entity A]-provided personnel under the guise of them being independent contractors, when clearly, under the applicable standards they must be considered as employees (and treated as employees) of the district." Neither the Executive Director nor Deputy Director A ever told Entity A's Board of Directors about the general counsel's legal opinion.

D. Entity A Lawyer Shops and Gets a "Better" Legal Opinion

After receiving this unwanted legal opinion, Deputy Director A approached another lawyer, namely a friend whom he had met in the early 1990's. Deputy Director A told his friend that Entity A was unhappy with its general counsel. He also indicated that he believed that the administrators Entity A placed in local school districts were Entity A employees. He asked his friend to give his legal opinion on the subject.

In October 1999, this friend rendered a written legal opinion in which he too cited the Internal Revenue Service's twenty-factor test as the criteria to determine whether the

interim placements were Entity A employees. The friend noted that the issue was whether Entity A or the employing school district had the ultimate control over the placed person. He offered to review the contracts between Entity A and the school districts to “be sure that there is appropriate language giving [Entity A] the authority to ultimately control and direct the employee.... It is important to establish, in your contracts with the school districts, that the consultant [the interim placement] is actually an employee of [Entity A]; that [Entity A] retains the ultimate right to control the employee, and specifically, that [Entity A] is doing the appropriate withholding as required by the IRS.”

E. The Third Opinion

In November of 1999, the Executive Director sought yet another opinion, this one from a certified public accounting firm, as to whether the interim placements could be considered employees of Entity A rather than the school districts. In response, the certified public accounting firm advised the Executive Director to modify the contracts between Entity A and the interim placements. The modifications needed to include definitive statements that the interim placements were “employees” of Entity A, “paid by” Entity A, and assigned to a school district, not upon the vote of the board of education, but rather “at the discretion of” Entity A. Further, the certified public accounting firm noted that Entity A should pay employment taxes for the interim placements and give them any available fringe benefits.

F. From Consultants to Employees

From 1998 to January 2000, Deputy Director A deemed the interim placements to be independent contractors or consultants and issued them Internal Revenue Service 1099 forms to report their income for tax purposes. However, in January 2000, Entity A changed the manner in which it treated the interim placements. Entity A now referred to them as “employees” and required all the interim placements to fill out employment applications, complete Internal Revenue Service income reporting forms, known as “W-2s”, and submit time sheets. Entity A placed the interims on Entity A’s payroll and withheld appropriate state and federal taxes.

Entity A treated the interim placement employees much differently than the other professional management and support staff. The interims received no fringe benefits, vacation time, illness leave or health insurance. In contrast, the “regular” employees and management received time off for vacations, allotted time off for illness, fringe benefits such as health insurance and had access to employer sponsored retirement savings accounts.

Moreover, Entity A incurred no cost for the mandatory employer contributions to Social Security, Medicare and workers compensation. Instead, Entity A merely lowered the amount of money it distributed to the interims. For example, prior to January of 2000, if Entity A agreed to pay the interim placement \$500 per day, Entity A charged the school district \$535 per day and kept the difference of \$35 per day as their fee. Post 2000, using the same dollar figures, Entity A retained an additional seven percent or \$35

dollars per day while the interim received only \$465 per day. Entity A used the additional money for payroll expenses such as mandatory state and federal taxes.

G. Spring 2001 – The Cease and Desist Directive

1. Contradicting Pension System A’s Instructions to Its Members

In the spring of 2001, Pension System A sent a newsletter to its retired members outlining the requirements with which the retirees must comport in order to receive outside public sector employment earnings without any diminution or withholding of their pension. The newsletter stated that all members must report income earned in the public sector, even if the school district routed the salary through a private company. In response, Deputy Director A immediately issued a memo to all interim placement employees that stated:

You have recently received the [Pension System A] newsletter that in part states the following... ‘the bottom line is, if you are considering working as a consultant for a New York State public school, even if you are being paid by a private agency, you should contact [Pension System A] to discuss the procedure to follow to obtain approval for your employment. Failure to do so could jeopardize your retirement benefit.’

[Entity A] is a private non-profit corporation and you are working as a full time employee of [Entity A]. With legal review and support, we have met all of the IRS (Internal Revenue Service) conditions that constitute an employer-employee relationship.

...Working for [Entity A] and being paid by us does not require waivers or permission by [Pension System A] or [New York State Department A]. As shown in a recent [Pension System A] bulletin..., you are not required to report your earnings from private companies. Quote: ‘Do not report earnings from private employment...’

You are not a consultant. You are an employee of a private corporation.⁹⁷

⁹⁷ Emphasis in the original.

We are very confident of what we have offered that has been an important short-term support system for our Long Island Schools. Should you have any questions about your employment with [Entity A] feel free to call me. As your Supervisor, I would be pleased to visit you in the field.

One Entity A placed interim was not completely convinced that Deputy Director A was correct. On one hand, Pension System A stated that all retirees who returned to public employment and earned in excess of the salary limitations outlined in Retirement and Social Security Law §212 must get a waiver from New York State Department A or risk losing their pension benefits – “even if you are being paid by a private agency” such as Entity A. On the other hand, Deputy Director A told these interims - who worked in the school district, under the direction of school personnel while performing the duties of a regular school district employee or administrator - that they didn’t need any waivers because Entity A was a private corporation.

This retired administrator wrote to Pension System A on April 26, 2001 and forwarded a copy his letter to Deputy Director A. In his correspondence, the retired administrator noted that he worked at a Long Island school district on a part time basis performing “some of the duties of the business administrator.” The retired administrator stated that “[w]hile I believe that I am an employee of a private corporation, I do not wish to jeopardize my retirement benefits.” He asked Pension System A to review his letter and tell him what actions he needed to take in “order to comply with [Pension System A] regulations.” In addition to his letter, the retired administrator sent Pension System A copies of his Entity A contract and the contract between Entity A and the school district for whom the retired administrator worked.

On May 9, 2001, Deputy Director A fired the retired administrator and excoriated him for sending Entity A contracts to Pension System A. Ironically on May 10th, Pension System A responded to the retired administrator and stated

Based on the documentation submitted, we have determined these services are *not* those of a consultant. Therefore your services are those of a regular employee and subject to the earnings limitations under Section 212 of Article 7 of the Retirement and Social Security Law. Even though you are paid through [Entity A] the service is reportable to this System and is subject to the limitations imposed by Article 7.

...If you expect to earn more than the Section 212 limit, your employer can request approval under Section 211 or, absent that approval, you will be required to suspend your retirement benefits from this System.

2. Meeting with the Bureau Chief of New York State Department A

Prior to late May of 2001, Deputy Director A had telephone conversations with the Bureau Chief of New York State Department A [Bureau Chief] to discuss whether Entity A placed interim administrators needed to seek §211 waivers. The Bureau Chief told Deputy Director A to stop telling the school districts and the interims that they did not need §211 waivers. He also told Deputy Director A that all interim administrators and teachers performing service in the public schools who earned in excess of the Retirement and Social Security Law §212 salary caps must seek §211 waivers. This adamant position motivated Deputy Director A to travel to Albany for a face-to-face meeting with the Bureau Chief in late May 2001.

During their meeting the Bureau Chief told Deputy Director A in simple and unequivocal terms that if the position is a professional one requiring the interim to hold a New York State Department A approved certification,⁹⁸ and the school district's board of

⁹⁸ i.e. that of a teacher, assistant principal, principal, assistant superintendent or superintendent.

education wanted to fill it with an interim who is a retiree, then the board of education must submit a §211 waiver application to New York State Department A. Moreover, the Bureau Chief told Deputy Director A that he misread the applicable statutes and regulations if he believed that the interim placements were anything but employees of the school districts. The Bureau Chief pointedly stated that the process that Entity A currently used, that is putting the interim placements on their payroll and calling them employees, was not legal.

The Bureau Chief offered to instruct his staff to expedite any §211 waiver applications that came to his department accompanied by a cover letter from Entity A. The Bureau Chief said that New York State Department A would review Entity A identified waiver applications immediately upon receipt and would send the approval letters to Pension System A within 24 to 48 hours, as opposed to the usual four to five months.

The Bureau Chief believed that Deputy Director A would never contravene a direct order from the head of New York State Department A and put all the interims' pensions in jeopardy. He was wrong. Deputy Director A ignored the Bureau Chief's order, as well as his offer to expedite §211 waiver applications.

Upon his return to Long Island, Deputy Director A lied to Entity A's Board of Directors, school district boards of education and the general counsel⁹⁹ about his meeting with the Bureau Chief. He did not admit that the head of New York State Department A ordered Deputy Director A and Entity A to "cease and desist" its practice of placing Pension System A retirees in administrative positions in school districts without first

⁹⁹ In fact, Deputy Director A never even told the general counsel about the meeting with the Bureau Chief. 12/1/05 p. 60

getting New York State Department A approval. Instead, he told Entity A's Board of Directors that the Bureau Chief and his department believed "what we [Entity A] were doing in [the interim placement program] was appropriate and met the needs of [New York State Department A]." Most disturbing, he told school districts and Entity A's Board of Directors that New York State Department A had agreed that Entity A only needed to seek §211 waivers when Entity A "thought it was appropriate."

The Grand Jury finds that by the spring of 2001, New York State Department A, Pension System A and Entity A's experienced general counsel had all stated in sum and substance that Entity A's interim placement program was illegal and constituted a purposeful attempt to avoid the mandatory state waivers. The Grand Jury also finds that Deputy Director A purposefully misled Entity A's Board of Directors, the interim placements and the school districts for whom they worked in order to bolster his own status within Entity A and, as a result, his own salary.

H. Financial Incentive to Lie

The Grand Jury reviewed Entity A's audited financial statements, independent auditor reports and supplemental financial reports for fiscal years 1998 through 2004.¹⁰⁰ For the fiscal year ending August 31, 1998, the interim placement program contributed only 6.23% of Entity A's total revenue. By August 31, 2004, Entity A's interim placement program had grown exponentially and generated \$8,853,831 or 46.96% of

¹⁰⁰ A financial statement is a snapshot of an entity's financial position on a given calendar date. In the case of Entity A, its annual statement of financial position lists the value of its assets as compared to the total amount of money it owed to other entities as of August 31 on any given year. The supplemental financial reports gave more detailed accounting of other financial matters such as a statement of activities, a statement of cash flows, list of its accounts receivable, the value of its property, equipment and improvements and supplementary schedules for certain sources of revenue and expenses. Entity A's management prepared the annual financial statement and then had the statements reviewed by certified public accounting firm acting as an independent auditor. GJ# 106-111

Entity A's total annual revenue. The following chart outlines the growth of the interim placement program, specifically:

- a. Entity A's reported revenues from all sources as compared with the organization's reported expenses for running all its programs, including the interim placement program for fiscal years 1998-2004;
- b. Entity A's interim placement program total reported revenue as compared with the program's total reported expenses for fiscal years 1998-2004;
- c. The percentage that Entity A's interim placement program's revenues were of the agency's total revenues for fiscal years 1998-2004; and
- d. The percentage that Entity A's interim placement program's expenses were of the agency's total expenses for fiscal years 1998-2004.

ENTITY A
REPORTED REVENUE AND EXPENSES

Fiscal Year End August 31	1998	1999	2000	2001	2002	2003	2004
Total Reported Revenue	\$7,089,990	\$8,661,187	\$10,877,169	\$13,290,523	\$15,041,034	\$17,517,763	\$18,854,680
Total Reported Expenses	<u>\$6,926,562</u>	<u>\$8,316,271</u>	<u>\$10,614,227</u>	<u>\$12,762,731</u>	<u>\$15,090,908</u>	<u>\$16,731,499</u>	<u>\$17,706,422</u>
Total Excess Revenue Over Expenses	\$163,428	\$344,916	\$262,942	\$527,792	\$(49,874)¹⁰¹	\$786,264	\$1,148,258
Entity A Interim Placement Program							
Reported Revenue from Interim Placement Program	\$442,051 6.23%	\$1,424,404 16.45%	\$2,829,713 26.02%	\$4,483,905 33.74%	\$5,797,406 38.54%	\$8,123,022 46.37%	\$8,853,831 46.96%
Reported Expenses of Interim Placement Program	\$463,407 6.69%	\$1,374,859 16.53%	\$2,757,154 25.98%	\$4,247,758 33.30%	\$5,580,065 36.98%	\$7,734,692 46.23%	\$8,502,713 48.02%
Total Excess Interim Placement Program Revenue Over Expenses	\$(21,356) -13.07%	\$49,545 14.36%	\$72,559 27.60%	\$234,147 44.36%	\$217,241 435.78%¹⁰²	\$388,330 49.39%	\$351,118 30.58%

¹⁰¹ Overall expenses exceeded revenues. GJ#249-252

¹⁰² The interim placement program had net excess revenues over expenses, while Entity A, as a whole, had expenses that exceeded revenues by \$49,874. Without the interim placement program's excess revenues, Entity A's total excess expenses would have been over \$250,000. GJ# 249-252, 12/20/05 p. 80-83

By August of 2004, the interim placement program comprised almost half of both Entity A's total revenue and its total expenses. The Grand Jury finds that between 1998 and 2004 the interim placement program contributed \$1,291,684 to Entity A's bottom line. Interestingly, between fiscal year 1998 and fiscal year 2004, Deputy Director A's salary increased from \$61,600 to \$113,218 or 83.80%.

The interim placements also fared well financially. The following spreadsheet analysis lists the interim placements who worked in public schools, the dates they worked and the salaries they earned while simultaneously collecting a pension from Pension System A. The analysis also lists the Retirement and Social Security Law §212 salary caps in the years that the interims earned their salaries. Finally, the spreadsheet shows the actual dollar amounts that the interim placements earned in excess of the applicable §212 limits. None of these interims applied for or received a §211 waiver.

ENTITY A		LONG TERM INTERIMS WITHOUT 211 WAIVERS					
PERIOD :		1/1/97 - 12/31/04					
LAST NAME	FIRST NAME	PENSION EARNED PER CALANDER YEAR	SALARY EARNED AS INTERIM PLACEMENT	SECTION 212 LIMITATION IN APPLICABLE YEAR	SALARY EARNED IN EXCESS OF 212 LIMITATION [Column D - Column E]	ACTUAL YEAR PAID	
A	M	22,526.58	36,828.00	15,500.00	21,328.00	1999	
A	M	45,053.16	48,750.00	17,000.00	31,750.00	2000	
A	M	45,053.16	29,421.00	18,500.00	10,921.00	2001	
B	R	60,460.68	63,512.00	25,000.00	38,512.00	2003	
B	M	84,711.20	47,680.00	25,000.00	22,680.00	2003	
B	M	68,333.16	19,851.00	18,500.00	1,351.00	2001	
B	S	31,104.60	37,605.00	20,000.00	17,605.00	2002	
B	S	80,782.92	56,640.00	27,500.00	29,140.00	2004	
B	S	82,903.53	69,420.00	25,000.00	44,420.00	2003	
B	R	33,956.85	34,086.00	14,500.00	19,586.00	1998	
B	R	100,100.64	48,470.00	20,000.00	28,470.00	2002	
B	R	100,100.64	110,257.50	25,000.00	85,257.50	2003	
B	R	100,100.64	44,480.00	27,500.00	16,980.00	2004	
B	J	41,949.06	46,965.00	17,000.00	29,965.00	2000	
B	J	95,963.64	58,073.19	20,000.00	38,073.19	2002	
B	J	95,963.64	39,619.04	25,000.00	14,619.04	2003	
B	J	95,963.64	27,535.96	27,500.00	35.96	2004	
B	J	101,996.40	112,201.50	18,500.00	93,701.50	2001	
B	A	38,968.72	38,400.00	15,500.00	22,900.00	1999	
B	B	18,579.72	20,056.00	18,500.00	1,556.00	2001	
B	B	62,149.20	43,654.00	27,500.00	16,154.00	2004	
C		55,943.40	24,667.50	14,500.00	10,167.50	1998	
C	F	75,169.92	59,567.50	25,000.00	34,567.50	2003	
C	R	85,785.48	51,619.80	20,000.00	31,619.80	2002	
C	R	78,821.04	85,800.00	25,000.00	60,800.00	2003	
C	R	79,001.04	55,124.97	27,500.00	27,624.97	2004	
C	R	95,049.09	48,608.00	27,500.00	21,108.00	2004	
C	G	69,584.73	26,800.00	25,000.00	1,800.00	2003	
C	R	66,352.56	30,550.50	15,500.00	15,050.50	1999	
C	R	66,352.56	32,760.00	17,000.00	15,760.00	2000	
C	J	97,872.96	56,000.00	27,500.00	28,500.00	2004	
C	A	37,143.66	22,275.00	15,500.00	6,775.00	1999	
C	A	74,287.32	50,880.00	17,000.00	33,880.00	2000	
C	T	35,917.44	33,561.36	25,000.00	8,561.36	2003	
C	M	40,090.02	25,990.00	25,000.00	990.00	2003	
C	R	64,213.50	23,435.00	20,000.00	3,435.00	2002	
C	R	63,573.00	21,475.00	14,500.00	6,975.00	1998	
C	R	63,573.00	22,737.50	17,000.00	5,737.50	2000	
C	R	63,573.00	23,080.00	18,500.00	4,580.00	2001	
D	J	69,656.28	21,426.00	20,000.00	1,426.00	2002	
D	J	80,943.12	38,500.00	25,000.00	13,500.00	2003	
D	L	71,847.12	37,500.07	25,000.00	12,500.07	2003	
D	L	71,847.12	34,175.55	27,500.00	6,675.55	2004	
D	W	70,290.72	51,835.79	27,500.00	24,335.79	2004	
D	J	36,741.24	32,000.00	25,000.00	7,000.00	2003	
D	J	27,849.78	24,920.00	20,000.00	4,920.00	2002	
D	J	61,109.52	14,766.00	14,500.00	266.00	1998	
D	R	61,503.12	20,525.00	18,500.00	2,025.00	2001	

ENTITY A		LONG TERM INTERIMS WITHOUT 211 WAIVERS					
PERIOD :		1/1/97 - 12/31/04					
LAST NAME	FIRST NAME	PENSION EARNED PER CALANDER YEAR	SALARY EARNED AS INTERIM PLACEMENT	SECTION 212 LIMITATION IN APPLICABLE YEAR	SALARY EARNED IN EXCESS OF 212 LIMITATION [Column D - Column E]	ACTUAL YEAR PAID	
D	R	61,503.12	30,277.00	15,500.00	14,777.00	1999	
D	R	61,503.12	42,077.50	17,000.00	25,077.50	2000	
E	R	74,735.28	33,000.00	18,500.00	14,500.00	2001	
F	B	37,093.34	33,366.63	25,000.00	8,366.63	2003	
F	B	73,776.84	69,518.97	27,500.00	42,018.97	2004	
G	T	81,288.60	103,003.00	25,000.00	78,003.00	2003	
G	T	103,086.12	69,067.00	27,500.00	41,567.00	2004	
G	C	32,440.02	19,670.00	14,500.00	5,170.00	1998	
G	C	79,178.04	99,587.50	17,000.00	82,587.50	2000	
G	C	86,327.04	79,913.00	15,500.00	64,413.00	1999	
G	K	23,743.75	28,500.00	25,000.00	3,500.00	2003	
G	K	70,100.52	53,900.00	27,500.00	26,400.00	2004	
G	K	67,110.60	55,250.00	20,000.00	35,250.00	2002	
G	A	92,765.43	29,648.00	20,000.00	9,648.00	2002	
H	R	94,670.64	50,844.00	25,000.00	25,844.00	2003	
J	D	33,005.32	22,883.00	20,000.00	2,883.00	2002	
K	H	52,703.88	21,033.00	17,000.00	4,033.00	2000	
K	H	52,703.88	20,436.00	18,500.00	1,936.00	2001	
K	H	52,703.88	21,907.65	20,000.00	1,907.65	2002	
K	D	69,564.24	25,926.13	17,000.00	8,926.13	2000	
L	D	75,477.48	53,368.00	25,000.00	28,368.00	2003	
L	J	73,883.93	19,855.00	15,500.00	4,355.00	1999	
L	R	64,886.40	47,628.00	18,500.00	29,128.00	2001	
L	A	90,362.38	25,187.50	25,000.00	187.50	2003	
L	R	84,059.48	31,739.00	17,000.00	14,739.00	2000	
L	R	90,901.56	46,776.00	18,500.00	28,276.00	2001	
L	R	90,901.56	62,550.00	20,000.00	42,550.00	2002	
M	N	41,246.70	46,200.00	18,500.00	27,700.00	2001	
M	N	82,493.00	67,800.00	20,000.00	47,800.00	2002	
M	H	77,660.04	39,130.00	27,500.00	11,630.00	2004	
M	L	36,434.46	25,512.00	15,500.00	10,012.00	1999	
M	L	72,868.92	99,380.00	20,000.00	79,380.00	2002	
M	L	72,868.92	98,450.00	25,000.00	73,450.00	2003	
M	L	72,868.92	29,800.00	27,500.00	2,300.00	2004	
M	F	76,078.32	36,426.00	17,000.00	19,426.00	2000	
M	F	75,084.36	79,932.00	18,500.00	61,432.00	2001	
M	L	51,963.66	38,128.00	20,000.00	18,128.00	2002	
M	L	52,310.16	39,161.40	25,000.00	14,161.40	2003	
M	L	52,562.16	37,210.91	27,500.00	9,710.91	2004	
M	R	79,731.72	54,075.00	27,500.00	26,575.00	2004	
M	R	79,731.72	86,500.00	20,000.00	66,500.00	2002	
M	R	40,959.24	38,675.00	18,500.00	20,175.00	2001	
M	R	81,918.48	65,500.00	20,000.00	45,500.00	2002	
M	R	65,753.88	22,770.00	18,500.00	4,270.00	2001	
M	J	61,788.24	31,672.00	14,500.00	17,172.00	1998	
M	F	94,195.17	51,000.00	27,500.00	23,500.00	2004	
N	C	41,377.32	50,775.00	18,500.00	32,275.00	2001	
N	C	43,208.15	43,578.00	17,000.00	26,578.00	2000	
O	N	28,489.47	42,560.00	20,000.00	22,560.00	2002	
O	N	112,179.73	25,592.50	25,000.00	592.50	2003	
O	W	60,018.00	20,010.00	18,500.00	1,510.00	2001	

ENTITY A		LONG TERM INTERIMS WITHOUT 211 WAIVERS				
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LAST NAME	FIRST NAME	PENSION EARNED PER CALANDER YEAR	SALARY EARNED AS INTERIM PLACEMENT	SECTION 212 LIMITATION IN APPLICABLE YEAR	SALARY EARNED IN EXCESS OF 212 LIMITATION [Column D - Column E]	ACTUAL YEAR PAID
P	D	70,784.76	60,720.00	20,000.00	40,720.00	2002
P	D	70,418.76	18,720.00	18,500.00	220.00	2001
P	A	36,152.04	33,532.00	17,000.00	16,532.00	2000
P	A	72,304.08	65,591.00	20,000.00	45,591.00	2002
P	A	72,304.08	67,703.75	25,000.00	42,703.75	2003
P	R	82,610.40	30,450.00	17,000.00	13,450.00	2000
P	R	82,803.90	32,650.00	18,500.00	14,150.00	2001
P	J	22,727.16	16,875.00	14,500.00	2,375.00	1998
R	J	62,991.48	24,180.00	17,000.00	7,180.00	2000
R	J	62,991.48	34,070.00	18,500.00	15,570.00	2001
R	J	62,991.48	41,800.00	20,000.00	21,800.00	2002
R	J	64,389.20	47,884.50	15,500.00	32,384.50	1999
R	R	76,847.16	38,760.00	25,000.00	13,760.00	2003
R	A	83,177.94	27,555.06	25,000.00	2,555.06	2003
S	P	15,912.96	25,425.50	17,000.00	8,425.50	2000
S	P	53,030.52	51,071.00	25,000.00	26,071.00	2003
S	P	53,030.52	76,887.50	27,500.00	49,387.50	2004
S	P	53,030.52	69,500.00	20,000.00	49,500.00	2002
S	P	54,794.40	64,889.50	18,500.00	46,389.50	2001
S	W	110,976.90	42,780.00	27,500.00	15,280.00	2004
S	D	81,135.78	39,250.00	18,500.00	20,750.00	2001
S	E	53,852.16	42,000.00	27,500.00	14,500.00	2004
S	J	91,445.52	59,220.00	27,500.00	31,720.00	2004
S	R	67,371.60	43,705.00	18,500.00	25,205.00	2001
S	R	67,371.60	25,137.00	20,000.00	5,137.00	2002
S	R	63,104.04	35,332.50	18,500.00	16,832.50	2001
S	R	31,552.02	17,493.00	14,500.00	2,993.00	1998
S	R	63,104.04	38,556.00	15,500.00	23,056.00	1999
S	E	89,445.90	44,354.00	27,500.00	16,854.00	2004
T	W	76,962.60	33,525.00	25,000.00	8,525.00	2003
U	S	4,580.23	76,786.50	15,500.00	61,286.50	1999
V	W	89,659.38	93,275.00	27,500.00	65,775.00	2004
W	E	59,396.76	30,446.00	17,000.00	13,446.00	2000
W	J	37,528.20	25,186.50	17,000.00	8,186.50	2000
W	V	74,722.56	42,966.00	18,500.00	24,466.00	2001
W	S	43,922.28	56,590.00	27,500.00	29,090.00	2004
TOTALS		8,854,505.12	5,945,702.73	2,831,500.00	3,114,202.73	

All of the individuals listed in the above spreadsheet earned salaries that were in excess of the §212 salary limitations in the given years. None of these people applied for or were granted waivers pursuant to Retirement and Social Security Law §211. Therefore, these retirees collectively received \$3.1 million dollars to which they were not entitled.

The Grand Jury finds that New York State Department A had no opportunity to ascertain whether the individuals were appropriately certified and qualified to hold the positions they filled because of Entity A's purposeful circumvention of the §211 waiver requirement. Pension System A similarly had no mechanism to discover that all these people were unlawfully earning a salary from public service employment because the school districts paid the interims' salaries to Entity A and therefore the interims' names did not appear on any payroll runs Pension System A received from the school districts.

I. 2004: The Walls Come Crashing Down

Deputy Director A resigned from Entity A abruptly in the summer of 2004. Immediately prior to his departure, he seemed to have an unexplained change of heart, and he began to contact school districts and interim placements to advise them that they should now seek §211 waivers as "an extra layer of protection." He steadfastly maintained, however, that the interim placements were still employees of Entity A, a private corporation. This shift in policy caused so much concern that the school districts and interims began to pepper Entity A with questions.

Deputy Director A's replacement was Deputy Director C, a well respected retired educational administrator with a specialization in Human Resources. Deputy Director C began his tenure at Entity A on September 8, 2004. Upon his arrival, he reviewed all the files relating to the interim placement program and immediately became concerned. He noted that a number of the interim placements were not "interim" at all, but rather long term employments. Moreover, he observed a number of cases where the interim placements served multiple years in the same assignment or had several different assignments in the same school district, in contravention of Retirement and Social Security Law §211. Deputy Director C worried that the interims earned salaries in excess of the §212 salary limitations. This raised a question in his mind whether §211 waivers had been obtained.

On September 14, 2004, after a weekend spent reviewing all the interim placement program records, Deputy Director C reported the following to Entity A's newly appointed Executive Director and its Board of Directors:

- a. 90% of all the interim placement never received §211 waivers;
- b. Entity A advised both the employing school districts and the interim placements that the interim placements were Entity A employees, and as such, did not need to get §211 waivers nor report their earnings to Pension System A;
- c. There could be serious consequences to the interim placements, the school districts and to Entity A because, in Deputy Director C's opinion, §211 waivers in fact **were** required, contrary to Entity A's previously stated position; and

- d. Entity A's files contained correspondence from Deputy Director A that gave the impression that Entity A had an agreement with both the New York State Department A and Pension System A that §211 waivers were not required for participants in Entity A's interim placement program.

He further advised the board to seek legal advice and suspend the interim placement program until a comprehensive review could be done.

In November of 2004, Deputy Director C, the new Executive Director and some members of Entity A's Board of Directors met with representatives of both New York State Department A and Pension System A. Entity A's new management reported their recently discovered findings about the interim placement program and wanted to reach some agreeable resolution with the state agencies. Entity A agreed to provide Pension System A with a list of all retired teachers and administrators employed through Entity A in 2004 and 2005. In return, Pension System A forgave any earnings the interim placements received that were in excess of the §212 salary limitations. Pension System A stated that this arrangement gave it an opportunity to purify its records, got Entity A "on board" with the mandatory reporting requirements and, because Pension System A did not otherwise have access to Entity A's records, was the only means by which Pension System A could discover who participated in Entity A's interim placement program. The Grand Jury finds that by this agreement, Pension System A forfeited the right to recoup in excess of \$3 million dollars in unauthorized pension payments.

The Grand Jury finds that Deputy Director A purposefully violated New York State Retirement and Social Security Law §§211 and 212 and contravened a plain and clear directive from New York State Department A. The Grand Jury also finds that this

individual's primary motivations were to generate millions of dollars in revenue for his organization and enhance his professional credibility. As a result of this individual's actions, the Grand Jury finds that Pension System A paid over three million dollars to hundreds of pensioners who, based on the advice of this individual and his organization, engaged in double dipping.

School District 3-3

In March of 1988, SD 3-3 hired Administrator B and for the next ten years, Administrator B worked at SD 3-3, supervised office staff, attended Board of Education meetings and performed all the other duties inherent in his office. At SD 3-3's August 24, 1998 Board of Education meeting, Administrator B resigned for purposes of retirement effective August 31, 1998. However on September 1, 1998, Administrator B returned to his office at SD 3-3 and until June of 2004, continued to perform the same exact tasks as he did before his retirement.

The only difference in Administrator B's employment situation after September 1998 was that in addition to collecting an annual salary of over \$100,000 a year, Administrator B also received pension benefits that averaged \$11,000 a month. The Grand Jury finds this action was a purposeful violation of Retirement and Social Security Law §211. At the same August 24, 1998 board meeting when Administrator B tendered his resignation, the Board of Education authorized the superintendent to execute an agreement for professional services with AB Consulting, Inc. AB Consulting, Inc. was a personal corporation set up by Administrator B and he was the only shareholder. The sole purpose for allowing Administrator B to return to the school district under the guise of an independent contractor was to enable him to collect both a high salary and a generous public pension.

A. Purposeful Disregard of the Law

On August 12, 1998, Pension System A received Administrator B's application for retirement. His last contract salary as an employee of SD 3-3 was \$113,431 per year.

Pension System A sent a letter to Administrator B on August 20, 1998 acknowledging receipt of his application and advising him that his retirement could not begin until he “was no longer earning a salary in the public schools and colleges of New York State.” In other words, Pension System A told Administrator B that he could not start collecting his pension until he stopped working in public education. Based on Administrator B’s five-year final average salary of \$164,728.82, Administrator B’s monthly pension payments were \$11,119.20 per month.

In order to verify Administrator B’s salary and confirm any lump sum payments he received, Pension System A requested SD 3-3 to submit a copy of Administrator B’s 1994-1995 employment agreement, any subsequent amendments to the agreement, his letter of resignation and the board minutes accepting his resignation. SD 3-3’s District Treasurer sent the requested documents, but redacted the minutes of the August 14, 1998 Board of Education meeting. The page that documented Administrator B’s resignation had six resolutions. In resolution number five, the board accepted Administrator B’s resignation, while in resolution number six, the board authorized the Superintendent to execute a contract with “AB Consulting.”

The District Treasurer purposefully redacted the sixth resolution from the page of the board minutes that he sent to Pension System A. Had Pension System A received an accurate copy of the relevant board minutes, they would have questioned whether Administrator B and AB Consulting Inc. were one in the same, what type of work his consulting firm was doing for SD 3-3, and why there was no break in service. The Grand Jury finds that had Pension System A known of the proposed “consulting” agreement they would have suspended Administrator B’s pension benefits.

Administrator B worked at SD 3-3 until June of 2004 performing duties that were customarily performed by an employee. The Grand Jury notes that although the Board of Education authorized the superintendent to execute a consulting contract between the district and Administrator B, neither the school district, the school district’s attorneys nor Administrator B ever produced a copy of a signed executed agreement. The only “agreement” was an unsigned copy of a draft of the agreement that left conspicuously blank the portion of the agreement that would delineate the fee or salary the school district would pay for Administrator B’s service.

Not only did Administrator B’s duties remain essentially unchanged after he allegedly retired, but so did his compensation. He continued to be reimbursed for travel expenses and receive a quarterly car allowance. In July 6, 2000 the superintendent even directed the district clerk to pay Administrator B, now acting as a “consultant,” the dollar equivalent of the annual sick and vacation time he received prior to “retiring.” Thus SD 3-3 paid an alleged consultant over \$50,000 for sick and vacation time for which he would not have been eligible if he was truly a consultant. This extra payment was in addition to Administrator B’s handsome annual salary that is summarized as follows:

<u>School Year</u>	<u>Annual Compensation</u>
1998-1999	\$120,048.01
1999-2000	\$144,510.85
2000-2001	\$150,027.12
2001-2002	\$156,028.08

<u>School Year</u>	<u>Annual Compensation</u>
2002-2003	\$165,269.20
2003-2004	\$154,101.64

Administrator B’s consulting fees were almost exactly the same as his “pre-retirement” salary because he “was doing much the same work.”

B Limited Earnings

The Grand Jury finds that Administrator B had a financial incentive to circumvent Retirement and Social Security Law §211. As described above, retirees may work at the same position for a maximum of two years, even with a §211 waiver. Moreover, because Administrator B was returning to work for a former employer, his maximum allowable earnings would have been limited to approximately \$40,000 per year. Instead of almost eight years of service with a total salary in excess of \$800,000, Administrator B, had he complied with the law, could only have earned approximately \$80,000 over a two year period.

Moreover, Administrator B never sought Pension System A approval of his alleged consulting agreement. As discussed previously, Pension System A requires that they must approve any consulting agreement “prior to the commencement of services to determine if an individual is a consultant.” The Grand Jury believes that Administrator B never asked Pension System A to review his “consulting agreement” because (a) one never existed and (b) even if it had, Pension System A never would have approved it because Administrator B was performing the duties of an employee, not a consultant.

Pension System A discovered this fraud in 2004, soon after Administrator B left the employ of SD 3-3. Based on their investigation, Pension System A determined that between 1998 and January 2001, Administrator B earned over \$400,000 in pension benefits to which he was not entitled.

The Grand Jury finds that both Entity A and individuals at SD 3-3 were in a position to perpetrate fraud in the school district public pension system, because there are flaws in that system. Although these particular individuals have been caught and stopped, the system has not changed. The Grand Jury finds that, unless and until changes are instituted, there will be nothing to prevent a reoccurrence of such fraud, and consequent waste and abuse of tax dollars.

FINDINGS OF FACT: PART V

CONTINUING EDUCATION FOR SCHOOL DISTRICT ADMINISTRATORS

At present there is no continuing education requirement for public school district administrators. Each official is therefore left on their own to stay abreast of changes in applicable laws, accounting procedures and emerging threats to their districts' financial security. Such a system stands in stark contrast to other state-regulated professions, such as law and medicine, where continuing education requirements are imposed as a condition of continued practice in the field. The Grand Jury finds that the current size of school budgets and the complexity of the necessary accounting, viewed in conjunction with the multitude of recent cases of fraud and embezzlement by school district employees, necessitate a program of mandatory continuing education for school administrators in these areas.

SD 3-3 is among the largest in Suffolk County, with an enrollment exceeding 10,000 students and an annual budget in excess of \$100 million. The chief financial officer of this district, Administrator C, is ultimately responsible for overseeing all aspects of the district's varied financial operations. However, he is a former industrial arts teacher with no educational background in accounting or fiscal management who is, by his own admission, unfamiliar with accounting procedures.

He is also responsible for the fiscal management of millions of dollars in federal and state grant funds. However, in closing out grants received by the district for the 2003-04 school year he had relied completely upon two individuals within the business office: a junior accounting clerk and a secretary.

The Grand Jury heard evidence that this Assistant Superintendent for Business directed subordinates to wrongfully attribute expenses to various grants despite the expenditures being unrelated to the purpose of the grants. These false entries permitted the district to spend all of the available funds without regard for how the money was actually used. When questioned regarding the legitimate purposes of the grants, he responded that he had no knowledge of the missions of any of the grants for which he was ultimately responsible. Furthermore, he never had any contact with the district's various grant coordinators, i.e., those employees of the district with first-hand knowledge of how the funds were truly spent. In many instances he could not even identify the names of the grant coordinators.

SD 5-4 is also one of the county's largest districts, with an enrollment exceeding 9,000 students and a budget for the 2005-06 school year in excess of \$120 million. Much like SD 3-3, SD 5-4 has recently experienced a period of financial tumult, which included a \$6.7 million downward adjustment to its overall net worth. At the outset of the 2004-05 school year, the financial statements of the district indicated a net worth of \$3.6 million; within one year that value had been readjusted to negative \$3.1 million. According to the manager of the district's most recent independent audit, the primary reason for this tremendous fluctuation in the district's financial position is a historic lack of accounting knowledge on the part of district officials.

The independent audit found that numerous errors and miscalculations within the district's business office contributed to this shortfall, chief among them a failure to book expenses in the period during which they were actually accrued. This standard accounting procedure was not followed in SD 5-4, and thus expenses accrued in June –

the end of the financial year for school districts – were not recorded until July, i.e., in the next financial year. The resulting deferment of expenses led to a hidden, snowballing deficit that ultimately amounted to \$1.7 million. And because no one from the business office in SD 5-4 ever made regular status reports to the Board of Education and the public, as is regularly done in other public school districts, the problem remained undetected while continuing to grow.

A lack of business education and training within 5-4 also evinced itself in the area of grant management. As described in Part VII, in the 2004-05 school year the district received in excess of \$8 million in federal and state grant money. Of this amount, approximately \$6 million was utilized for the benefit of 5-4 students with the remainder – some \$2.5 million – funding programs at locations in other towns and counties and in no way connected to the residents of SD 5-4. In this way the district acted similar to a BOCES, but without a comparable administrative structure or comparable resources. Given the geographic spread of these programs and the limited staff and training of those in the SD 5-4 business office, it was impossible for the grants to be administered and safeguarded in compliance with generally accepted accounting standards. Additionally, although SD 5-4 expended its own resources to administer these far-flung grant programs, it received only a nominal stipend in return. This led the district's independent auditor to conclude that the legal risks and administrative burdens of the undertaking far outweighed any possible benefit to the District. According to the independent auditor, the main beneficiaries of this program were those with a monetary interest in the programs themselves. There was no apparent benefit to the taxpayers of SD 5-4.

This sprawling grant program flowing from SD 5-4 gave rise to other questionable business practices. In one instance it was discovered that the individual paid by the district to administer these grant programs also sat on the board of one of the entities receiving grant money, a fact never formally disclosed to the district. Another grant administrator paid by the district sat on the board of a different organization receiving grant funds. And in perhaps the most egregious display of poor internal controls related to these grants, a non-district employee was found to have come into the district business office and authorized payments to various grant service providers.

SD 6-3 has a budget in excess of \$125 million for the 2005-06 school year, which is almost exactly double its budget a decade ago. It operates nine schools, spanning preschool through twelfth grade, and also rents out a tenth building to a private education provider. The district's student enrollment exceeds 6,200 and increased by 1,000 students in the last nine years. Owing largely to this sharp increase in enrollment, the district has floated three bonds for capital improvements in the last five years totaling more than \$40 million.

The Grand Jury heard testimony from the superintendent of SD 6-3. He has over thirty-five years experience as an educator, twenty-five of which have been spent as a superintendent of one of the largest districts in Suffolk County. He was asked what should be done to protect the finances of districts like his, and stated:

I have been an administrator for over thirty years. I have my doctorate. Not once through the way did I have to take a finance course. Not once through the way did I have to know anything about auditing except what I learned on the job. It was on-the-job training. I know about educational research. I can cite you some of the famous studies but I am a math teacher, so I am comfortable with numbers. We need to start thinking about how much training upcoming superintendents and principals get about, how do you watch the dollars? How do you take care of the

dollars? They shouldn't have to be accountants but they should have some cursory knowledge for how to read a financial statement. They should have some knowledge of how people can steal money so that they can watch that and understand what the regulations are, what they have to put in place as a chairperson or principal. That's not taught and it's not part of the requirements.

This superintendent went on to recommend that this be accomplished by having the state mandate that the training required for all new administrators include education in the areas of basic finance and auditing procedures.

Other superintendents testifying before the Grand Jury echoed this call for mandatory continuing education for school district administrators. The superintendent of schools in SD 6-7 noted that without appropriate minimum qualifications set by the state or a requirement of continuing education in these areas, individual districts are free to hire individuals with as much or as little finance knowledge as they see fit. Although his district is considered only mid-size - with a student enrollment of approximately 4,500 and a 2005-06 budget exceeding \$75 million – he testified that he hired his business official because he is a certified public accountant and had experience in school district management. He stated that he has worked in other school districts where the business administrator's main qualification related to their position within the civil service, and not any specialized knowledge of accounting or business.

FINDINGS OF FACT: PART VI

UNFUNDED MANDATES

Numerous superintendents from Suffolk County school districts of all sizes testified before the Grand Jury and provided suggestions for how to improve the current financial state of the public school system. Almost without fail, the superintendents discussed the problems of unfunded mandates and inequitably distributed state aid, and how these two problems were increasingly straining their districts' already limited resources. Unfunded mandates are statutory, regulatory or administrative requirements imposed by the federal or state governments upon local entities such as school districts that are not accompanied by funding to support their execution or implementation. The inequitable distribution of state aid refers to the phenomenon whereby the financial aid provided by New York State to all public school districts is annually allocated based upon a complex formula that does not necessarily reflect the relative wealth of the recipient districts. The combination of these two problems was repeatedly cited in superintendents' testimony as a large contributor to the ever-increasing school budgets being proposed across Suffolk County each year.

The burdens created by unfunded mandates take on many different forms. For example, new testing requirements imposed by the federal government lead to many costs beyond those necessary to administer an examination. The tests need to be graded, and the data produced from these tests needs to be collected, entered into computers and analyzed. The results also need to be printed and mailed to parents as well as various government agencies. All of these actions are accompanied by costs, and if a district's

budget remains constant or decreases but new unfunded mandates continue to accrue, the difference falls upon the shoulders of taxpayers.

Compliance with unfunded mandates comes with other costs as well. Because most unfunded mandates do not differentiate between school districts of different sizes, smaller districts often have to devote a greater percentage of their resources to compliance than do larger districts. This can translate into increased personnel costs or, if districts cannot afford that expense, they may be forced to shift resources away from education and to the processing of paperwork.

The hardship of unfunded mandates is made worse in many districts by the formula via which New York State distributes monetary aid. As a result of this formula, certain Suffolk County school districts that are classified as high need/low wealth do not necessarily receive annual increases in state aid equivalent to those received by more affluent, neighboring districts. Although need is a factor in the state's formula, it is only one of many, and thus poorer districts may still receive less than their fair share of the financing. One superintendent described New York State's formula for funding public education as "the most complicated, convoluted, ridiculous means of funding that anyone could ever come up with."

FINDINGS OF FACT: PART VII

MISMANAGEMENT OF GRANT FUNDS

A. Background

Part of the Grand Jury’s investigation of potential fraud, waste, and abuse of school district funds encompassed an examination of the distribution of grant funds to Suffolk County school districts.

The Grand Jury found the results of this examination quite disturbing. A grant is an “award of financial assistance to an eligible agency to carry out a particular task.” Suffolk County school districts receive grant funds from both the federal government and New York State. Rather than administer the grant funds itself, the federal government gives money directly to the states and charges the states with the responsibility of sub-granting the funds to local school districts. Therefore, New York State is a pass-through agency – it receives money from the federal government and “passes” the funds on to another agency, such as a school district. New York State Department B is the agency charged with disbursing and monitoring “pass-through” grant funds to school districts throughout the state. Thus New York State is the grantee of federal grant funds and the school districts are the sub-grantees.

New York State Department B distributes and monitors billions of dollars of grant money that the state and federal governments entrust to it each year. New York State Department B divides this responsibility between two internal offices, namely the program office and the fiscal office. The program office is further divided into several units with each unit responsible for managing a particular grant program or group of

grant programs. The program office reviews and approves grant applications from the school districts and monitors the school districts' performance relative to the grant's goals. The fiscal office is in charge of the money itself and making sure that the sub-grantee, in this case the recipient school district, does not receive more than the approved grant amount, and that it properly accounts for all grant related expenditures.

There are two major kinds of grants: discretionary grants and allocational, or entitlement, grants. A discretionary grant is one that the agencies compete for from a limited pool of available funds. For these discretionary grant awards, the granting agency will review the applicable laws, criteria and regulations, and decide which entities will receive the funds and in what amount. In contrast, for allocational or entitlement grants, the federal government defines the criteria for eligible agencies and determines how much of the available funds are given to eligible entities.

Under the federal educational initiative known as "No Child Left Behind" [NCLB] there are component grant programs known as Title I through Title VI. Title I provides eligible school districts that have high numbers of poor children with financial assistance to ensure that all children meet challenging state academic content and student achievement standards. It is also a basic program for educationally disadvantaged students, including children that are neglected or otherwise at risk. Title II-A funds teacher and principal training, as well as recruitment activities. Title II-D aims to enhance education through the use of technology. Title III is for immigrant students or those children with limited English proficiency. Title IV funds promote safe and drug free schools as well as community programs. Title V aids various kinds of innovative programs, and Title VI is a rural education initiative. In New York State, approximately

\$1.5 billion of the total \$3 billion annual federal grant fund allocation is devoted to Title I. Local educational agencies target those schools with the highest percentage of children from low income families for Title I funds.

Each state is responsible to have an education program to give all children a basic education. Individual districts must use state and local fund sources to pay for this basic education, for example, by paying the teachers' salaries and purchasing textbooks. The federal Title program funds are meant to be supplemental and provide for things beyond these basic educational needs. Title programs bridge gaps in specifically targeted areas and cannot be used to purchase goods and services that under normal circumstances would be paid for by state and local funds.

The Grand Jury focused its investigation on how local school districts expended federal grant money and how New York State Department B monitored expenditures of these federal educational funds.

B. Determination of Amount of Available Grant Funds

The United States government, through the United States Department of Education [“USDOE”], allocates billions of dollars each year in federal educational aid to the fifty states. USDOE works closely with several entities, including the Bureau of Census and various social service agencies, to obtain data to identify the number of children in each county that would be eligible to receive assistance under the Title components of NCLB. For example, USDOE gathers data on the number of children between the ages of five and seventeen that are living in poverty. Other relevant statistics USDOE collects are the number of children in families that need temporary governmental financial assistance, or are designated as “neglected or living in delinquent facilities.” The federal government analyzes this data and informs each state as to the total amount of assistance it can expect via the grant programs Title I through Title VI. The federal government further delineates the state allocation by individual school district and specific title program.

New York State Department B’s program office conducts workshops to instruct local school districts on how to fill out the appropriate documentation to obtain allocated federal grant funds. In these workshops, the program office explains the components of specific grants, outlines the records the school districts must maintain in order to get funds, and instructs the school districts as to how to properly complete the relevant applications.

New York State Department B has streamlined the application process and created an all-encompassing application for all federal title grants [“consolidated

application”]. Upon receipt of the consolidated applications, the program office separates the submissions from school districts in good academic and fiscal health from those that are from districts in poor academic or fiscal health. Each year approximately eighteen people review over six hundred consolidated applications received from well-performing districts alone.

New York State Department B has had to greatly reduce its program office staff over the last thirty years. The Grand Jury examined the effect of this staff change on the structure of the largest program office unit, charged with, among a myriad of duties, administering and monitoring the \$1.5 billion Title I grant program. In the 1970’s and 1980’s, this unit had approximately seventy-five people located throughout the state in regional offices. Each staff member carried a portfolio of between twenty and thirty school districts, and was able to visit the school districts regularly. These Title I program officials knew the particular operations of their assigned districts, and each school district knew it had a particular person to whom they could address problems and from whom they could get assistance.

Today, this same unit has a staff of approximately twenty people, and performs a number of different, difficult and very important tasks. It processes and administers the approximately \$1.5 billion dollars in Title I funds received by New York State each year. It ensures that New York State implements the Title I program requirements and comports with applicable federal laws and regulations. It provides technical assistance and training sessions to the recipient educational agencies on the legal, fiscal and monitoring requirements to which they need to adhere. Finally, the Title I program office collects data and information so that New York State Department B can report to the

United States Department of Education on the progress of children receiving Title funds, as well as on how the local educational agencies expend program funds. Because of the limited staff, the Title I program office focuses its resources on those school districts that are low-performing, or are in fiscal trouble. School districts in good fiscal and academic health that require assistance from the program offices must either visit New York State Department B's website, call the program office, or travel to Albany to get personal help with the management of their grant programs.

C. The Process: From Application Submission to Budget Approval

1. Funding Cycles

Federal grants to local educational agencies are awarded on an annual cycle. Most grants run from September 1 through August 31, although some programs operate on a July 1 through June 30 basis. Certain programs run for more than one year.

2. Application Process

New York State Department B posts the federal government grant allocations on its website. In addition, New York State Department B provides a document entitled "fiscal guidelines" to all educational agencies, that outlines the funding procedures, the financial forms required for grant programs, and audit guidelines. In order to obtain grant funds, a school district must submit an application. The application has three components: (a) certifications and assurances, (b) a narrative and (c) the actual proposed budget known as an FS -10 form ["FS-10"]. For all of the Title programs under NCLB,

the applying school districts fill out a consolidated application. For grants with an annual cycle of September 1 through August 31, the completed applications should arrive at the New York State Department B program office by August 15th. Failure to comply with this deadline does not mean that the school district will not get their allocated funds, but rather that their application will be processed later. Thus late applicant/school districts will always receive their allocative federal grant funds, but they might not receive the money until late in the school year.

In the FS –10 form, an applying educational agency breaks down its anticipated program costs into several categories. The district first lists the title, annualized rate of pay, and projected salary costs for the teachers and support staff that will work under the project. Next, the district details the cost of services such as consultants, rentals, tuition and other contractual services. In the following section of the FS-10, the school district catalogues the anticipated expenses for supplies, equipment and materials. The FS -10 also requires the applying agency to detail expected costs for travel expenses, such as pupil transportation and conference costs, as well as the cost of employee benefits for the staff that will work on the project. The budget also describes any indirect costs, services purchased from a BOCES¹⁰³ and minor remodeling costs.

Once New York State Department B receives an FS –10 budget proposal, the program officials enter the data into their computers to check if the applying school district is asking for more funds than the federal government allocated to them. New York State Department B also reviews the application for compliance with the specific

¹⁰³ Board of Cooperative Educational Services.

goals and requirements of each program.¹⁰⁴ The individual program offices will question the school districts as to specific items in their FS –10 budgets or the narrative portion of the consolidated application, and require the district to fix any problem areas before they will approve the budgets. The program coordinator reviews the budget in relation to the requirements of the particular grant and strikes out any unallowable items. Each grant has specific requirements and goals, and only allowable and appropriate costs should be approved. After the program office gives its approval, the program coordinator signs off on the FS-10, and sends it over to fiscal office.

D. Budget Amendments: the FS-10A Form

Occasionally, a school district needs to amend its proposed budget because of some unanticipated but significant changes in the way a district needs to allocate its grant funds. The district need only submit an amended budget form, called an FS- 10A, if they need to re-allocate:

- a. the personnel positions by either number or type;
- b. the number or type of equipment items having a unit value of \$5,000 or more for 2005-2006 budgets, or the number or type of equipment items having a unit value of \$1,000 or more, for budgets predating 2005-2006;
- c. the items listed in the minor remodeling category; or
- d. the district must also submit an FS-10A if it has any increase in a budget category subtotal of more than 10%, or \$1,000, which ever is greater, or if there is any increase in the total budget amount.

¹⁰⁴ For example, the program office responsible for monitoring Title II- A will ensure that each applying entity designates twenty percent of their Title II- A allocation for professional development as required under the program’s guidelines.

As an illustration: in its FS-10 budget, a school district allocates \$10,000 for computer equipment purchases, and \$50,000 for teachers' salaries. As the project is running, the district decides that a better way to achieve the program's goal would be to increase the number of teachers, rather than purchasing new computer equipment. The district would modify its budget accordingly, complete an FS-10A, and submit it to the appropriate New York State Department B program office for review. The school district can submit these amendments at any time between the approval of the budget and the submission of the final expenditure report.¹⁰⁵

Using the same criteria with which it evaluated the original budget, the applicable program office will determine if the change requested is an appropriate one. The program office does not frown upon budget amendments, and will approve them as long as the requesting agency supplies sufficient justification. If the program official finds the initial amendment request insufficient, they will work with the school district to correct any errors. As with an FS-10, the program office sends the approved FS – 10A to the fiscal office.

E. Distribution of Grant Funds: The Fiscal Office

As of October 2005, approximately nineteen people in the fiscal office, most of them clerical and paraprofessional staff, oversee the actual distribution of the over three billion dollars in grant funds each year. The fiscal office logs the receipt of approved FS-10 and FS-10A forms, and codes the budget figures for each of the approximately 12,000 annually approved grants on New York State Department B's internal computer system.

¹⁰⁵ A final expenditure report is known as an FS-10F.

In essence, the fiscal office's primary functions are to make sure that all the numbers add up, and that an agency does not receive any more than the amount approved by the program coordinators. The fiscal office has absolutely nothing to do with evaluating whether the expenditures reported in the FS-25¹⁰⁶ and the FS-10F are appropriate for the particular grant.

Over the course of the grant program, the fiscal office authorizes fund disbursement upon receipt of appropriate documentation. After the fiscal office receives an approved FS-10 budget, it sends the recipient agency a grant award letter and a copy of the approved FS-10. The grant award letter notes the approved budget amount for the grant, cites the law and regulations applicable to the grant, lists the funding dates, tells the amount of the first payment that the recipient will receive, and states the date upon which the recipient must submit the grant's final expenditure report, known as an FS-10F. In addition, this letter gives the recipient contact information for the applicable program office. The fiscal office sends an automated request to the New York State Comptroller to issue the first payment¹⁰⁷ to the school district.

1. Request for Funds: the FS-25 Form

To request the remaining grant funds during the course of the year, the recipient agency submits an FS-25 form to the fiscal office. In this document, the grantee totals the project expenditures to date, and the anticipated expenditures for the next month or quarter, and subtracts that figure from the amount of money already received. The fiscal office suggests, but does not require, that recipient agencies submit FS-25s monthly for

¹⁰⁶ See next section.

¹⁰⁷ The amount sent is approximately twenty percent of the total grant allocation.

programs with a total grant funding amount of more than \$100,000 and quarterly for those programs with less than \$100,000 in total grant funding.

2. Final Expenditure Report: the FS-10F Form

At the end of the project period, after the local educational agency has paid all the bills and liquidated all their encumbrances related to a particular grant, it compiles a final expenditure report called an FS-10F and mails it to the fiscal office.¹⁰⁸ A school district must submit the FS-10F in order to receive the final payment for grant fund expenditures. The FS-10F is a multi-page document that details “ all reimbursable expenditures for a grant.” The school district must maintain all financial and programmatic records, supporting documents, statistical records and other records that, pursuant to applicable federal regulations, program regulations or grant agreements, support the expenditures listed in the FS-10F.

For grants having an end date of August 31, 2005 or later, New York State Department B permits local educational agencies to submit a truncated version of the FS-10F via a new form called an FS-10F short form. This single page, double-sided expenditure report does not require a detailed listing within each budget category of all the items of expenditure. New York State Department B’s rationale for this new form is that “no one is looking at the completed FS-10F.” The fiscal office merely processes the summary information on the first and last page of the FS-10F long form. New York State Department B will require the recipient educational agency to submit the long form if the

¹⁰⁸ An encumbrance is a reservation of a certain amount of money from a certain funding source for a specific purpose. For example, a school district might order several computers in September for delivery over the course of a year. On their ledgers, the school district must reserve, or encumber, funds sufficient to pay for the computers. [10/20/05 p.55]

agency is delinquent in submitting the FS- 10F short form, and has been selected for a detailed review of expenditures because of a risk-based audit or is “non-compliant” with the conditions of the grant funds and determined to be “high risk.”¹⁰⁹

3. Under Spending a Grant Allocation for Title Programs under NCLB

A school district can, under certain circumstances, carry over its Title program funds into the next year’s grant cycle if it fails to spend all its allocated funds within a particular year. In many cases, if the unspent amount is less than fifteen percent of the total budget, the district can carry the funds over and use them in the next school year. If the school district under spends its grant money by more than fifteen percent of the total budget, it can ask for a special waiver from the Department one time every three years, because New York State Department B recognizes that unusual or unforeseen circumstances occasionally arise. For example, take a grant with a total approved budget of \$100,000. The recipient school district budgeted \$75,000 to spend on teacher salaries. Unfortunately, one teacher resigned in the early part of the school year and despite its best efforts, the district was unable to find an appropriately qualified replacement. When the district compiles its FS -10F form, it realizes it under spent the grant by \$25,000. Under these circumstances, the school district could ask New York State Department B for a special waiver. With the assistance available from the program office, there is no need for a school district to inflate its final expenditures in order to retain its allocative grant funding.

¹⁰⁹ 34 C.F.R 80.12 (a) defines a high risk grantee or sub grantee as one that (1) has a history of unsatisfactory performance, or (2) is not financially stable, or (3) has a management system which does not meet the management standards set forth in 34 C.F.R §80, or (4) has not conformed to terms and conditions of previous awards, or (5) is not otherwise responsible.

F. New York State Department B's Monitoring of Grant Programs and Expenditures

1. Program Office Monitoring

NCLB is a complex policy to implement. It includes an accountability component that requires each state to very closely monitor the academic performance of all students within a state, with the goal of all students reaching the required standards by the year 2013. Therefore, the New York State Department B program offices use their limited resources to monitor whether recipient educational agencies use the grant funds to achieve the grant's program purpose, and not to check the accuracy of the agencies' supporting financial documents and expenditure reports. As one long time New York State Department B program staff official noted, "I've been with [New York State Department B] twenty-one years and until five years ago didn't even realize that there was an audit department at New York State Department B. I was worried about the legislation and regulations and the students that were being affected by the [grant] money. No one told me I had to worry about the business end."

Grant program staff can offer on site monitoring and assistance only to those schools deemed to be "high risk." If a school district is achieving academic goals under NCLB, New York State Department B "make[s] ...the assumption that [school districts]... are doing a good job, and ... move onto the schools that need [New York State Department B] the most." During a school year, only six school districts in the entire state get an on-site visit from the New York State Department B program coordinators. Five of the six districts have a demonstrated need for review, due to academic or fiscal nonperformance.

The final district is always one of the “big four,” specifically either the Buffalo, Rochester, Syracuse or Yonkers school districts. A team from the New York State Department B program office goes on site to speak with administrators and teachers, visit each school building within the district, review curriculum and evaluate the school’s academic progress. Back in their headquarters in Albany, program staff personnel perform desk audits of 100 randomly sampled local educational agencies that receive Title grant funding to ensure that the agencies comply with the program components, but not the fiscal monitoring requirements of the grant.

2. New York State Department B Office of Audit Services

Any local educational agency [“LEA”] that receives more than \$500,000 per year in federal funds must have a certified public accountant perform an annual external audit on the agency’s finances. LEAs submit the resulting external audit report and accompanying management letters to New York State Department B in a format called an A-133 report. The New York State Department B Audit Services unit collects all of these reports and makes them available to New York State Department B staff, particularly to those involved in distributing grant funds. The purpose of this function is to ensure that school districts are properly using grant funds they were given and meeting the goals of the grants. New York State Department B relies upon the A-133 reports to help it identify fraud relating to grant programs. As seen in the facts delineated in the following sections of this report, the Grand Jury finds that this method of monitoring is woefully inadequate.

3. Non-Mandatory Training

Since the School District A scandal, the Governor's office mandated that New York State Department B develop training that would insure that school districts understand what their legal and ethical responsibilities are for maintaining proper internal controls and managing grant funds. New York State Department B contracted with an outside law firm to create a three and one half hour federal grants training seminar and related manual. New York State Department B offers this seminar and manual to school business officials and grant program coordinators. However, New York State Department B does not require these administrators, vital to the fiscal management of billions of dollars in grant funds, to attend this seminar nor did New York State Department B have any plans, as of April 2006, to offer the training on a regular basis. As of April 2006, New York State Department B had held a total of two training sessions on Long Island and planned to host a third. Although the Grand Jury reviewed the training program, found it impressive and lauds its goals, the Grand Jury is astounded that New York State Department B spent taxpayer money to develop an important program, but cannot or will not require the target audience to attend.

New York State Department B has moved toward more interaction between the program, fiscal and audit services departments. Because of the increased focus on school finances since the eruption of scandals in school districts across the country, particularly on Long Island, the program offices are integrating New York State Department B's audit staff to help the program staffers look at the fiduciary components of grants with more expertise and detail.

4. Fiscal Controls

Any educational agency, including a school district, that receives federal grant funds such as the Title programs under NCLB, must have a financial management system that meets certain minimum federal standards. The districts must have sufficient internal controls to adequately account for and safeguard their assets and ensure that grant funds obtained through New York State Department B are used solely for authorized grant program purposes. Actual expenditures must be compared to the budgeted amounts for each grant. A district's accounting records must be supported by source documentation such as cancelled checks, paid bills, payrolls and time and attendance records. Federal regulations permit the United States Department of Education to review the adequacy of a recipient agency's financial management system at any time after the awarding of grant funds.

New York State Department B relies heavily on the local educational agencies to police themselves as to the above-described grant fiscal management requirements. Because the superintendent is, in the eyes of New York State Department B, the educational leader and responsible to ensure the accuracy and integrity of the entire operation, New York State Department B looks to him to check that the FS-10F's are an accurate recording of all grant fund spending. The FS-10, FS-10A, FS-25, FS-10F and FS-10F short form all require certification by the recipient entity's chief administrator, which in the case of school districts is the superintendent, as to the accuracy of the reported information. In the FS-10F report, the superintendent must certify that all expenditures reported on an FS-10F are directly attributable to the listed project, and have

been made in accordance with the approved budget and all applicable Federal and State laws and regulations. The FS-10F short form certification is more detailed, although there are no actual expenditures reported on the document. The FS-10F short form requires that the school district's chief administrator

certify that the reported expenditures have been made in accordance with the provisions of applicable statutes, regulations and approved project and budget; that the claim is just and correct; that no part has been paid except as stated; that the balance is actually due and owing; and that proper fund accounting is followed, records are retained for the proper period, and that records will be made available to representatives of the [New York State Department B] or the Office of the State Comptroller when requested.

G. Ramifications for School Districts for Misspent or Unspent Grant Funds

New York State Department B does not have codified rules or regulations to impose penalties on school districts that submit FS- 10F reports containing falsified information. When Audit Services, an outside governmental agency, or a school district's annual financial statement reports a negative audit finding, the New York State Department B audit process and protocol only requires the educational agency to develop some sort of corrective action plan to explain what happened and how the agency will rectify the situation.

Similarly, the Office of the Inspector General for the United States Department of Education refers any of its negative audit findings to the Audit Resolution section of the United States Department of Education. Audit Resolution then determines the appropriate action to be taken. These actions can range from requiring the school districts to provide better documentation for grant fund expenditures to demanding the return of federal grant funds.

The Grand Jury finds that a lack of oversight and accountability has lead to the waste and abuse of grant funds. Moreover, the Grand Jury also finds that in school districts 3-3, 3-5 and 5-4, these problems were particularly egregious and merit further discussion.

School District 3-3

A. SD 3-3 Plays a Shell Game with Federal and State Grant Money: 2001 – 2004

SD 3-3, a school district with a large portion of economically disadvantaged students, received over \$18 million in federal NCLB Title program grant funds between the 2001-2002 and 2003-2004 school years. During that period of time, SD 3-3 purposefully placed false expenditures and actual, but unrelated, expenditures on its FS 10-F reports in order to avoid returning unspent grant money. The district personnel in charge of administering these grants engaged in an ongoing course of creative accounting, using over \$700,000 in federal grant money for several fund expenditures wholly unrelated to the purposes of the grants.

Administrator A ran all of the day-to-day operations of the business office, managed the entire budget, and functioned as the district's purchasing agent, treasurer, and FOIL officer. Another of Administrator A's myriad responsibilities was the fiscal administration of grant funds at SD 3-3. He oversaw the recording of grant expenses, completed the FS-10F reports, and forwarded them to the New York State Department B. By 2003, SD 3-3 had thirty to forty federal grant projects running each school year. The overburdened Administrator A resorted to falsifying information on the district's FS-25 and FS-10F reports in order to keep up with the paperwork.

As noted above, school districts must submit FS-25 forms in order for the New York State Department B fiscal office to release grant funds during the course of the grant program. Administrator A regularly overstated actual and anticipated expenditures on the FS-25 forms, so that SD 3-3 could get a greater portion of its grant funds released, and Administrator A would not have to be bothered preparing the FS-25 as frequently.

From his perspective, it was perfectly acceptable to submit false documents to a governmental agency because “it’s all going to come out in the wash anyway.”

When it came to filing the FS-10Fs, Administrator A’s creative accounting rose to the level of outright fraud. SD 3-3 had a corporate culture whereby administrators understood that all allocated grant money that came to the SD 3-3 needed to be “spent” for fear of being forced to return the unused funds to the government. They mistakenly believed that any unspent allocative grant funds automatically reverted to the granting agency. Administrator A was unaware that New York State Department B gave school districts a special dispensation every three years if they under spent a grant by more than fifteen percent of their total allocation. Fueling his actions was Administrator A’s firm belief that if he ever sent grant money back to the government, he would be fired.

If Administrator A could not find sufficient expenditures in SD 3-3 accounting ledgers to account for all the grant funds in a particular program, he falsified information on the FS-10F to make it appear that SD3-3 had actually used all its grant money for grant purposes. He added other expenditures, completely unrelated to the grant, or simply created fictitious ones. He did this by: (a) moving expenditures unrelated to the grant from the district’s general fund onto the FS-10F, (b) inflating figures on checks,¹¹⁰ (c) overstating fringe benefits, and (e) creating fictitious vendors. But for these measures, SD 3-3 would fall short on spending many of its grants. If, for example, the grant was \$100,000, and SD 3-3 had only spent \$50,000 on the grant, they would scramble to “spend” the other \$50,000. SD 3-3 business office staff would look in the general fund

¹¹⁰ For example, if Check Number 123 was for \$700. Administrator A listed Check Number 123 as being a payment of \$7,000 on the FS-10F.

for items that had been spent and seemed to be related to the program (although they were not), and move them over to the FS-10Fs to cover unexpended funds.

Most grant program coordinators at SD 3-3 abrogated all responsibility for keeping track of their respective program's expenditures, and left that responsibility totally in the hands of Administrator A and his business office staff. The coordinators never reviewed the FS-10Fs before the school district submitted them to New York State Department B. Had they done so, the Grand Jury finds that the grant fund fraud would have been detected much earlier. The superintendent, too, failed to examine any of the final expenditure reports. He blindly signed the FS-10F certifications without truly verifying in any way that the document contained accurate information.

Administrator C succeeded Administrator A in 2003. Administrator C was poorly qualified to run the business office in such a large school district. He had no business degree, no background in accounting and almost no knowledge of grant fund management. He completely delegated the responsibility of managing millions of dollars in grant funds to a novice accountant and the district clerk. He was bereft of any information about the program mission for the NCLB related Title grants, grants that brought millions of dollars to the district. Administrator C never had contact with the grant coordinators, nor the ability to identify them by name. Administrator C instructed his staff to "do what you have to do to spend the [grant] money. Close out the books the same way you closed them out while [Administrator A] was here." Indeed, Administrator C stated that he felt that this methodology of preparing the FS-10Fs was "appropriate."

Others at SD 3-3 who had oversight responsibilities over the administration of the program side of the grants had no idea how the business office completed the FS-10Fs. Administrator E who oversaw the majority of the federal and state grant fund programs at SD 3-3, ironically started his career as an SD 3-3 grant writer. He claimed that there were many checks and balances at SD 3-3 with regard to the grant funds, and hence it would be impossible for grant money to be misappropriated. Yet, this same individual averred that there was a disconnect between the business office and the program side of the grants: the program officials and coordinators were never aware of what the grant money was actually spent on, nor what SD 3-3 told the state that the district spent the money on.

Administrator F, the deputy superintendent of SD 3-3, also had oversight responsibility over some of the federal and state grant programs. Although he received spreadsheets that listed the expenditures for each grant program, he only looked at the bottom line of these spreadsheets and monitored them to make sure that the grant monies were not overspent. He was aware that there would be unspent grant monies, but he never inquired as to how those monies were spent, or if they were sent back. He, in fact, never looked at a single FS10F.

B. The Even Start Grant of 2002-03: a Case Study in Fraud, Abuse and Negligence

SD 3-3 qualified for the Even Start grant, a program designed to give additional attention to children struggling to read. The program's resources are available to both children and their parents because once a parent better his or her reading skills, he or she

can better teach his or her child. The SD 3-3 Even Start allocation for the 2002-2003 school year was approximately \$250,000, and pursuant to its submitted final expenditure report, the district expended the allocated funds on Even Start program-related expenses. Administrator C prepared the FS-10F and, on October 20, 2003, the superintendent certified the document's accuracy.

The Grand Jury finds that SD 3-3 padded that FS-10F with more than \$47,000 in expenses that had nothing to do with the Even Start program. Specifically, SD 3-3 claimed that the following general expenses somehow promoted literacy in economically disadvantaged children and their families:

1. Almost \$3,000 in insurance premiums;
2. Over \$2,800 for postage for general school mailings;
3. Over \$8,000 towards the purchase of a car used by the school district attendance officer;
4. Approximately \$7,000 for a large stamp machine reserve account; and
5. Three months worth of the total car allowances paid to SD 3-3 administrators, including the facilities supervisor and district office administrators.

The Grand Jury finds that the supervisory administrators failed to safeguard the Even Start funds. Even though it is clearly indicated on this and other SD 3-3 FS-10Fs that Administrator C was the preparer of these reports, Administrator C merely "eyeballed" the FS-10Fs before presenting them to the Superintendent for certification.

Administrator C acknowledged that the inclusion of the school district’s director of plant facilities’ car allowance on an Even Start FS-10F report should have been “a red flag to me. I should have known that he is not affiliated with Even Start.” As to the car, Administrator C opined that the Even Start program could “maybe use a vehicle” even though he was not entirely sure what the Even Start program’s goals were. The superintendent did not review this FS-10F before signing the certification attesting to its accuracy. Nor did he even notice that the district claimed \$500 of his car allowance as an expense related to the literacy of disadvantaged children. Most interestingly, he acknowledged that an expenditure for the purchase of a vehicle was not an appropriate use of funds in a program designed to promote literacy.

C. SD 3-3 Misapplied over \$770,000 in Federal Grant Money: 2001-2004

SD 3-3 submitted over twenty FS-10F reports on federal grants that contained either patently false expenditures, or expenditures wholly unrelated to the particular program’s purpose. The school district did not use these funds for the grant program purposes, and instead the money became part of the district’s general fund. The total amount of misapplied federal grant money for the period encompassing school years 2001-2002 through 2003-2004 is approximately \$771,000 and can be summarized as follows :

<u>School year:</u>	<u>Grant money received:</u>	<u>Amount misapplied:</u>
2001-2002	\$5.5 million	\$332,593
2002-2003	\$6.1 million	\$154,413
2003-2004	\$6.5 million	\$284,677
<u>TOTAL:</u>	<u>\$18.2 million</u>	<u>\$771,683</u>

D. Unsupported Expenditures and Misapplied Funds: Title I 2001-2003

1. Failure to File Budget Amendments

SD 3-3 failed to follow New York State Department B's budget amendment filing requirements. As noted above, if a school district finds that it needs to increase an FS-10 budget category by more than 10%, or \$1,000 [whichever is greater] it must submit a budget amendment via an FS-10A form, and receive approval from the appropriate New York State Department B program office. In its 2002 and 2003 FS-10 budgets for Title I, SD 3-3 did not allocate any funds for the budget category entitled "indirect costs." The corresponding FS-10Fs for 2002 and 2003 claimed \$27,237 and \$42,918, respectively, for "indirect costs." However, SD 3-3 did not submit FS-10A reports to New York State Department B, nor did New York State Department B otherwise approve these budget changes.

This was not the only instance of unapproved budget changes. In 2001, SD 3-3 did file an FS-10A to increase the Employee Benefits portion of its Title I budget by \$11,994.00, but the final expenditure report claimed an increase of \$57,483. Therefore, SD 3-3 placed an additional and unauthorized \$45,539 on its FS-10F, and New York State Department B did not catch the error.

Federal auditors also reviewed SD 3-3's Title I non-salary related expenditures for the period of July 1, 2001 through June 30, 2003. Among their findings, the auditors noted that SD 3-3 could not support \$79,365 worth of expenses charged to Title I, and improperly used \$67,574 in federal funds to supplement the school district's non-Title I textbook expenses.

2. Undocumented Consultant Fees

On June 30, 2002 and again on June 30, 2003, SD 3-3 remitted twenty-five thousand dollar checks to an outside Title I program consultant. The school district paid these substantial fees without the benefit of a signed contract that delineated the consultant's job or his rate of pay. To each payment check, SD 3-3 attached ten invoices from the consultant, one for each month from September through June, to justify the \$25,000 expense.

None of the invoices detailed the hours that the consultant worked or even the particular days within each month he performed his services. The invoices were identical but for the date the services were allegedly rendered. Moreover, the consultant did not submit the invoices each month, but rather signed them, and presumably submitted them, to SD 3-3 in one lump for the entire year, specifically on June 25, 2002 and then again on May 31, 2003. Therefore the school district did not receive a bill until weeks, if not months, after the consultant allegedly rendered the services.

The Grand Jury finds one of the invoices for the 2002-2003 school year to be especially disturbing. The consultant submitted an invoice for services rendered during June of 2003 that he signed on May 21, 2003, one month before the services were even going to be performed. The Grand Jury cannot verify that the consultant did any work at all in June of 2003.

3. Check Inflation

SD 3-3 overcharged more than \$25,000 of expenses in its 2001-2002 Title I FS-10F. A comparison of the expenses listed in the FS-10F to the cancelled checks themselves reveals that for six checks listed in the FS-10F totaling \$25,000, SD 3-3 claimed \$50,000 in expenses. Therefore the district overstated Title I expenses by \$25,000.

4. Use of Title I Funds to Supplant Basic Educational Expenses

On the Title I FS-10F for the 2001-2002 school year, SD 3-3 charged \$67,574 in economic and teen health textbook expenses. As noted above, school districts may only use Title program funds to bridge gaps in specifically targeted areas, not to purchase goods and services that under normal circumstances would be paid for by state and local funds. Although Title I is a basic program for educationally disadvantaged students including children that are neglected or otherwise at risk, SD 3-3 used Title I funds impermissibly to supplant secondary education level textbook costs.

School District 3-5

A. School District 3-5: Duplicate Expenditure Reports for Different Programs

SD 3-5 could not account for over \$165,000 in expenditures for one grant, so it copied the FS-10F of an unrelated grant, re-titled it, and submitted the “new” FS-10F to New York State Department B. New York State Department B did not catch the fraud, and released grant funds on the basis of the duplicate FS-10F form.

In January 2001, SD 3-5 submitted an FS-10F report to New York State Department B for \$165,326 in expenditures for the Title I, Part A Program Improvement grant. In March of 2001, New York State Department B told SD 3-5 that it had failed to file an FS-10F report for another grant entitled the Comprehensive School Reform Program. SD 3-5 informed New York State Department B that the Comprehensive School Reform Program had the same expenses as the Title I, Part A Program Improvement program. New York State Department B told SD 3-5 that it still had to file an FS-10F for the Comprehensive School Reform program, and SD 3-5 complied in April of 2001.

New York State Department B processed the Comprehensive School Reform program FS 10-F, and sent SD 3-5 its final payments for both grant programs. Unfortunately New York State Department B failed to notice that SD 3-5 merely copied the Title I, Part A Program Improvement FS-10F and re-titled it Comprehensive School Reform. SD 3-5 submitted the same FS-10F for two entirely different grant programs and got away with it; that is, until a federal audit discovered the fraud. SD 3-5 has since agreed to repay the extra \$165,326.

B. Unexplained Discrepancies between SD 3-5's Accounting System and Its Submitted FS-10F Report

School districts must maintain detailed and accurate financial records to show the state and federal government the way they spend awarded grant funds. A recipient entity's ledgers and accounting systems must mirror that which is recorded on any FS - 10F expenditure report. Federal auditors examined SD 3-5's computerized accounting system and found material differences between what SD 3-5 recorded in their ledgers and what they claimed as expenses on the non-salary expenditures on their Title I, Part A and Title II FS-10Fs for the period July 1, 1999 through June 30, 2004. For example, SD 3-5 claimed \$28,865 in expenses under the supplies and materials category on its 2000-2001 Title I FS-10F. However, the district's computerized ledger records showed only \$15,624 for these expenses, a difference of almost 46%. In addition, on the 2001-2002 Title I FS-10F, SD 3-5 claimed it spent \$809,042 on professional salaries, but the amount of money expended on these same salaries per the district's ledgers was \$541,408, a discrepancy of 67%.

To compound this problem, SD 3-5 had no copies of the worksheets and reconciliations upon which it based expenditures recorded on its suspect FS - 10Fs. SD 3-5 had no records of the process that it used to convert the data in its accounting system to what it reported on the FS -10Fs, nor could it produce the recordkeeping it used to get from point A, the financial records, to point B, the FS- 10Fs.

School District 5-4

In the 2004-2005 school year, SD 5-4 received approximately \$8.5 million dollars in grant funds. SD 5-4 used \$6 million of those dollars on a myriad of federal and state funding programs to benefit the students within the district. However, an independent certified public accounting firm found that SD 5-4 used approximately \$2 million dollars of its grant funds to run a variety of programs throughout Long Island, none of which benefited the residents of SD 5-4.

Title II WIA (Workforce Investment Act) and Employee Preparation Education (EPE) grants focus on programs that give job skills to those individuals who have followed a non-traditional educational path. The grant funds are designated to provide training for a wide array of job skills. School districts use these funds to conduct classes and provide vocational and other types of job skills to its district residents.

With these Title II WIA and EPE funds, SD 5-4 started its own satellite business. It set up vocational and other job skill related training programs, not only within the confines of the district, but in locations as far flung as Hempstead in the west and Sag Harbor in the east. The district used its own employees to manage this multi-million dollar side business. SD 5-4 disbursed grant funds for payroll, rent, contractual service and supplies to multiple remote sites all across Long Island. On occasion it made grant fund disbursements on the authorization not of any business office administrators or internal claims auditors, but rather of a district secretary.

In order to staff these many locations, SD 5-4 used teachers not already employed by SD 5-4. Thus SD 5-4 got grant money to run programs located outside SD 5-4, and taught by non-SD 5-4 teachers. As a certified public accountant who audited the

district's records characterized SD 5-4's oversight of the fiscal side of these multimillion dollars in grant funds, "there was no way for the district with its limited staff to know what was going on in some job training center in Hempstead."

Sarbanes-Oxley: Private Sector Accountability for Financial Reports

The Grand Jury finds that a contributing factor to the malfeasance school districts management of government grant funds was the complete lack of accountability of the superintendent and district officials charged with the responsibility of spending these funds and reporting those expenditures to the appropriate regulatory agencies, as well as to the public. The Grand Jury gained insight into a possible solution by examining the standards to which private sector executives are held with regard to public filings of expenditure reports.

The United States Congress reacted to the myriad major corporate and accounting scandals that engulfed prominent companies such as Enron, WorldCom, Tyco and Arthur Anderson by passing the Sarbanes-Oxley Act of 2002. [“Sarbanes-Oxley”] Private sector investors and employees lost billions of dollars in these horrible corporate scandals due to the accounting and reporting practices of corporate America. Among its many components, Sarbanes-Oxley established new or enhanced accountability standards for all United States public company boards, management and public accounting firms. The legislation also imposes criminal penalties for corporate management who negligently or purposefully misstate a company’s financial situation in reports filed with the federal government, and upon which investors rely.

Specifically, Sarbanes - Oxley requires company officers to certify to the truth of financial reports, to assess internal controls over financial reporting and to disclose any internal control deficiencies. More importantly, corporate officers who file incorrect statements or willfully manipulate the company’s financial status to its investors can be

criminally prosecuted. Sarbanes - Oxley states that officers face up to a \$1,000,000 fine and/or ten years in jail if they file any incorrect statements with certain government regulatory agencies. If the officers willfully manipulate those financial statements, they face up to a \$5,000,000 fine and a twenty-year prison term.

The Grand Jury concludes that there is a dire need for change both in the manner in which the distribution of grant funds is overseen, and the manner in which school districts are held accountable for their management of grant funds. Without such changes, there can be little doubt that grant funds will continue to be wasted, to the detriment of the public.

FINDINGS OF FACT: PART VIII

SPECIAL COMMISSIONER OF INVESTIGATION FOR THE NEW YORK CITY SCHOOL DISTRICT

Prior to 2001¹¹¹, the Board of Education [“Board of Education”] and its Chancellor were at the head of the public education pyramid in the City of New York. The Board and Chancellor supervised thirty-two local school districts. At the local level, much like in Suffolk County, each school district had a district superintendent and a community school board. To investigate allegations of criminal misconduct, corruption and fiscal malfeasance, the Board of Education had its own investigative office called the Inspector General for the New York City Board of Education [“Inspector General”]. However, the Inspector General was completely dependant upon the Board of Education. This “watch dog” agency reported directly to, and was completely controlled by, the Board of Education, relying on it for its office space and even its budgetary allocations. Moreover, the Inspector General’s investigatory staff were not seasoned law enforcement professionals and often lacked the skills necessary to conduct complex and covert investigations.

A. Scandals in the New York City Public Schools and the Gill Commission

In the late 1980’s a series of public scandals rocked the New York City school system. For example, authorities caught a school principal buying crack cocaine. In another case, a school board member and his wife, a member of the New York State

¹¹¹ During the administration of New York City Mayor Michael Bloomberg, the structure of the New York City public schools has changed dramatically. The Board of Education has been replaced with a Department of Education. The Chancellor now reports directly to the Mayor. The thirty-two individual school districts have been consolidated into ten regions and each region has its own Superintendent. The local school boards have been abolished. 4/27/06 pp. 5-6

Assembly, stole money from their local school board. As a result of these and other problems, then Mayor Edward Koch empanelled a commission, later known as the Gill Commission, to investigate corruption in the New York City Board of Education and determine whether the Inspector General's Office had sufficient capabilities to root out crime and corruption. The Gill Commission issued a report formally entitled the Joint Commission of Integrity in the Public Schools ["Gill Report"].

The Gill Report outlined a frightening litany of fraud, waste, corruption and sexual abuse in New York City public schools. Political favoritism, not academic credentials, was the gateway to a school principal position. Fraud riddled the local community school board elections. Lax and inadequate screening of employees led to the hiring of sexual predators and child molesters.

The Gill Report also found that the New York City school system was fraught with fiscal mismanagement and unchecked thievery. Superintendents did not take responsibility for maintaining the fiscal integrity of their district. Moreover no one held the school district business managers and superintendents accountable for the fiscal improprieties committed in their district, so administrators and employees abused the school system for their private gain.

The fiscal abuse flourished under the eyes of investigators ill trained to ferret out fraud and corruption. The majority of the Inspector General's Office investigators had no law enforcement background and a deeply ingrained "civil service" mentality. The Gill Report found that that structure and staff of the Inspector General's Office "almost guaranteed failure in criminal investigations."

The Gill Report cited the need for improved monitoring and enforcement in the school system and addressed structural flaws that increased the likelihood of corruption. Given the New York City school system's complexity and the findings of fraud and other improprieties, the Gill Commission called for the immediate establishment of a Special Commissioner to investigate the corruption and gross mismanagement in the New York City public school system. Moreover, the Gill Commission stated that this new Commissioner's mandate should be to focus on serious criminal wrongdoing and "build solid cases against real criminals."

As a result of the Gill Report, then New York City Mayor David Dinkins issued Executive Order #11 on June 28, 1990 thereby creating the Deputy Commissioner of Investigation for the School District of the City of New York¹¹² ["Special Commission"]. This new agency, now physically and fiscally independent of the Board of Education, was charged with investigating any allegation of "corruption, conflicts of interest, unethical misconduct or other misconduct within the school district of the City of New York." The new Commissioner and his staff reported directly to the Mayor, not the Board of Education. Most importantly, former police detectives, prosecutors and other law enforcement professionals staffed this new investigative agency.

B. Powers of the Special Commission

The Mayor authorized the Special Commissioner to report any matters involving unethical conduct or misconduct to the "Board of Education, the Chancellor, a Community school board or Community Superintendent for disciplinary or other

¹¹² This agency is now known as the **Special** Commissioner of Investigation for the New York City School District and will hereinafter be referred to as such. Its mandates have not changed. 4/27/06 p. 11

appropriate action.” In addition, the Mayor also directed the Special Commission to conduct any investigations and issue its own public reports regarding “corruption or other criminal activity, unethical conduct, conflicts of interest and misconduct.” Finally, the Mayor ordered the Special Commissioner to make an annual report of all its findings including a “summary of the steps taken by the Board of Education, Chancellor, Community School Boards and Community superintendents to implement” all prior findings and correct any situations of financial, criminal and/or unethical conduct.

The Mayor also gave this new investigative watch-dog powerful and broad ranging investigatory tools including “full and unrestricted access to examine, copy or remove any records, information, data, reports, plans, projections, matters, contracts, memoranda, correspondence” and any other materials of the Board of Education, the Chancellor and the local school boards and Superintendents. The Special Commissioner was also given subpoena power, not only over the books and records of any New York City School, but also of vendors doing business with the school. All schools and vendors doing business with the schools **must** produce their records when requested to by the Special Commission. Failure to comply can lead to employment termination, or in the case vendors who refuse to produce subpoenaed records, the loss of the potentially lucrative City contract.

All administrators and employees of the New York City public schools, as well as members of the Department of Education and the Chancellor, now have an affirmative obligation to report to the Special Commission “any and all information concerning conduct which they know or should reasonably know to involve corrupt or other criminal activity, conflicts of interest, unethical conduct or misconduct (i) by any officer or

employee of the City School District, which concerns his or her office or employment, or (ii) by persons dealing with the City School District, which concerns their dealing with the school district.” Acknowledging that whistle blowers are a critical help to the Special Commissioner’s investigators, a subsequent Mayoral Executive Order provided protection for school employees who risk their jobs by reporting fraud, criminal activity and other malfeasance. Supervisors can be fired if they retaliate against a subordinate for reporting wrongdoing.

C. Structure and Methods of Investigation

This agency, in existence since 1991, has four investigative teams and an intake unit.¹¹³ The intake unit receives thousands of complaints each year. These allegations arrive through regular correspondence, postings on the agency’s web site, calls received by the agency’s 24-hour public hotline and referrals from other agencies such as the New York City Department of Investigation¹¹⁴ and the New York City Conflicts of Interest Board.

In the past fifteen years, the Special Commission has investigated a broad range of cases including corruption in the local school boards; financial abuse committed by school custodians; sexual abuse and harassment of students; the deaths of students on school sponsored field trips; the failure of a vendor to identify and remove asbestos in the City schools; conflicts of interests; bid rigging by Department of Education employees and companies run by friends and family members; and the failure of school employees

¹¹³ One of the teams devotes itself entirely to the investigation of allegations of sexual abuse.

¹¹⁴ This agency investigates all allegations of corruption, criminal conduct and other malfeasance committed by or in any New York City agency. The Special Commissioner of Investigation for the New York City School District focuses only on the school system. 4/27/06 pp. 15-19

to report child abuse. Members of the Special Commission also act as an investigative arm for the New York City Conflicts of Interest Board when the allegations involve employees of the New York City School system or the New York City Department of Education.

The Special Commissioner acts as a repository for any allegations of misconduct or abuse occurring in the New York City Schools. Once the Special Commissioner completes an investigation, he forwards the results to appropriate agencies so they can take action. For example, the Special Commissioner has sent investigation results that indicate that licensed educational professionals have committed crimes or other wrongdoing to New York State Department A so that it may revoke the malfeasors' licenses. Moreover, if the allegations involve criminal conduct, the Special Commission immediately advises appropriate law enforcement agencies such as the local district attorneys' offices, the New York State Attorney General, the United States Justice Department or the United States Attorney's Office. Special Commission investigators participate in referred criminal investigations by making arrests and testifying at trials, hearings and before the grand jury.

The Special Commissioner publishes the results of his investigations in a report that is available to the public both in hard copy and on its web site. Investigators from the Special Commission track all the investigations referred to other agencies and keep records of the outcomes.

The effect of the Special Commission has been profound. Because of rampant fraud and corruption discovered by the Special Commission, New York City has

abolished the local school boards and completely revamped the methodology used to purchase supplies.

D. Proposed Legislation for a State Inspector General for Education

A New York State Senator from Long Island has proposed a bill in the New York State Legislature to create an “independent office of school inspector general for school districts outside the city of New York.” This new agency would be completely independent from the New York State Education Department, the New York State Comptroller, local district attorneys’ offices and any other state agency or political subdivision.

This bill would give the proposed Inspector General for Education the power to “examine, audit and evaluate all of the financial records, transactions, contracts, revenues and expenditures” of local school districts. The Inspector General would have subpoena power relevant to documents such as all school district financial documents and records, including all contracts. The school districts would have to provide “all backup financial, budgeting and accounting documentation” and other information necessary to “verify, confirm and reconstruct” all school district financial transactions. The Inspector General would be able to take any school district’s prior year’s financial, budgeting and accounting documentation and relevant back-up data.

The pending Senate bill also gives the new Inspector General the authority to assess the “school district’s current financial accounting and budgetary practices” and to “draft a report that provides a detailed analysis of the current financial status of the school district.” The Grand Jury lauds the Senate’s motives, but feels the New York

State Comptroller has a demonstrated ability to perform an analysis of accounting and budgetary practices. However, the Grand Jury notes that the proposed Inspector General's Office could be instrumental in monitoring compliance with audit recommendations for change, as well as investigating corruption and other types of malfeasance in New York State schools.

FINDINGS OF FACT: PART IX
INDIVIDUAL DISTRICT ABUSES

A. School District 3-1

The internal claims auditor is an agent of the board of education who reviews and then approves or disapproves all claims against a school district. In theory this process involves an examination of all expenditures to ensure that each is authorized, appropriate, and supported by the necessary backup documentation. In a system of proper internal controls, the internal claims auditor makes regular reports directly to the board of education and does not answer to any other district management or staff. In this way the internal claims auditor may provide an independent and objective review of claims while also keeping board members informed of payments emanating from the district.

School District 3-1 employed an internal auditor who went on leave for three months in the winter of 2002-03. During this period, the district's Superintendent and Director of Business Services, without ever consulting the board, allowed the spouse of the internal claims auditor to act in that capacity during the internal claims auditor's leave. The board remained unaware of this switch throughout those months and never passed a resolution approving of the temporary appointment of the internal auditor's spouse to that position. The substitute claims auditor ultimately approved thousands of claims totaling nearly \$100,000,000.

This episode revealed several flaws in the district's internal control operations. The internal claims auditor is an agent of the board of education who reports directly to the board and is independent of other district staff. Therefore the Superintendent and Director of Business Services were not empowered to allow an unauthorized individual to

perform those functions. However, the board of education itself must shoulder some of the blame as well. Had the board regularly met with the internal claims auditor and reviewed the approved claims it would have realized that someone other than their designated agent was acting in that role.

This was not the only instance of the board of education lacking full knowledge of critical personnel moves within the district business office. In the 2003-2004 school year, the board appointed a new internal claims auditor based upon a recommendation from the Director of Business Services. Unbeknownst to the board, this new appointee was the daughter of the Director of Business Services (the two had different surnames). Although she resigned when the board learned of her relationship to the Director of Business Services, this individual did approve more than three thousand claims totaling approximately \$66,000,000 during her brief tenure as the internal claims auditor. While not in violation of any laws, this series of events did project an “appearance of impropriety” and compromise the essential independence of the internal claim auditor function.

The Treasurer’s office did not appropriately segregate important duties and thus exposed the district to the potential of financial errors or malfeasance occurring or not being detected at all. As the custodian for all district funds, the Treasurer is the district’s chief accounting officer and thus tasked with receiving, disbursing and maintaining all district monies. Performing these broad responsibilities entails an array of smaller tasks: handling bank reconciliations, signing checks, making cash adjustments, preparing monthly financial reports, recording transactions in an accounting system, making journal entries and distributing payroll.

In School District 3-1 a single individual was performing all of these duties. By vesting so many inter-related financial responsibilities in a single employee, the district increased the risk that any misappropriation or other theft of district funds would go undetected and weakened the effectiveness of other internal controls. In 2004, School District 3-1 took steps to segregate the job duties performed by individuals within the Treasurer's Office so that no one employee would be responsible for financially incompatible tasks.

B. School District 3-2

The Grand Jury reviewed administrative spending in School District 3-2 for the period of July 1, 2002 through August 31, 2004. The review focused upon district practices controlling expenses for travel, conferences, meals, cell phones, and credit cards, as well as compliance with administrator employment contracts. The Grand Jury saw a catalogue of spending abuses, internal control failures and a lack of accountability emblematic of problems in many districts in Suffolk County.

In the 2004-05 school year School District 3-2 had a total enrollment of over 6,000 students, serviced by more than 1,000 employees and a budget exceeding \$120 million. And although it has not experienced the financial and criminal turmoil shared by many Long Island districts in recent years, SD 3-2's business office was vulnerable to excessive spending, questionable reimbursements and outright fraud.

Throughout the 2002-2003 and 2003-2004 school years, the Superintendent of Schools and all seven members of the Board of Education possessed credit cards issued in the district's name. School District 3-2 paid over \$80,000 in bills for these eight cards during the two year audit period, and approximately 68% of those charges were found to be unsupported by receipts or invoices. Furthermore, the Board of Education did not have a written credit card policy in place during this time that spelled out when the credit cards were to be used and what documentation was required to justify purchases.

Similarly, School District 3-2 had no written travel policy for its employees and board members that explained what expenses it would reimburse and setting monetary limits on reimbursements. However the board members did not allow their failure to enact these simple internal controls to keep them from doing the district's work at such

far-flung destinations as Rochester, Albany, Niagara Falls, Orlando, Dallas and San Francisco. In total, School District 3-2 expended almost \$100,000 in taxpayer monies on travel-related expenses for district managers and board members during the 2002-2003 and 2003-2004 school years.

This sum included several costs that a government audit found to be “abusive and expensive” when compared to federal per diem rates and other available options. For example, members of the Board of Education spent thousands of dollars in lodging, meals and car rentals while staying out-of-state extra days before and after attendance at various conferences. In one particularly egregious case of overspending, a school board member attended a national school board association conference in Florida during March 2004. A brochure distributed by the conference organizers indicated that there were twenty-three area hotels with rates ranging from seventy-nine to two hundred and twenty-two dollars per night. However this board member elected to stay in a two-bedroom hotel suite costing \$399 per night, and her total lodging bill for this trip cost the district taxpayers approximately \$3100. Not only did the district pay this bill, but the expense itself did not raise any red flags. And because at the time the district had failed to enact a policy on travel and reimbursements, the only principles violated by this \$3100 hotel bill were common sense and decency.

Board members did not confine their profligate spending of taxpayer funds to out-of-district trips. During the audit period, the district reimbursed board members almost seven thousand dollars in mileage claims. Once again, the district was without a formal policy covering reimbursement for mileage, and so there were no standards in place as to what types of travel were reimbursable or what back-up documentation was required in

order to process a claim. In many instances, board members were paid hundreds of dollars in reimbursements based upon pre-printed calendars submitted – sometimes at six-month intervals - with nothing more than purported mileage numbers handwritten on various days. In other cases board members submitted absolutely no documentation to justify the claims.

During the period encompassing July 2002 through December 2002 one board member submitted - and was paid – mileage reimbursement claims averaging over three hundred and twenty-five miles per month. This total included reimbursements for weekends and holidays. A board member submitted a claim for local mileage reimbursement when in fact he was out of town at a conference. The district also paid, without question, a board member’s reimbursement claim that he traveled more than two thousand five hundred local miles between January and July of 2002. When questioned regarding these claims, the board member stated that he had been assigned the task of personally inspecting the district’s various schools for the dual purposes of insuring that district security personnel were manning their posts and that there were no problems at any of the buildings.

The Grand Jury finds that the situation in School District 3-2 is persuasive evidence of the need for an independent office of school inspector general for school districts outside the city of New York. Although the New York State Comptroller’s Office has performed a thorough and much needed review of School District 3-2’s internal controls and spending practices, many of the more egregious actions that were uncovered had taken place years before they were finally brought to light. Furthermore, the Comptroller’s approach followed a standard audit protocol being utilized in all of the

school district audits across New York State; it was not conducted in the manner of a criminal investigation and did not yield any arrests or indictments.

The ability of the Office of the State Comptroller to police school district finances is also limited by the finite amount of available resources. The Legislature's mandate that the Comptroller audit all of the school districts in the state by the year 2010, unless the Legislature provides funding for additional audit staff, could hamper that office's ability to follow up on its recommendations in districts, such as District 3-2, that have already been examined. At present, there is no policy in place for state auditors to return to previously audited districts to monitor compliance with published recommendations and the Grand Jury strongly believes there should be. The Grand Jury opines that an independent Office of School Inspector General for School Districts could play an important role in following up on fiscal problems uncovered by the Office of the State Comptroller and free the State Comptroller to continue his expansive and very important statewide audit project. Investigators from the office of school inspector general, being trained in criminal investigations, would also be valuable working in conjunction with state auditors to determine whether internal control weaknesses or other accounting problems have led to districts being defrauded or otherwise made the victim of criminal activity.

C. School District 3-3

The Grand Jury finds that School District 3-3 was a veritable bastion of fraud and abuse, all stemming from a profound lack of internal controls. As detailed below, administrators were able to steal money for years because the district had no effective financial oversight. Others hired family members, although these individuals were not qualified for the jobs. The board abrogated its responsibilities regarding oversight and payment of administrators' salaries. Overseeing all this was an external auditor incapable of assessing the internal controls of what had become a \$150 million corporate entity.

1. Administrator A

Administrator A acted as both the treasurer and the purchasing agent for SD 3-3, a practice that Administrator A conceded was particularly unwise from an internal control standpoint. As treasurer, Administrator A was the sole signatory on every single one of SD 3-3's bank accounts. As purchasing agent, he authorized, with no oversight, all of the expenditures that SD 3-3 made. He also presented the check warrants to the board of education for approval. The fact that Administrator A enjoyed these two roles at SD 3-3, coupled with the fact that he was the sole signatory on all of its bank accounts, allowed Administrator A to steal from SD 3-3 with impunity.

As sole signatory on all accounts, Administrator A had the power to write himself checks drawn upon the district's general fund account. However, it was not easy to embezzle general funds because the board of education reviewed all general fund expenditures. Administrator A would find it difficult to list a large check made payable to himself without the board noticing something amiss. Therefore, in order to steal

money, Administrator A simply transferred general funds into another account, one over which he had direct control and the board did not review. Only Administrator A and a subordinate reconciled this fund's statements and reviewed the checks that were issued out of this account. Ultimately, Administrator A redirected hundreds of thousands of school district dollars to his own bank accounts or investment vehicles.

Over the course of his tenure at SD 3-3, Administrator A stole over \$700,000 from SD 3-3. He did not limit his methodology to outright embezzlement. Administrator A also bolstered his retirement severance payout. Over his years of employment, he took approximately \$72,000 in advances on his final retirement payout and should have had that amount deducted from his severance payout. But because he prepared his own retirement payout calculations, and no one checked their accuracy, he forgave his own loan and took the \$72,000 again.

2. SD 3-3 Failed to Report Thefts on Its Year-End 2003 Audited Financial Statements

By the late summer of 2003, SD 3-3 discovered some, but not all, of Administrator A's larcenies and reported them to their external auditor ["Auditor A"]. The Superintendent told Auditor A that a "settlement had been reached" between the school district and Administrator A, and that Administrator A would reimburse the district. Both the Superintendent and a district business official [Administrator C] instructed Auditor A to characterize the stolen funds as "an account receivable" on the district's audited financial statements for the school year ending June 2003. However as of October 14, 2003, the date of the school district audited financial statement,

Administrator A had yet to refund any of the stolen monies. Despite this fact, Auditor A characterized the embezzled money as the Superintendent and Administrator C ordered, and issued an unqualified report.¹¹⁵ Members of the general public who chose to read this audit report would have no idea, based upon the manner SD 3-3 characterized this theft, that one of SD 3-3's administrators had stolen hundreds of thousands of taxpayer dollars.

3. Administrator B

Administrator B, enabled by the lack of internal controls, stole approximately \$250,000 from SD 3-3. He used two different methods to take these public funds. First he embezzled funds from an account that only he, Administrator A and the Superintendent knew existed. SD 3-3 never reported this "rainy day" account on its financial statements, and the three administrators never had the auditor reconcile any related statements. In addition, Administrator B redirected school district insurance funds to accounts over which he had exclusive control. The control system was so porous that Administrator B authorized transfers that benefited him directly, without any third party review or authorization.

4. Administrators C and D

In the summer of 2003, Administrator D's future daughter-in-law ["Accountant Trainee"] applied for and was hired in an accountant position at SD3-3. At the time of her application she had less than one year of experience in the accounting field. The position of accountant for a public entity such as a school district is a competitive civil

¹¹⁵ See GJ #253

service position for which one must possess certain specific qualifications, including two years of field experience and a passing grade on a civil service examination.¹¹⁶ SD 3-3 applied to the Department of Civil Service to be permitted to provisionally appoint Accountant Trainee despite her lack of the requisite experience. The Suffolk County Department of Civil Service rejected the application precisely because Accountant Trainee did not possess enough outside job experience.

In order to “fix” the problem, Administrator C had the district’s external auditor draft a letter that embellished Accountant Trainee’s experience. In his letter, the auditor claimed that Accountant Trainee had worked for him during the previous two years on a per diem basis. Administrator D filed this letter, which contained abject lies, with the Suffolk County Department of Civil Service in order to get Accountant Trainee a job for which she was not qualified. Based on the letter and the accompanying enclosures, the Department of Civil Service approved Accountant Trainee’s provisional appointment.

5. Administrator G

While Administrator G was an assistant principal at SD 3-3, some of SD 3-3’s female employees accused him of sexual harassment. The Board of Education and the Superintendent discussed the ramifications of instituting disciplinary proceedings that could result in the firing of Administrator G. However, the Board and the Superintendent shared the very real concern that such proceedings might be prohibitively expensive.¹¹⁷

¹¹⁶ Upon the authorization of the Suffolk County Department of Civil Service, one can be provisionally appointed to such a position without having taken or passed the civil service examination.

¹¹⁷ Typically, these proceedings take over a year just to commence and the subject of the hearing continues to collect their salary while the matter is pending. It is not uncommon for such proceedings to cost between \$100,000 and \$200,000, including the cost of the subject’s salary.

With these considerations in mind, the Board directed the Superintendent to see if he could get Administrator G to resign. At the time of these discussions, Administrator G was 54 years old and one year away from being eligible to retire from SD 3-3 with full benefits from Pension System A and a lucrative retirement package from SD 3-3.

The severance pay to which Administrator G would be entitled was higher if he left the district due to retirement, as opposed to any other reason. If Administrator G retired before he reached the age of 55, he would lose a significant amount in severance payments and benefits from the district. SD 3-3 performed calculations showing that, if Administrator G were to retire as of June 30, 2003, at the age of 54, he would get \$25,850 as a severance payment, and nothing for accumulated sick leave. However, if he retired as of June 30, 2004, at the age of 55, he would get \$74,460 in retirement service benefits, and a \$69,503 payment for 190 days of accumulated sick leave, with a resultant total severance payment of \$143,963.

The Superintendent then met with Administrator G. They came to an agreement and memorialized it in a written stipulation in June of 2003. Administrator G was 54 years old and one year away from being eligible to collect his pension payments from Pension System A. In order to get rid of this administrator while minimizing the cost to the district, SD 3-3 agreed that Administrator G would take a leave of absence for the 2003-2004 school year and not receive his salary. Instead SD 3-3 would pay him an advance of his retirement benefits. In essence, instead of paying Administrator G a salary, the school district took money that they would have paid if he retired in June of 2004, and doled it out to him in twenty-six payments during the 2003-2004 school year.

By paying Administrator G in this manner, the district would make it appear to the pension system that Administrator G had earned a salary during the school year.

Pension System A determines the amount of a retiree's pension payment based, in great part, upon a calculation of the retiree's final average salary.¹¹⁸ In Administrator G's case, his final average salary would be computed based upon the average annual compensation that he earned during the five years of service to SD 3-3 immediately preceding his date of retirement. The provisions in the stipulation of agreement were very important to Administrator G from a financial standpoint. If he were to retire before the age of 55, he would lose a year of service credit with the retirement system, at a minimum, and thus reduce his annual pension payments for the rest of his life. It was therefore vital to him that Pension System A not know that his final year's "salary" was really an advance payment of his retirement severance.

SD 3-3 kept to the terms of this agreement. They paid Administrator G the 26 equal payments at the two-week intervals during the course of the 2003-04 school year. Though Administrator G did not work at all for SD 3-3 during that year, the school district coded the payments as payroll. In an official report from SD 3-3 to Pension System A dated July 1, 2004, SD 3-3 falsely indicated that the last day that Administrator G earned his salary was June 30, 2004, rather than stating what the payments during the 2003-2004 school year really were – an advance payment of earned retirement benefits.¹¹⁹

¹¹⁸ According to New York State Education Law §501(11)(b), final average salary is exclusive of "any lump sum payments for sick leave, annual leave or any other forms of termination pay."

¹¹⁹ GJ#75G

Ultimately, Pension System A investigated Administrator G's last year of payments, determined they were not salary and denied him credit for service for the 2003-04 school year.

6. Auditor A

For approximately thirty years, Auditor A examined the books and records of SD 3-3 to determine whether their financial statements accurately and fairly reflected its financial position and prepared the annual external audit reports. It became evident to the Grand Jury that, as the district's budget grew exponentially,¹²⁰ Auditor A was not able to adequately audit such a colossal entity. Moreover, his ineffectiveness helped create a lax internal control environment that resulted in the thefts of hundreds of thousands of dollars.

Auditor A was unaware, and therefore did not audit, the large whole life insurance program SD 3-3 had for its administrators. Auditor A never reviewed the fringe benefits that were paid to administrators or principals. He never audited the severance packages given to administrators to ensure these employees were not receiving more than they were entitled to, nor did he audit the taxes that were taken out when individuals retired from SD 3-3.

Auditor A failed to report his annual findings directly to the Board of Education. In the last eight to ten years of his service for SD 3-3, Auditor A stopped going to board of education meetings because they stopped inviting him. Instead, he relied on Administrator A to distribute copies of his audit reports to the board, and only interacted with the board through Administrators A and B. Auditor A never insisted that he report

¹²⁰ From approximately \$4 million in the mid 1970's to over \$150 million in 2004.

directly to the board, though he knew it was a required part of his job, because he did not want to “upset the applecart.” He figured that he should give his client what it wanted, unquestioningly.

Auditor A did have concerns about SD 3-3’s internal controls, particularly that two signatures were not required on checks to prevent collusion. However, in recent years, Auditor A failed to report his concerns in written management letters. He opted instead to give the management letter points orally to Administrator A. Auditor A thought that SD 3-3 never heeded the advice that he put in his letters anyway, and Auditor A felt that he would get more attention from Administrator A.

7. The Board of Education

SD 3-3’s Board of Education had no control and performed little review of administrator’s salaries. Pursuant to the 2001-2004 employment contract that governed the building level administrators at SD 3-3, the superintendent could grant salary increases to building level administrators at will without prior Board approval. An educational professional well versed with school administrators’ contracts across Long Island found this provision to be very unusual, and probably unique. More disturbing is that once the superintendent granted a salary increase, he never went back to the Board and reported his actions. Therefore, the Board had no real idea that certain administrators made more than the contractually authorized salary to which the Board agreed when it executed the administrators’ contracts.

In addition, SD 3-3 paid millions of dollars in salaries to district office administrators between 1995 and 2005, without the benefit of Board authorized contracts.

Similarly the Grand Jury found that the superintendent himself, over a period of eight years, was paid thousands of dollars more than his contract salary. The combination of poor auditing and poor Board oversight resulted in millions of dollars being spent on administrators' salaries without appropriate Board review and approval.

D. School District 5-21

SD 5-21 hired a new Assistant Superintendent for Business in June of 2004. At that time, the district's formal purchasing policy mandated that any district employee seeking to purchase goods with a value in excess of \$600 but less than the \$10,000 bid threshold must obtain at least three price quotations from different vendors and then submit them in writing to the business office along with other required paperwork.¹²¹ The school district would reject a requisition for goods valued in excess of \$600 that was submitted without three price quotations and return it to the employee seeking to initiate the purchase. Although price quotations obtained from vendors via the telephone could be written down and submitted, the district's preference was for price quotations written directly from the vendors.

This policy benefits the district and the local community in several ways. Primarily, it aims to insure that the district spends the taxpayers' money as efficiently as possible. It also helps prevent school district employees from colluding with friends or others to circumvent the competitive buying process. And lastly it creates a level playing field for vendors so that all businesses within the community are given a fair opportunity to sell to the district.

Upon assuming his position, the new Assistant Superintendent for Business began to have his staff randomly verify the veracity of the price quotations district employees

¹²¹ This policy was even more restrictive than the requirements found in New York General Municipal Law §103 which states: "all contracts for public work involving an expenditure of more than twenty thousand dollars and all purchase contracts involving an expenditure of more than ten thousand dollars, shall be awarded by the appropriate officer, board or agency of a political subdivision or of any district therein to the lowest responsible bidder furnishing the required security after advertisement for sealed bids in the manner provided by this section."

filed with the business office. A business office staffer telephoned vendors who had purportedly provided price quotations to check the validity of these submissions. When this staffer contacted three vendors listed as having provided price quotations on a form submitted by the director of one of the district's largest departments, two out of the three told him that their businesses had never before been contacted by a district representative. This finding led the Assistant Superintendent for Business to launch a broader investigation of this particular department's purchase requisitions, and when he had finished a disturbing pattern emerged.

Going back several years, partially falsified price quotations accompanied requisition after requisition that this department director had filed. In almost every such instance, the same vendor was listed as having the lowest price and thus ultimately received the district's business. Perhaps not coincidentally, this vendor was also usually the only one the department director actually contacted for an actual price quotation.

Further investigation revealed that the president of this fortunate vendor was a former employee of SD 5-21 who had worked at the district for approximately thirty-three years. For thirty of those years, he had been either a co-worker or subordinate of the department director who submitted the false price quotations. When district officials confronted the department director with these facts, he claimed to have obtained the suspect price quotations from catalogs provided by the vendors themselves. However, when asked to produce these catalogs, he could not do so.

Additionally, the Grand Jury heard testimony from industry vendors who stated that even if prices had been obtained from catalogs, those numbers who not have accurately reflected what the school district would have actually paid for the desired

merchandise. Because school districts buy in bulk, they generally pay less than the inflated prices listed in retail catalogs. Thus, the department director's decision to obtain an actual price quotation only from his former co-worker, and not from three vendors as required by district policy, caused the district to spend more money than necessary to acquire this merchandise.

E. School District 6-5

SD 6-5 learned firsthand the potential consequences of combining poor internal controls and administrators with district credit cards. Until recently, the school district issued credit cards in its name to the Superintendent of Schools and all Assistant Superintendents. Although these cards were distributed to facilitate payment of various business expenses, the administrators were permitted to use them for payment of personal expenses as well, provided they reimbursed the district for those charges.

The lax oversight of credit card expenses and the non-existent review of bill payments provided an unscrupulous administrator with the opportunity for easy self-enrichment. When the district business office received the credit card statements at the end of each month, it would pay the bills in full without any substantive review. Only after payment had been made would copies of the statements be given to the various administrators possessing credit cards so that they could denote which charges, if any, were personal in nature. The administrators would then be responsible for repaying the district the sum total of that month's personal charges. No one in the business office ever verified the various administrators' claims as to which expenses were personal and which were related to official business.

A former Superintendent of Schools in SD 6-5 took full advantage of this honor-system approach to internal controls. As with other district administrators, he routinely charged both business and personal expenses on the district credit card. Among the personal expenses that he charged, and then repaid the district for, were meals, purchases at gift shops and trips to gentlemen's clubs. However, in many instances, the superintendent made personal purchases and never repaid the district.

The superintendent incurred many of these expenses while traveling on what was purported to be school business. For example, when attending conferences, the superintendent would frequently arrive at the destination several days early and depart several days after the event had ended. The school district paid the expenses for lodging, travel and meals incurred during these extra days. On occasion, the superintendent would have the district pay for multiple hotel rooms for the same night. At times, while a conference he was allegedly attending was taking place in one state, the superintendent would incur so-called business expenses in a different state altogether. Other expenses charged on the district credit card and paid for with district funds included regular restaurant bills from both weekdays and weekends and even movie rentals from a video store.

After this malfeasance was discovered, the superintendent left the district's employ and two investigations were begun to determine the extent of his theft from the district. The District Attorney's Office initiated a criminal investigation which ultimately led to the superintendent pleading guilty to the felony of grand larceny and agreeing to repay approximately \$40,000 to School District 6-5. Simultaneously, the district retained a private firm to conduct an in-depth forensic audit of the superintendent's expenses. One of the reasons the district decided to pay for such an audit was to attempt to restore the community's faith in the integrity of the operation of the district. This forensic audit ultimately cost the district approximately \$160,000.

A new interim superintendent took over the management of the district and instituted several policy changes intended to tighten internal controls. Among these changes, the district eliminated all credit cards held in the district's name except for one –

a Home Depot card that the operation and maintenance crew use only under exceptional circumstances. No longer did the superintendent or any of the assistant superintendents possess district credit cards, and the new superintendent testified before the Grand Jury that not having such a card in no way hampers his ability to function as the district's chief executive officer.

This testimony echoed the sentiments of other superintendents who testified before the Grand Jury regarding the need for district credit cards. One longtime superintendent stated that his District only recently obtained its first credit card, and only because recent technological changes in how goods and services are purchased made it necessary. For example, bills for EZ-Pass tags the district's buses use are most easily paid by credit card, as are on-line purchases of books and other necessities. When questioned as to whether school board members should have district credit cards, the superintendent stated "There's not a need ... I don't know what you would need a credit card for. If you go to a conference, you can do purchase orders in advance to get the hotel taken care of. If you put in a voucher for mileage or meals, whatever, we have some rules on how much you can spend, and you can get reimbursed so, they don't go on conferences that much, especially when, the last few years when the budget has been tight, I don't know why you would need a credit card."

F. School District 6-15

In January 2002 the Board of Education of SD 6-15 hired Teacher A for a six-month period to work with an at-risk student. Although Teacher A's annual salary was to be \$40,296, the Board pro-rated this amount to take into account the short-term nature of her appointment. Her approved gross salary for the term of her actual employment thus amounted to \$21,681, or \$1,505.94 every two weeks.

The tasks of calculating this pro-rated amount and then entering it into the school district's computerized payroll system belonged to Secretary A who worked within the district's business office. This secretary also happened to be the mother of Teacher A, a relationship known to district officials. Additionally, mother and daughter shared the same last name. Significantly, during this time Secretary A was the only individual responsible for performing such payroll calculations and the only employee responsible for inputting those figures into the district's computerized payroll system. There was no one within the district assigned to review those calculations or their transfer into the computer system.

In the fall of 2002 the Board of Education re-hired Teacher A to act as a special education and reading teacher for the full 2002-03 school year. This term of employment came with a step increase in Teacher A's annual salary, as well as an increase based upon completion of certain education courses, ostensibly elevating Teacher A's gross annual pay to \$46,148, or \$1,784.86 every two weeks.

In reality, these measures caused Teacher A's income to decrease in the fall of 2002 when compared with her pay for the first part of the year. Unbeknownst to the Board of Education or any other school district officials, Secretary A had manipulated

data within the computerized payroll system such that her daughter was paid at an inflated rate during her initial, short-term appointment - \$1,998.84 every two weeks. No board resolutions, internal memoranda, or other documents within Teacher A's personnel file explained or even mentioned this pay increase. Ultimately the district overpaid teacher A approximately \$7,100 as a result of her mother's unauthorized activities.

This was not the only occasion on which mother and daughter utilized their respective positions within the school district for unlawful personal gain. Part of Secretary A's duties within the district's business office related to the processing of purchase orders and claim forms. Among the paperwork she handled in this position was a sales tax exempt form, which the district would attach to purchase orders for goods in order to avoid the imposition of New York State sales tax. Along with other information, this form requires a tax exempt number unique to SD 6-15.

In the spring of 2005 administrators within SD 6-15 learned that Secretary A had opened a purchasing account at a large wholesale outlet store in the name of the district without authorization from the board of education or any district administrator. Using this account and the district's unique tax exempt number, both Secretary A and her daughter, Teacher A, made personal purchases from this outlet without paying the required sales tax. Among the items the pair purchased free of sales tax were jeans, jewelry, movies on DVD, shrubbery, alcoholic beverages, kitchen appliances and beauty supplies. None of these items were purchased for use in the official business of SD 6-15.

Although these activities did not cause any financial loss to the district, they did defraud New York State out of the applicable sales tax revenue from these purchases. It is also significant to note that officials within SD 6-15 were made aware of this scheme

only when Teacher A submitted a receipt for reimbursement of legitimate purchases to the district and a district employee became suspicious of the receipt's appearance. But for this miscalculation by Teacher A, it is possible that no internal control of the district's business office would have detected these illicit behaviors.

The Grand Jury finds that these examples of school district fiscal abuse demonstrate a desperate need for dramatic and far-sweeping remedies to abate the current hemorrhaging of public monies.

CONCLUSIONS: PART I

The Grand Jury makes the following conclusions based upon the stated findings of fact:

Suffolk County public school districts have recently been plagued by a series of financial scandals unprecedented in their number and diversity. Although these crimes and misdeeds have ranged in nature from credit card abuse by administrators to the disappearance of grant monies received from the federal and state governments to outright theft, they have also had much in common. Each episode involved malfeasance by lone individuals or small groups, yet the actions of these deplorable few served to damage the standing and reputations of thousands of hard-working, honest, and dedicated educators across the county. Each episode involved either the loss or potential loss of taxpayer dollars at a time when school taxes have become one of the greatest burdens weighing on Suffolk County residents. And most significantly, each episode arose out of an environment where strong internal controls in school business offices had come to be viewed as optional luxuries and the only consistent, independent watchdogs of school monies were determined private citizens.¹²²

Suffolk County residents dedicate a large percentage of their tax dollars to their public school system, and as a result it is one of the finest in the state. However, the Grand Jury finds that many of the school district administrators entrusted with safeguarding these millions of dollars have been lax in taking adequate steps to prevent theft, fraud and other malfeasance. Nor does any one governmental agency possess adequate resources to effectively combat the different levels of criminal conduct and lesser malfeasance that have been observed in Suffolk County schools in the recent past.

¹²² 12/6/05, p. 77.

The Office of the State Comptroller is doing an admirable job in performing long overdue audits of every school district in the state, but such audits require tremendous amounts of time and money and do not necessarily target criminal conduct. The Comptroller is also responsible for performing many other duties across the state in addition to his mandate to audit every school district in the state by 2010. He is the manager of a multi-billion dollar state pension plan, the custodian of all the books and records of the State of New York and the caretaker of a multi-million dollar payroll for state employees. Although the Office of the State Comptroller does include a department of investigation headed by a former New York City prosecutor and staffed with former law enforcement professionals, this group must look into potential criminal offenses committed within all manner of local governments, of which school districts are but a part.¹²³

New York State Department B also employs staff auditors but in fifteen years it has never referred a single case of misconduct to the Special Commission.¹²⁴ Much like the Office of the New York State Comptroller, the New York Department B and its related agencies have a great and diverse mandate encompassing many tasks. Financially, these institutions administer over three billion dollars a year annually in federal grant allocations. They also vigorously oversee the certification of all public school administrators as well as a myriad of other professions that require licenses. They implement the mandates, rules and regulations set forth by the New York State Board of Regents and the Commissioner of Education. In sum, these institutions are already too large and diverse to take on the additional responsibility of being watchdogs of the local

¹²³ GJ #248(g) p.39

¹²⁴ 4/27/06 p. 32

elementary and secondary public school systems. Moreover, as seen in New York City, any investigative agency should be completely independent of institutions that might have an interest in the outcome of its investigations; such cannot be said of New York State Department B and its related agencies vis à vis local school districts.

The work of this Grand Jury notwithstanding, local district attorneys offices do not possess the resources to have large specialized units dedicated solely to the investigation of school districts.¹²⁵ Police and other law enforcement agencies face similar limitations: finite resources and a vast array of duties and responsibilities.

New York City's Special Commission has proven to be an effective means of combating the crime, waste, and malfeasance that plagued the city school system two decades ago. It has successfully conducted many investigations into a broad range of misconduct by school officials and those doing business with the school system. This work has led to a virtual revolution in the structure of the city's schools and the way in which they do business.

The Grand Jury finds that the magnitude and frequency of the financial crimes plaguing our public school system demand equally drastic steps to protect public monies and restore the faith of the citizenry. While the situation in Suffolk County may not be as dire as the one facing New York City in the 1980's, it would be foolhardy to pretend we are not on the same path to ruin. Thus, the New York State Legislature is urged to establish a new, independent state agency tasked with investigating allegations of corruption or other criminal conduct within public school districts – an Office of the Inspector General for Education.

¹²⁵ 4/27/06, p. 31.

This new Office will be empowered to conduct investigations and issue public reports regarding criminal activity, unethical conduct, school board election fraud, conflicts of interest and other misconduct occurring within the public school system. It should be funded by New York State and report directly to the Governor. Formal investigations conducted by the Office of the Inspector General should all conclude with formal written reports issued to the Governor; any such report detailing potentially criminal conduct should also be provided to the appropriate local law enforcement agency. So as to rebuild public confidence in the fiscal management of school districts and maintain the transparency of government, all such reports should be released to the public thirty days after delivery to the Governor unless sealed by court order.

The Grand Jury concludes that the new Office of the Inspector General should be mandated to work in conjunction with the Office of the New York State Comptroller to insure that school districts address recognized deficiencies in their financial operations. At present, although the Comptroller's Office audits school districts and makes recommendations for corrective actions, it does not possess adequate resources to follow up those audits to examine what recommendations have or have not been implemented. Those limited resources are going to be taxed even further in the coming years as the Comptroller's Office undertakes to audit all of the more than seven hundred school districts in New York State by 2010. To address this issue, the Inspector General's Office will be responsible for conducting regular, periodic investigations of districts that have been audited by the Office of the State Comptroller and issuing reports as to the state of each district's compliance. Similar compliance investigations will be conducted to determine whether school districts have adopted and implemented corrective action

plans based upon management points in annual management letters received from each district's external auditors.

Much like the New York City public school system in the late 1980's, Suffolk County's public school districts are facing multiple crises. They are in a crisis of public confidence and they are in a crisis of financial hardship. Only by resolving the latter will they be able to begin to overcome the former. Any plan for reforming school district finances must begin with steps toward improving the integrity of the business side of public education. The public must know that their tax dollars are being safeguarded and that there is a system in place for detecting and investigating allegations of misconduct or theft.

RECOMMENDATIONS: PART I

Based upon the stated findings of fact and all of the evidence heretofore had before this Grand Jury, and in order to stem the unprecedented series of financial scandals that have plagued Suffolk County public school districts; to create one governmental agency possessing adequate resources to effectively combat the different levels of criminal conduct and other malfeasance that have recently been observed in Suffolk County schools; and to protect public monies and restore the faith of the citizenry:

NOW THEREFORE, by the authority vested in this Grand Jury by Criminal Procedure Law §190.85(1)(c); the following legislative, executive and administrative actions are recommended in the public interest:

LEGISLATIVE

I. The New York State Legislature must enact a statutory scheme that provides for the establishment of a new, independent state agency tasked with investigating allegations of corruption, financial improprieties, unethical conduct, misconduct or other criminal conduct within public school districts outside of New York City – a New York State Inspector General for Education.

II. The statutory scheme should empower the Inspector General to investigate and report on corruption and other criminal activity, school board election fraud, bidding

irregularities and conflicts of interest by (a) employees of a public school districts whose actions relate to their employment, (b) persons or entities doing business with a public school district concerning their dealing with the school district, and (c) school board members whose actions relate to their office.

III. The New York State Legislature must include in the statutory scheme provisions that provide for the mandatory reporting directly to the New York State Inspector General for Education of any and all information concerning conduct which is known or should reasonably be known to involve corruption or other criminal activity or conflict of interest by (a) an employee of a public school district which relates to his or her employment, or (b) persons or entities doing business with a public school district with respect to their dealing with the school district. This statutory scheme must impose a legal responsibility upon (a) all public school district employees, and (b) all public school board members, to immediately and directly report to the New York State Inspector General for Education any of the above-referenced activities.

IV. The New York State Legislature must include in this statutory scheme penalties for the knowing failure of any mandatory reporter to report when required to do so. These penalties should also be reflected in the enactment of a new crime under the Penal Law for a violation of these reporting requirements. Repeated violations of the mandatory reporting requirements must elevate the crime from a misdemeanor to a felony. The Grand Jury also recommends employees who fail to report instances of the aforementioned prohibited conduct should face termination of their employment.

V. Acknowledging that whistle blowers will be of critical help to the Inspector General for Education's investigators, the New York State Legislature should enact a statute to provide protection for school employees who risk their jobs by reporting fraud, criminal activity and other malfeasance. The supervisor of any such employee who retaliates against a subordinate for reporting wrongdoing should be subject to termination of his employment.

VI. The New York State Legislature should enact a new statute mandating that the newly created Office of the Inspector General for Education issue an annual report of its findings to the New York State Legislature, the New York State Comptroller and New York State Department B. All such reports should be available on a public website for a period of at least five years.

VII. The New York State Legislature should enact a new statute granting the Inspector General's office the power to subpoena documents and records necessary to any investigation from any school district and from vendors who do business with school districts.

ADMINISTRATIVE

I. State and local agencies affected by the changes implied in the legislative recommendations should be given the necessary authority to adopt administrative rules

and regulations necessary for the effective implementation and execution of the legislative recommendations.

II. The Office of the Inspector General for Education should be headquartered in Albany, New York. However, the Grand Jury recommends that the Office of the Inspector General for Education have a regional office on Long Island.

III. In order to carry out its mission, the Office of the Inspector General should employ professional investigators, forensic auditors and attorneys familiar with the criminal and education laws of this state.

IV. The Inspector General's office should have an easily accessible telephone hot line and web page so that members of the public can report allegations of corruption, financial improprieties, or criminal conduct occurring within the school districts of the State of New York.

EXECUTIVE

I. The Governor of the State of New York should introduce legislation consistent with the legislative recommendations in this report or, in the alternative, he should support legislation introduced by others. The Governor should commit appropriate budgetary resources necessary to implement the legislative recommendations including appropriating additional resources to the New York State Comptroller and the New York State Inspector General for Education.

CONCLUSIONS: PART II

The Grand Jury makes the following conclusions based upon the stated findings of fact:

In recent years public school districts in Suffolk County have steadily expanded in terms of student population, number of employees and the size of their budgets. In many districts the budgets have more than doubled in the last decade. This rapid financial growth has outpaced the training of those administrators entrusted with managing often complex district finances. The resulting knowledge gap has led many districts to be negligent in their handling of taxpayer monies, while in extreme cases it has opened the door to outright criminal conduct.

The Grand Jury finds that the presumption that school districts have been in the care of educated professionals selected for their experience and financial knowledge has not stood the test of time, and all too often Suffolk County's public schools have had their finances neglected, mismanaged or embezzled. Left to their own devices, districts have not always hired administrators up to the task of managing multi-million dollar bureaucracies, nor have they insured that administrators in critical positions have the education and training necessary to safeguard these complex financial operations.

Although numerous factors have contributed to this circumstance, the Grand Jury finds that one remedy is to have the New York State Board of Regents enact a new regulatory scheme providing for the mandatory continuing education of public school district administrators on matters of basic accounting principles, fraud prevention and fiscal management. A minimum number of hours of continuing education on these topics should be required to be completed on a biennial basis by all public school district

administrators holding the positions of Superintendent, Assistant Superintendent for Business, Business Manager or the functional equivalent of any of these titles. The regulatory scheme should mandate that all individuals subject to this requirement must file a certificate of completion with the Commissioner of Education stating the number of hours completed and indicating compliance with the relevant regulations. At a time when suburban school district budgets typically contain tens, and sometimes hundreds of millions of dollars, such an educational requirement is both necessary and long overdue.

Proper training of school district administrators is but one means of improving the finances of our public schools and restoring the public's trust in its employees. United States Supreme Court Justice Louis Brandeis once opined that "sunlight is the best disinfectant," and several areas of our public school system are in need of cleansing. Throughout this investigation the Grand Jury has found an abject lack of transparency regarding the issue for which school districts spend the overwhelming majority of their funds – salaries and benefits for their employees. A Grand Jury possesses advantages that the general public does not, such as subpoena power and testimony from expert financial witnesses. Steps must be taken to increase the availability of the financial records of public school districts to those taxpayers who fund them.

The New York State Legislature recently enacted legislation creating local school district audit committees, and the public would be well served by the creation of similar committees dedicated to issues of school district compensation. These compensation committees should be empowered to review every proposed employment contract between local school districts and any bargaining units, employees or administrators. They would also advise the board of education or local school trustees as to the

foreseeable costs and benefits of the proposed contracts. Members of compensation committees should come from the local school district, but steps should be taken to insure that the committees are not composed solely of sitting board of education members. All too often the evidence before the Grand Jury demonstrated that members of certain boards of education blindly approved their superintendents' requests and recommendations regarding salary increases and fringe benefit awards. Creating a mere sub-committee of such boards of education would serve no practical purpose.

These compensation committees should be encouraged to carefully examine the non-salary benefits boards of education dole out to top administrators. Many of the districts in Suffolk County spend hundreds of thousands of dollars per year not only providing permanent life insurance policy benefits to administrators, but maintaining those policies as well. The Grand Jury concludes that school districts should focus on educating children and not devising new and creative means of remunerating administrators.

Residents of school districts, via their elected boards of education, are of course free to spend their tax dollars as they choose. But this freedom is meaningless absent access to all the information pertinent to spending decisions. Few of the working people of Suffolk County have the time to travel to their districts, file formal requests for copies of documents such as employee contracts, and then wait several hours while school district employees photocopy hundreds of pages at a cost of .25 cents per page. Taxpayers should have a chance to review proposed employment contracts prior to the school board's vote so that the citizens may have an opportunity to voice their opinions to the board. Salaries, particularly for administrators making over a hundred thousand

dollars per year, should not be decided in the proverbial smoke-filled back room, but rather in the bright light of public discourse. Especially in today's electronic age, all information related to school district spending and fiscal management – including that related to employee compensation - should be posted on the school district's web site. Additionally, hard copies of this information should be available within the local public library for those residents without access to the internet or in those few school districts without web sites.

Other reforms are as simple as they are necessary. School district administrators and boards of education should carefully review the New York State Comptroller's annual reports and apply the lessons therein to their own systems. One of the most frequently cited abuses in these reports involves the reimbursement of employee expenses. While boards of education may be free to make their own business decisions, the Grand Jury concludes that civil servants should be held to a federal per diem rate of reimbursement. Employing such a universal standard lessens the opportunities for employee fraud and eliminates potentially dangerous ambiguities.

The Comptroller also frequently found the internal controls within school district business offices to be lacking. In some instances this circumstance appears to be merely the product of outdated practices; the accounting knowledge of many business offices has not kept pace with exploding enrollments and budgets. Thus, districts should constantly reevaluate their internal control systems to insure they are in line with currently accepted practices. Failure to do so often provides unscrupulous individuals with the opportunity to misappropriate public funds. To minimize this risk, another simple reform would have

local boards of education implement policies requiring that all expenditures in excess of \$25,000 carry at least two authorized signatures from district employees.

Many of school districts' recent troubles stem from an overall lack of accountability. Administrators need not vouch for the data they provide to government and private auditors, nor are they held to answer when the numbers do not add up. Some districts continued to employ unscrupulous individuals – administrators and teachers alike - even after official misconduct on their part had been revealed. The current system of flexible accounting rules and haphazard employee discipline in our public schools needs to be changed. Conviction of a crime related to a school district employee's official duties should result in an automatic revocation of that individual's professional licenses. On a broader scale, financial accountability standards similar to those applicable in private industry should be imposed upon those who manage the millions of dollars of public funds flowing through our public schools. The Grand Jury concludes that there is no rational reason for a double standard whereby corporate profits are guarded more carefully than tax dollars dedicated to education.

Lastly, school districts in Suffolk County, already under financial strain, are becoming overburdened by unfunded mandates from the federal and state governments. While these mandates may have admirable purposes, in practical application they hinder local educators in the performance of their jobs. Additionally, the costs associated with unfunded mandates contribute to higher school taxes and divert valuable resources away from the actual education of students.

The Grand Jury also finds that school districts within Suffolk County may not be receiving an equitable distribution of state financial aid. The formula employed to

allocate this money amongst the school districts needs to be re-examined and, if necessary, modified so as to level the playing field for all students in the state regardless of where they attend school.

RECOMMENDATIONS: PART II

Based upon stated findings of fact and all of the evidence heretofore had before this Grand Jury and in order to produce adequate oversight of school district finances and restore the public's trust in public school officials:

NOW THEREFORE, by the authority vested in this Grand Jury by Criminal Procedure Law §190.85(1)(c); the following legislative, executive and administrative actions are recommended in the public interest:

LEGISLATIVE

I. The New York State Legislature must appropriate sufficient funds to maintain the New York State Comptroller's staff at the levels to which it was increased after the recent enactment of the New York State Comptroller's Five Point Plan for School Accountability.

II. The New York State Legislature must provide the Board of Regents and New York State Department A with funding sufficient to support the creation and implementation of a regulatory scheme providing for the mandatory continuing education of qualifying public school district administrators on matters of basic accounting principles, fraud prevention and fiscal management.

III. The New York State Legislature must enact a statutory scheme establishing new financial accountability standards for school district administrators and concomitant

criminal penalties for the willful filing of false financial statements or misrepresentation of a school district's financial status. This statutory scheme should hold public school district administrators to the same standards as their corporate counterparts face under the Sarbanes Oxley Act of 2002.

IV. Salaries and fringe benefits provided to all school district employees constitute the overwhelming majority of all school district expenditures. Taxpayers should have easy access to this information in order to make an informed decision when they vote on their school budgets. Using the recently enacted New York State Education Law §2116-c that established local school district audit committees as a model, the Grand Jury recommends that the New York State Legislature enact a new statute, establishing local school district compensation committees to oversee and report to the local school trustees or boards of education on the proposed contracts of all bargaining units, administrators and superintendents negotiated after January 1, 2007. The role of the compensation committee shall be to provide recommendations regarding the salary, fringe benefits and other forms of compensation given to all school district employees, administrators and superintendents.

V. The New York State Legislature should grant the newly formed local school district compensation committees the power to review every contract between local school districts and any bargaining units, employees, administrators and superintendents negotiated after January 1, 2007.

VI. The New York State Legislature should mandate that at least one member of the proposed compensation committee be from the public at large rather than from the board of education.

VII. In order to give taxpayers ample opportunity to review proposed school district employment contracts or amendments to contracts, and thereby participate in an open discussion with members of local school boards prior to their adoption, the New York State Legislature should enact a new statute that mandates copies of all proposed school district collective bargaining agreements, employment contracts or amendments to those contracts be placed on the school district web site, if existing, and within the local public libraries and school district offices, at least one month prior to the board of education's vote upon the contracts or amendments.

VIII. The New York State Legislature should amend New York State Education Law §1608(4) and §1716(4) to require annual school district budget administrative components to include a section detailing all compensation and fringe benefits to which school district teachers, administrators and superintendents are entitled under extant employment contracts and require that the administrative component section be placed on the school district web site, if existing, and within the local public libraries and school district offices, at least one month prior to the board of education's vote upon the contracts or amendments.

IX. The New York State Legislature should amend New York State Education Law §1608(2) and §1716(2) to require school districts to post their annual budget statement on their websites and in the local public library and school district office at least one month prior to any school budget vote.

X. The New York State Legislature should amend New York State Education Law §2116-a(3)(c) to require that school districts post their corrective action plans on their websites as well as within local libraries and at the school district office.

XI. The New York State Legislature should amend New York State Education Law §2116-a(3)(c) to incorporate a penalty should a school district fail to post its corrective action plans on its website as well as within local libraries and the school district office.

XII. The New York State Legislature should cease imposing mandates upon public school districts without adequately appropriating sufficient funds to finance their implementation.

ADMINISTRATIVE

I. The New York State Board of Regents must enact a regulatory scheme that provides for the mandatory continuing education of qualifying public school district administrators on matters of basic accounting principles, fraud prevention and fiscal management.

II. The regulatory scheme enacted by the Board of Regents should define “qualifying public school district administrators” as any employee of a public school district required by the Regulations of the Commissioner of Education to possess the School Administrator and Supervisor (SAS) certificate, the School District Administrator (SDA) certificate, or the School Business Administrator (SBA) certificate and holding the position of Superintendent, Assistant Superintendent for Business, Business Manager or the functional equivalent of any of these titles.

III. A minimum number of hours of continuing education on matters of basic accounting principles, fraud prevention and fiscal management should be required to be completed by all qualifying public school district administrators on a biennial basis. The regulatory scheme should mandate that all individuals subject to this requirement must file a certificate of completion with the Commissioner of Education stating the number of hours completed and indicating compliance with the relevant regulations.

IV. The New York State Board of Regents must include in this regulatory scheme penalties for the failure of any qualifying public school district administrator to complete the required number of hours of continuing education or to timely file a certificate of completion with the Commissioner of Education.

V. The Grand Jury recommends as a matter of public policy - and as frequently recommended by the New York State Comptroller in his school district audit reports -

that all school district written policies concerning travel, lodging and meal cost reimbursement adhere to the federal government per diem rates.

VI. New York State Department A should automatically revoke the professional license of any individual authorized to work in a school district if that person has been convicted of any crime related to the performance of his official duties.

VII. School districts spend hundreds of thousands of dollars not only to provide permanent life insurance benefits to administrators, but to maintain those policies as well. School districts should focus on educating children and not squander time or public money providing a benefit that an administrator is perfectly capable of obtaining on their own. Therefore, the Grand Jury respectfully recommends that local boards of education not purchase or maintain these policies for their administrators, but when applicable, provide only a cash stipend towards the purchase of permanent life insurance policies.

VIII. Long Island school districts have been repeatedly victimized by individuals entrusted to safeguard the public's money. In order to tighten internal controls and make these thefts more difficult to perpetrate, the Grand Jury recommends that local school boards adopt a policy requiring that all expenditures in excess of \$25,000 require at least two authorized signatures.

IX. The Grand Jury recommends that New York State Department A amend its certification and licensing standards to require that school business administrators in

school districts that have annual expenditures that exceed \$100 million for the preceding three years hold at least a masters level degree in accounting or finance, and school business administrators in school districts that have annual expenditures of \$100 million or less hold at least a bachelors level degree in accounting or finance.

X. Although New York State Public Officer's Law §105 permits compensation discussions to be held during a school board's executive session meetings, all school boards should adopt written policies requiring that all raises and benefits added to school district administrators salaries be voted upon in an open meeting of the board of education before the raises or benefits go into effect.

XI. State and local agencies affected by the changes implied in the legislative recommendations should be given the necessary authority to adopt administrative rules and regulations necessary for the effective implementation and execution of the legislative recommendations.

EXECUTIVE

I. The Governor of the State of New York should introduce legislation consistent with the legislative recommendations in this report or, in the alternative, he should support legislation introduced by others. The Governor should commit appropriate budgetary resources necessary to implement the legislative recommendations, including appropriating additional resources to local school boards, the New York State

Comptroller's Office, the New York State Inspector General for Education and local law enforcement agencies.

II. Evidence before the Grand Jury indicates that the school districts on Long Island believe that they receive a disproportionately small percentage of state financial aid. The Governor of the State of New York should issue an Executive Order to examine the formula by which New York State distributes financial aid to school districts located outside New York City, ascertain whether New York State distributes the financial aid in a truly equitable fashion and issue a report of his findings.

CONCLUSIONS: PART III

The Grand Jury makes the following conclusions based upon the stated findings of fact:

New York State Law limits the circumstances under which retirees from public service employment may return to work in the same field while also collecting a pension. The rationale behind these legal limitations is relatively simple: public pension systems intended to support retirees should not be burdened with payments to individuals still earning significant salaries in the public sector. Public pension systems were created as a means of providing income to individuals who had actually retired from the public workforce, and were not intended merely to provide a double income windfall to ambitious public servants who reach a certain age.

The Grand Jury finds that the statutes of this state designed to protect public pension system funds have proven to be inadequate. As a result, these laws have been flouted with impunity by cunning school district administrators, who themselves were abetted by indifferent boards of education and private companies dedicated to circumventing the law. Furthermore, Pension Plan A itself bears a measure of culpability for both failing to adequately safeguard its assets and for choosing not to attempt to recoup more than three million dollars in fraudulently obtained payments. Legal and administrative reforms are thus necessary to protect the pension plans relied upon by so many of New York's hardworking public servants.

The Grand Jury concludes that Entity A and Deputy Director A, through their scheme to circumvent the strictures of New York State Retirement and Social Security Law, were guilty of violating laws for which no adequate penalties exist. Deputy

Director A purposefully lied to Entity A's interim placements, its Board of Directors and many school districts on Long Island. Despite clear direction from the New York State Department A to cease placing retired administrators in long-term positions at school districts without first obtaining a waiver from the New York State Department A under New York State Retirement and Social Security Law §211, Deputy Director A continued to do so in order to line his own pockets and Entity A's corporate coffers.

He was able to accomplish this largely because there were no adequate means by which Pension System A could monitor the post-retirement earnings of the interim administrators Entity A placed in school districts across Long Island. Deputy Director A cleverly constructed a payment system that insured the names of the interim placements did not appear on the payroll reports that the school districts sent to Pension System A. This was done for no other purpose than to prevent the Pension System from detecting his scheme and possibly reducing his profit margin.

The Grand Jury finds that as of today there remains no way for the Pension System A to monitor those retirees who return to work under the name of a corporation or through a private outside agency rather than under their own name. This is a flaw in the system that has already cost the Pension System A millions of dollars and has the potential to cost it millions more if left uncorrected.

One of the most appalling aspects of Deputy Director A's conduct is that, while it was unethical and in obvious contravention of the spirit of the law, it did not violate any criminal statutes. He did not commit the crime of Defrauding the Government under Penal Law §195.20 because he was not operating as a public servant or party officer; he was a high managerial agent of a private corporation. Deputy Director A's actions were

not technically in violation of the Penal Law's larceny statutes either because the direct benefit - the interim placement salaries and fees – were paid to unwitting parties, i.e., the interim placements and Entity A. Deputy Director A's benefit of increased salary from Entity A was too remote to support criminal liability. Unlike in School District 3-3 where Administrator A himself engaged in pension fraud and was held criminally liable for it, Deputy Director A's machinations were more subtle and thus legally distinguishable. Similarly, Deputy Director A's actions did not commit the crime of Scheme to Defraud in the First Degree because although he engaged in a systematic ongoing course of conduct to defraud, he only did so to one victim, namely Pension System A. Lastly, Entity A itself cannot be held accountable under the Penal Law's larceny statutes because it did not have the requisite criminal intent; Deputy Director A's persuasive mischaracterizations to the Board of Directors probably led them to believe the interim placement program was a lawful undertaking. Clearly the Penal Law of New York State is in need of reform to make punishable actions such as those of Deputy Director A.

The Grand Jury notes that there are no criminal penalties within Retirement and Social Security Law §211 and §212, but there should be. This loophole can be remedied with an amendment to the Retirement and Social Security Law patterned upon the New York State Lien Law statutes. Under that area of the law, funds homeowners give to contractors to pay for improvements upon real property or under home improvement contracts are considered trust assets. The contractor is the trustee of the trust and may spend trust assets to pay for things such as labor, materials, taxes, insurance and the cost of architects, surveyors and engineers. If the contractor spends a trust asset for anything

other than a permitted purpose, he has misappropriated trust assets and is guilty of larceny as punishable under the New York State Penal Law. Thus the Grand Jury finds that in order to prevent a repeat of the type of fraud perpetrated by Entity A and to encourage retirees to be more responsible in tracking the amount of money they earn in retirement, there should be criminal penalties for those who purposefully circumvent the mandates of Retirement and Social Security Law §211 and §212.

The Grand Jury concludes that Pension System A's decision to forgive the three million dollar fraud committed by Entity A is unjustifiable. While acknowledging that there is no agency with state-wide investigatory and subpoena power - like the proposed Office of the Inspector General for Education – and that Pension System A thus had no means by which to plumb the depth and the scope of Entity A's fraud without Entity A voluntarily producing its own records, the cost here does not outweigh the benefit. It is incomprehensible how Pension System A thought it prudent to give a three million dollar gift to the very agency that committed the wrongdoing merely to learn the full extent of the fraud. This is analogous to getting mugged on the street and subsequently telling the apprehended mugger he may keep your wallet if only he will please tell you how much money was in it when it was stolen. Since Pension System A seems unable or unwilling to seek restitution on its own, the Grand Jury recommends that the New York State Comptroller's Office assist Pension System A in recouping this \$3.1 million dollars.

Lastly, the Grand Jury concludes that the reporting requirements under New York State Retirement and Social Security Law must be altered to prevent a recurrence of such thefts. In SD 3-3, Administrator A stole retirement payments for almost eight years and collected more than \$800,000 before Pension System A finally detected his scam. In

such instances, the Grand Jury concludes that fault does not lie with Pension System A, for they do not presently have the tools necessary to catch those retirees who keep their names off of payroll reports by directing all salary to be paid to a corporation or third party. This is why the onus should be put on the individual retiree to report any earnings, not just those in excess of \$27,500, to Pension System A and the proposed Office of the Inspector General. This reporting requirement will enable Pension System A to create and monitor a watch list of retirees who have returned to the public workforce. The proposed Inspector General will be empowered to investigate those who return to work without a required waiver, and assist local district attorneys offices in prosecuting them for larceny under the proposed amendment to the Retirement and Social Security Law.

RECOMMENDATIONS: PART III

Based upon the stated findings of fact and all of the evidence heretofore had before this Grand Jury, and in order for Pension System A to adequately monitor the post-retirement earnings of retirees; to ensure that those who defraud a public pension plan and those who aid them in so doing are held liable for their actions; and to assist Pension System A to recoup approximately \$3.1 million dollars in authorized pension payments:

NOW THEREFORE, by the authority vested in this Grand Jury by Criminal Procedure Law §190.85(1)(c); the following legislative, executive and administrative actions are recommended in the public interest:

LEGISLATIVE

I. New York State Retirement and Social Security Law §211 should be amended to provide that anyone who simultaneously collects a pension from a public retirement system and a salary in public sector employment that is above the salary limitations outlined in New York State Retirement and Social Security Law §212, without obtaining a waiver as mandated in New York State Retirement and Social Security Law §211, or who knowingly assists another person in so doing, is misappropriating the assets of the public pension system and is therefore guilty of larceny and is punishable as provided under Article 155 of the New York State Penal Law.

II. In the alternative, the New York State Legislature should expand the definitions of larceny contained within New York State Penal Law §155.05 to encompass the aforementioned conduct.

III. The New York State Legislature should amend Article 190 of the New York State Penal Law to include a new statute entitled “Defrauding a Public Pension Plan” that would make a person guilty of defrauding a public pension plan, as defined in Retirement and Social Security Law §211, when he engages in a systematic ongoing course of conduct with the intent to obtain a benefit or asset, or assists a third party to obtain a benefit or asset, from a public pension plan to which he is not otherwise entitled pursuant to the mandates of Retirement and Social Security Law §211.

IV. The New York State Legislature should enact legislation to provide that the newly enacted crime of Defrauding a Public Pension Plan is a class E felony, similar to Scheme to Defraud in the First Degree under Penal Law §190.65 and Defrauding the Government under Penal Law §195.20

V. The New York State Legislature should enact a statutory scheme that provides that any school district, BOCES, college or university must report all money earned by a retiree in its employ that is in excess of the earnings limitations outlined in New York State Retirement and Social Security Law §212 if that retiree is collecting a pension from public Pension System A.

VI. The New York State Legislature must include in this statutory scheme a provision requiring all school districts that employ - in either a long or short term capacity - a retiree who is eligible to collect or who is already collecting a pension from Pension System A to report on a monthly basis to Pension System A and the New York State Office of the Inspector General for Education, the re-employed retiree's name, date of birth, place of employment, current position and all earnings.

ADMINISTRATIVE

I. State and local agencies affected by the changes implied in the legislative recommendations should be given the necessary authority to adopt administrative rules and regulations necessary for the effective implementation and execution of the legislative recommendations.

II. Pension System A should adopt rules and regulations regarding the actions necessary for its members to comply with the legislative recommendations.

III. Pension System A should adopt rules and regulations outlining the penalties for members who fail to comply with any of the above recommended statutes that become law.

IV. New York State Department A should amend its rules and regulations to prohibit retirees from obtaining waivers under New York State Retirement and Social Security Law §211 for employment by the same school district in consecutive school years.

EXECUTIVE

The Governor of the State of New York should introduce legislation consistent with the legislative recommendations in this report or, in the alternative, he should support legislation introduced by others. The Governor should commit appropriate budgetary resources necessary to implement the legislative recommendations.

CONCLUSIONS: PART IV

The Grand Jury makes the following conclusions based upon the stated findings of fact:

Public school districts in Suffolk County, through criminal acts and abject incompetence, have wrongfully obtained and spent hundreds of thousands of dollars in grant funds in just the past few years. Although these funds are distributed by the state and federal governments, they nonetheless consist of tax dollars and thus their mismanagement and misapplication contributes to the rising cost of public education in Suffolk County and across the State of New York. And while the abuse of grant money has taken on different forms in different districts, the root causes have been same: a lack of oversight by the agencies administering the grants and a lack of accountability on the part of local district officials who are ultimately responsible for how this money gets spent.

The Grand Jury heard evidence of grant mismanagement in many different school districts. Administrators and staff in SD 3-3 created fictitious expenditures so that New York State Department B would think that the district had actually spent the money to help poor, disadvantaged and needy children. In reality, the funds were primarily spent on the ordinary costs associated with operating a school district. The business office staff in SD 3-5 had insufficient financial records and accounting ledgers to support hundreds of thousands of dollars in claimed grant expenditures. As a result, the district will likely have to raise, and then return, large sums of money to the federal government. SD 5-4 used grant funds not for the education of district residents, but rather to operate a unique, Island-wide side business that in all likelihood lost more money than it produced.

The New York State agency tasked with monitoring the financial records of recipient school districts in order to ensure that grant funds are properly spent does not possess a large enough staff to adequately carry out this mission. The Grand Jury commends the dedication and professionalism of New York State Department B program and fiscal management staff. These individuals have an awesome responsibility to distribute and manage billions of dollars in grant funds each year. However the evidence heard by this Grand Jury demonstrates that New York State Department B did not, and realistically could not, adequately monitor the fiscal side of those grant funds. New York State Department B, owing to these constraints, focuses its oversight on those districts that have demonstrated academic performance problems. Districts deemed outside of this class are left essentially unsupervised and are thus free to spend millions of dollars in grant funds with little to no governmental oversight. Unfortunately such a system does nothing more than breed additional problems that ultimately require lengthy and expensive audits to detect and correct.

The Grand Jury concludes that with proper tools and adequate resources New York State Department B, in conjunction with the New York State Comptroller and the proposed Office of the Inspector General for Education, could greatly improve the monitoring of grant fund expenditures. The New York State Legislature needs to expand the staff size of the New York State Comptroller's Office and also demand regular audits of grant program expenditures at every recipient school district. The Comptroller should provide school districts not only with fiscal oversight, but also guidance in the methods by which school district business offices could improve their methods of accounting for grant funds.

The Legislature should also provide New York State Department B with funds sufficient to create a computerized system for reporting of grant expenditures by school districts. Rather than use New York State Department B staff to input data from the consolidated applications and the FS documents – as is currently done - the school districts could instead send the information electronically to New York State Department B. With the data on file for all parts of a proposed budget and the electronically submitted FS-25 forms, New York State Department B computers could remotely track the funds, ensuring that districts do not overspend their budgets and instantaneously reconciling final expenditure reports to approved budgets. Such a computer system would allow greater interaction between New York State Department B and school districts and thus potentials problems could be detected and addressed more expeditiously. For example, the system could flag districts with repeated management letter findings of inadequate internal controls and thus prompt New York State Department B to direct its personnel to scrutinize the district’s applications and other grant related submissions. This computerization would also allow the staff of New York State Department B to reduce the amount of time spent performing data entry and increase the amount dedicated to more productive desk audits and site visits.

With respect to the paperwork still in use, the Grand Jury concludes that New York State Department B should not permit the use of an FS-10-F short form. A reduction in the quantity of documentation of final expenditure reports submitted to granting agencies is a move in the wrong direction, and one not justified by the evidence heard by this Grand Jury. Greater oversight and documentation are necessary to prevent further mismanagement of grant funds by local school districts.

Lastly, the Grand Jury concludes that there is a need to impose personal accountability on school superintendents, business administrators and grant coordinators in order to ensure fiscal responsibility in the expenditure of the millions of dollars in grant funds distributed every year. The Grand Jury finds that the current administrator certifications on all the FS-25 and FS-10-F form reports are inadequate and of little practical consequence. As currently drafted, these certifications permit school superintendents to avoid responsibility for misappropriations of grant monies by pleading ignorance and hiding behind the alleged incompetence of subordinates. The Grand Jury recommends that new FS certifications be modeled upon the certification standards set forth in the federal legislation known as Sarbanes-Oxley. The prospect of incurring criminal liability for misstating or misrepresenting grant expenditure information should prove a powerful incentive for district administrators to take an active role in monitoring these activities.

RECOMMENDATIONS: PART IV

Based upon the stated findings of fact and all of the evidence heretofore had before this Grand Jury and to insure that federal and state grant money is spent for its intended purposes; to hold school district administrators accountable for how their employees spend public grant money; and to give the New York State Department B, the New York State Comptroller and the proposed New York State Inspector General for Education the power to adequately monitor expenditures federal and state grant funds:

NOW THEREFORE, by the authority vested in this Grand Jury by Criminal Procedure Law §190.85(1)(c); the following legislative, executive and administrative actions are recommended in the public interest:

LEGISLATIVE

- I. New York State General Municipal Law §33 should be amended to mandate the audit of federal and state grant program expenditures in all school districts, boards of cooperative educational services (BOCES) and charter schools by the New York State Comptroller's Office.

- II. New York State General Municipal Law §33 (2)(d) should be amended to include the proposed New York State Office of the Inspector General for Education as an entity to which the New York State Comptroller must report any final audit report findings from

audits performed on the grant program expenditures in school districts, boards of cooperative educational serviced (BOCES) and charter schools.

ADMINISTRATIVE

I. State and local agencies affected by the changes implied in the legislative recommendations should be given the necessary authority to adopt administrative rules and regulations necessary for the effective implementation and execution of the legislative recommendations.

II. New York State Department B should change the chief administrator certifications on both the FS-25 release of fund request form and the FS-10F final expenditure report form to impose greater accountability on the submitting school districts and make the program coordinators, business managers and superintendents liable under the Penal Law if they willfully submit final expenditure reports that contain falsified information. These new certifications should be modeled after those imposed by the federal legislation known as Sarbanes Oxley as follows:

I, _____, Superintendent of _____ school district, certify that:

1. I have reviewed the [FS-25, FS 10F short form, FS10-F long form] of the _____ School District for _____ [name of grant program].
2. Based on my knowledge, this form does not contain any untrue or false information relating to the expenditure of grant funds.

3. Based on my knowledge, this report fairly presents, in all material respects, the expenditures reported herein.
4. The school district's program coordinator for [name of grant program], the School District's Business Administrator, and myself are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the school district and have:
 - A. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the school district is made known to us by others employed by or working for the school district, particularly during the period in which this form is being prepared;
 - B. Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the liability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - C. Evaluated the effectiveness of the school district's disclosure controls as of the end of the period covered by this form; and
 - D. Have attached to this form a report documenting any change(s) in the school district's internal controls over financial reporting that have occurred during the school year covered by this form.

5. The school district's program coordinator for [name of grant program], the school district's business administrator, and myself have disclosed, based upon our most recent evaluation of internal controls over financial reporting, to the school district's external auditor and the audit committee of the school district's board of education:

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the school district's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the school district's internal control over financial reporting.

III. New York State Department B should not permit a school district to use the FS-10F short form until the New York State Comptroller's Office has audited said district and the district has implemented all recommendations contained within said audit.

EXECUTIVE

I. The Governor of the State of New York should introduce legislation consistent with the legislative recommendations in this report or, in the alternative, he should support

legislation introduced by others. The Governor should commit appropriate budgetary resources necessary to implement the legislative recommendations.

II. The Governor of the State of New York should commit appropriate budgetary resources necessary to fund a comprehensive computerized data management system at New York State Department B to provide greater fiscal monitoring of all federal, state and local grant documents that local educational agencies submit to New York State Department B.

**SUFFOLK COUNTY COURT
SPECIAL GRAND JURY**

**SEPTEMBER 19, 2005
TERM 1E**

APPENDICES

APPENDIX A

School District	Title	Salary 2003-2004
SD 6-4	Elementary Asst Principal	\$91,222
SD 6-4	Director of Math	\$103,143
SD 6-4	Director of Guidance	\$109,220
SD 6-4	Secondary Asst Principal	\$106,915
SD 6-4	Secondary Principal	\$112,844
SD 6-4	Elementary Principal	\$128,889
SD 6-4	Adminstrator for Special Ed	\$103,890
SD 6-4	Secondary Asst Principal	\$91,962
SD 6-4	Elementary Principal	\$96,484
SD 6-4	Elementary Principal	\$80,570
SD 6-4	Elementary Principal	\$102,890
SD 6-4	Adminstrator for Grants & HR	\$116,542
SD 6-4	English Chairperson	\$81,588
SD 6-4	Director Fine Arts k-12	\$116,238
SD 6-4	Secondary Asst Principal	\$122,833
SD 6-4	Secondary Principal	\$108,631
SD 6-4	Foreign Language Chairperson	\$99,028
SD 6-4	Secondary Principal	\$120,344
SD 6-4	Elementary Principal	\$117,020
SD 6-4	Director of Science	\$93,545
SD 6-4	Secondary Asst Principal	\$82,389
SD 6-4	Asst Dir of Social Studies	\$67,291
SD 6-4	Coordinator of Phys Ed	\$101,606
SD 6-4	Secondary Asst Principal	\$106,915
SD 6-4	Asst Admin for Special Ed	\$89,340
SD 6-4	Elementary Principal	\$117,020
SD 6-4	Elementary Principal	\$120,849
SD 6-4	Asst to the Asst Supt for Fin&Op	\$76,000
SD 6-4	Director of Adult Ed	\$98,938
SD 6-4	Transportation Supervisor	\$84,000
SD 6-4	Security Director	\$44,460
SD 6-4	School Lunch Director	\$87,335
SD 6-4	Purchasing Agent	\$78,871
SD 6-4	Systems Specialist	\$69,305
SD 6-4	Network Specialist	\$72,340
SD 6-4	Senior Accountant	\$80,464
SD 6-4	Network & Systems Coordinator	\$103,556
SD 6-4	Facilities Administrator	\$126,546
SD 6-4	Network & Systems Tech	\$57,866
SD 6-4	District Clerk	\$66,650
SD 6-4	Ass Dir of Science	\$52,563
SD 6-4	Asst Transportation	\$42,001
SD 6-4	Elementary Principal	\$17,731
SD 6-4	Secondary Asst Principal	\$8,271
SD 6-4	Coordinator of Phys Ed	\$48,994
SD 6-4	Secondary Asst Principal	\$115,173
SD 6-4		\$6,201,199
Ttl # of Administrators	64	
SD 5-15	Superintendent	\$165,918
SD 5-15	Associate Supt Personnel & Admin	\$147,451
SD 5-15	Asst Supt Finance	\$125,286
SD 5-15	Asst Supt Cirriculum	\$117,076
SD 5-15	Director of Student Services	\$76,667

School District	Title	Salary 2003-2004
SD 5-15	Director of Language Arts & Testing	\$97,287
SD 5-15	Bus Dispatcher	\$70,213
SD 5-15	School Lunch Director	\$62,450
SD 5-15	Director Health & Phys Ed	\$117,872
SD 5-15	HS Admin Asst	\$105,273
SD 5-15	HS Admin Asst	\$96,915
SD 5-15	HS Math Chair	\$108,311
SD 5-15	HS SS Chair	\$109,665
SD 5-15	HS Business Chair	\$107,992
SD 5-15	HS English Chair	\$98,853
SD 5-15	HS Special Ed Chair	\$97,531
SD 5-15	HS Science Chair	\$97,079
SD 5-15	HS Guidance Chair	\$93,299
SD 5-15	HS Music Chair	\$93,826
SD 5-15	HS Health & Phys Ed	\$77,519
SD 5-15	HS Foreign Language Chair	\$77,796
SD 5-15	Technology Chair 7-12	\$120,995
SD 5-15	Art Chairperson 6-12	\$99,537
SD 5-15	Coordinator of Cultural Arts	\$116,419
SD 5-15	SS Coordinator k-8	\$101,330
SD 5-15	Coordinator of Cultural Arts	\$102,856
SD 5-15	Home & Careers Chair 7-12	\$99,012
SD 5-15	JH Health & Phys Ed Chair	\$134,613
SD 5-15	Math Coordinator k-8	\$92,759
SD 5-15	DW Chair Library Media k-12	\$88,318
SD 5-15	JH Foreign Language Chair	\$88,257
SD 5-15	JH Guidance Chair	\$89,475
SD 5-15	JH Music Chair	\$75,717
SD 5-15	JH Admin Asst	\$55,543
SD 5-15	JH English Chair	\$70,937
SD 5-15	Science Coordinator k-8	\$90,263
SD 5-15	JH Admin Asst	\$65,038
SD 5-15	JH Principal	\$125,957
SD 5-15	HS Principal	\$123,770
SD 5-15	Principal	\$112,080
SD 5-15	Asst Principal	\$112,811
SD 5-15	Asst Principal	\$111,349
SD 5-15	Principal	\$110,619
SD 5-15	Principal	\$110,619
SD 5-15	Principal	\$104,774
SD 5-15	Principal	\$104,774
SD 5-15	JH Asst Principal	\$104,622
SD 5-15	Plant Facilities Administrator	\$70,836
SD 5-15	Director of Technology	\$58,105
SD 5-15	Transportation Supervisor	\$55,462
SD 5-15	Asst Supt Curriculum	\$16,658
SD 5-15		\$4,957,784
Ttl # of Administrators	51	
SD 5-8	Curricu Develop	\$151,422
SD 5-8	Supt	\$197,836
SD 5-8	Business Admin	\$55,859

School District	Title	Salary 2003-2004
SD 5-8	Business Admin	\$151,146
SD 5-8	Stud Disab	\$144,152
SD 5-8	Food Service Director	\$79,293
SD 5-8		\$143,537
SD 5-8	Operations	\$60,027
SD 5-8	Building Admin	\$109,513
SD 5-8	Building Admin	\$121,525
SD 5-8	Building Admin	\$77,652
SD 5-8	Building Admin	\$93,234
SD 5-8	Building Admin	\$35,465
SD 5-8	Building Admin	\$124,155
SD 5-8	Building Admin	\$108,267
SD 5-8	Building Admin	\$74,587
SD 5-8	Building Admin	\$120,655
SD 5-8	Building Admin	\$128,132
SD 5-8	Building Admin	\$3,233
SD 5-8	Building Admin	\$88,245
SD 5-8	Building Admin	\$88,107
SD 5-8	Building Admin	\$131,662
SD 5-8	Coordinators	\$98,931
SD 5-8	Coordinators	\$111,361
SD 5-8	Coordinators	\$95,292
SD 5-8	Coordinators	\$104,169
SD 5-8	Coordinators	\$108,240
SD 5-8	Coordinators	\$100,170
SD 5-8	Chairperson	\$123,250
SD 5-8	Chairperson	\$109,190
SD 5-8	Chairperson	\$104,746
SD 5-8	Chairperson	\$100,637
SD 5-8	Chairperson	\$105,963
SD 5-8	Chairperson	\$87,502
SD 5-8	Chairperson	\$101,175
SD 5-8	Central Office	\$32,181
SD 5-8	Chairperson	\$119,015
SD 5-8		\$3,789,526
Ttl # of Administrators	37	
SD 6-13	Supt	\$159,637
SD 6-13	MS Asst Principal	\$101,119
SD 6-13	HS Asst Principal	\$108,278
SD 6-13	HS Principal	\$122,688
SD 6-13	Elemen Principal	\$122,770
SD 6-13	Dir Pupil Personnel	\$112,150
SD 6-13	MS Principal	\$129,920
SD 6-13	HS Asst Principal	\$90,249
SD 6-13	HS Asst Principal	\$99,474
SD 6-13	Asst Supt Curriculum	\$141,040
SD 6-13	Elemen Asst Principal	\$116,725
SD 6-13	Dir Arts	\$124,720
SD 6-13	Dir Athletics	\$113,998
SD 6-13	HS Principal	\$52,135

School District	Title	Salary 2003-2004
SD 6-13	Dir Curriculum	\$44,036
SD 6-13		\$1,638,939
Ttl # of Administrators	15	
SD 5-18	Asst Sup HR	\$129,653
SD 5-18		\$92,397
SD 5-18		\$122,923
SD 5-18	Director of Special Ed	\$116,597
SD 5-18		\$61,122
SD 5-18		\$104,184
SD 5-18	Asst Supt Business	\$133,195
SD 5-18	Asst Supt Curriculum	\$126,113
SD 5-18	Supt	\$168,000
SD 5-18		\$119,923
SD 5-18		\$118,031
SD 5-18		\$52,573
SD 5-18		\$126,236
SD 5-18		\$98,290
SD 5-18	Director	\$117,567
SD 5-18		\$68,924
SD 5-18		\$133,195
		resigned
		retired
SD 5-18		\$1,888,923
Ttl # of Administrators	17	
SD 6-1	Chairperson	\$115,642
SD 6-1	Asst Principal	\$105,361
SD 6-1	Asst Director	\$112,712
SD 6-1	Principal	\$124,559
SD 6-1	Asst Principal	\$124,679
SD 6-1	Asst Principal	\$115,115
SD 6-1	Facilities Admin	\$130,344
SD 6-1	Chairperson	\$98,557
SD 6-1	Assoc Supt	\$248,199
SD 6-1	Chairperson	\$64,522
SD 6-1	Asst Supt Personnel	\$130,544
SD 6-1	Principal	\$127,673
SD 6-1	Principal	\$127,237
SD 6-1	Director	\$122,847
SD 6-1	Supt	\$326,734
SD 6-1	Director	\$100,650
SD 6-1	Chairperson	\$120,350
SD 6-1	Chairperson	\$116,293
SD 6-1	Asst Principal	\$109,541
SD 6-1	Chairperson	\$72,098
SD 6-1	Chairperson	\$110,467
SD 6-1	Chairperson	\$101,709
SD 6-1	Principal	\$124,559

School District	Title	Salary 2003-2004
SD 6-1	Director	\$125,009
SD 6-1	Chairperson	\$118,856
SD 6-1	Chairperson	\$107,860
SD 6-1	Chairperson	\$95,592
SD 6-1	Director	\$117,840
SD 6-1	Asst Principal	\$124,559
SD 6-1	Principal	\$119,833
SD 6-1	Asst Principal	\$108,493
SD 6-1	Director	\$108,493
SD 6-1	Chairperson	\$113,834
SD 6-1	Asst Principal	\$101,318
SD 6-1	Principal	\$137,467
SD 6-1	Chairperson	\$74,668
SD 6-1	Principal	\$144,232
SD 6-1	Asst Principal	\$114,995
SD 6-1	Principal	\$127,237
SD 6-1	Asst Supt	\$153,403
SD 6-1	Chairperson	\$142,934
SD 6-1		\$5,067,015
Ttl # of Administrators	41	
SD 6-20	Supt	\$135,000
SD 6-20	Director of Student Services	\$79,380
SD 6-20		\$214,380
SD 5-17	Supt	\$168,621
SD 5-17	Deput Supt	\$150,550
SD 5-17	Asst Supt Student Services	\$141,000
SD 5-17	Asst Supt Personnel	\$141,428
SD 5-17	Business Admin	\$118,571
SD 5-17	Asst Business Admin	\$70,207
SD 5-17	Supervisor of Arts	\$106,631
SD 5-17	Director of Special Ed	\$127,821
SD 5-17	Supervisor of Phys Ed	\$118,519
SD 5-17	Supervisor of Language Arts	\$134,144
SD 5-17	Director of Technology	\$123,020
SD 5-17	Supervisor of Facilities	\$92,319
SD 5-17	Admin Aide to Supt/Dist Clerk	\$70,085
SD 5-17	Principal	\$130,050
SD 5-17	Asst Principal	\$106,871
SD 5-17	Principal	\$117,473
SD 5-17	Asst Principal	\$112,194
SD 5-17	Principal	\$130,050
SD 5-17	Asst Principal	\$103,360
SD 5-17	Principal	\$103,527
SD 5-17	Asst Principal	\$97,959
SD 5-17	Principal	\$124,128

School District	Title	Salary 2003-2004
SD 5-17	Asst Principal	\$96,133
SD 5-17	Asst Principal	\$117,045
SD 5-17	Principal	\$143,055
SD 5-17	Principal	\$110,484
SD 5-17	Asst Principal	\$128,871
SD 5-17	Asst Principal	\$108,910
SD 5-17	Director Alternative HS	\$118,794
SD 5-17	Dept Chair 6-8 English	\$96,925
SD 5-17	Dept chair 6-8 guidance	\$109,027
SD 5-17	Dept chair 6-8 math	\$80,204
SD 5-17	Dept chair 6-8 science	\$100,504
SD 5-17	Dept chair 6-8 ss	\$104,231
SD 5-17	Dept chair 6-8 special ed	\$105,432
SD 5-17	Dept chair 9-12 English	\$108,896
SD 5-17	Dept chair 9-12 Guidance	\$113,269
SD 5-17	Dept chair 9-12 math	\$102,459
SD 5-17	Dept chair 9-12 science	\$101,160
SD 5-17	Dept chair 9-12 ss	\$78,598
SD 5-17	Dept chair 9-12 special ed	\$112,756
SD 5-17	Dept chair 6-12 foreign language	\$94,357
SD 5-17		\$4,719,638
Ttl # of Administrators	42	
SD 5-1	Interim Supt	\$93,250
SD 5-1	Lang Es Chair	\$110,127
SD 5-1	Asst Principal	\$113,742
SD 5-1	Asst Supt Business	\$136,680
SD 5-1	Dir Music	\$107,645
SD 5-1	Principal Spec	\$101,007
SD 5-1	Guidance	\$84,049
SD 5-1	Dir Spec Svcs	\$120,806
SD 5-1	Asst Principal	\$86,000
SD 5-1	Dir Phys Ed	\$104,007
SD 5-1	Principal	\$129,639
SD 5-1	Principal	\$100,894
SD 5-1	Dir Purch	\$71,685
SD 5-1	Chair SS	\$93,662
SD 5-1	Math Chair	\$96,267
SD 5-1	Supt.	\$29,967
SD 5-1	Plant Fac Adm	\$93,770
SD 5-1	Dir Technol	\$107,869
SD 5-1	English Chair	\$62,988
SD 5-1	Principal	\$109,119
SD 5-1	Principal HS	\$122,639
SD 5-1	District Treas	\$69,030
SD 5-1	Asst Princip	\$122,311
SD 5-1	Asst Princip	\$113,742
SD 5-1	Science Chair	\$101,581
SD 5-1	Tch Curr Spe	\$115,430
SD 5-1	Principal	\$119,261
SD 5-1	Asst Principal	\$85,280

School District	Title	Salary 2003-2004
SD 5-1	Principal	\$109,869
SD 5-1	Director	\$112,537
SD 5-1	Principal	\$102,440
SD 5-1	Principal	\$116,329
SD 5-1		\$257,529
SD 5-1		\$26,728
SD 5-1	Principal	\$53,686
SD 5-1		\$136,926
SD 5-1		\$24,300
SD 5-1	Interim HR	\$32,250
SD 5-1		\$3,775,041
Ttl # of Administrators	38	
SD 5-19	Supt	\$171,680
SD 5-19	Business Admin	\$140,888
SD 5-19	Director HR	\$117,802
SD 5-19	Director Tech	\$123,064
SD 5-19	Principal MS	\$122,527
SD 5-19	Director Special Ed	\$122,507
SD 5-19	AP High School	\$99,419
SD 5-19	Principal MS	\$96,689
SD 5-19	Principal HS	\$129,081
SD 5-19	Principal Elementary	\$117,950
SD 5-19	Principal Elementary	\$111,675
SD 5-19	Principal Elementary	\$125,651
SD 5-19	Director Guidance	\$103,998
SD 5-19	Director Phys Ed	\$99,004
SD 5-19		\$1,681,935
Ttl # of Administrators	14	
SD 5-3	Supt.	\$158,000
SD 5-3	Deputy Supt for Instruction	\$145,173
SD 5-3	Asst Supt Business	\$128,977
SD 5-3	Asst Supt for Secondary Ed	\$145,097
SD 5-3	HS Principal	\$125,260
SD 5-3	Elemen Principal	\$110,122
SD 5-3	AP High School	\$96,985
SD 5-3	Elemen Principal	\$130,857
SD 5-3	Dir Student Data Services	\$119,721
SD 5-3	AP High School	\$118,321
SD 5-3	Elemen Principal	\$104,709
SD 5-3	Coord Sp. Ed	\$108,420
SD 5-3	MS Principal	\$122,100
SD 5-3	Dir Music & Art	\$109,020

School District	Title	Salary 2003-2004
SD 5-3	Elemen Principal	\$126,351
SD 5-3	AP High School	\$108,571
SD 5-3	AP Middle School	\$88,900
SD 5-3	Elemen Principal	\$107,709
SD 5-3	Elemen Principal	\$103,709
SD 5-3	Dir Athletics	\$110,745
SD 5-3	AP Middle School	\$110,226
SD 5-3	MS Principal	\$112,665
SD 5-3	AP High School	\$101,296
SD 5-3	AP Middle School	\$85,900
SD 5-3	AP Pre-K, K	\$92,675
SD 5-3	HS Principal	\$129,977
SD 5-3	Elemen Principal	\$123,473
SD 5-3	AP Middle School	\$81,279
SD 5-3	Elemen Principal	\$105,709
SD 5-3	AP High School	\$103,525
SD 5-3	Coord Sp. Ed	\$102,159
SD 5-3	AP High School	\$129,318
SD 5-3	Elemen Principal	\$114,329
SD 5-3	Coord Sp. Ed	\$95,158
SD 5-3	Asst Supt Personnel	\$131,770
SD 5-3	Asst Supt for Pupil Personnel	\$128,977
SD 5-3	Interim Asst Supt Business	\$6,000
SD 5-3	Dir Technology	\$110,226
SD 5-3	Elemen Principal	\$130,876
SD 5-3		\$4,364,285
Ttl # of Administrators	39	
SD 5-7	Asst Principal	\$96,572
SD 5-7	Director Science	\$114,643
SD 5-7	Director Math	\$110,063
SD 5-7	Elementary Principal	\$153,685
SD 5-7	Asst Director H/PE/A	\$108,543
SD 5-7	Asst to Supt Instruction	\$138,464
SD 5-7	Asst Bus Admin	\$87,031
SD 5-7	Asst Principal	\$105,821
SD 5-7	Executive Director of PPS	\$114,694
SD 5-7	Principal	\$131,845
SD 5-7	Director Lang Arts	\$108,539
SD 5-7	HS Principal	\$140,404
SD 5-7	Elementary Principal	\$121,184
SD 5-7	Asst Principal	\$122,834
SD 5-7	Elementary Principal	\$115,302
SD 5-7	Asst Principal	\$107,611
SD 5-7	Asst Supt for HR	\$153,748
SD 5-7	Supt	\$205,291
SD 5-7	Director H/PE/A	\$120,301
SD 5-7	Director of Tech	\$84,439
SD 5-7	Asst Director of PPS	\$107,867
SD 5-7	MS Principal	\$127,555
SD 5-7	Instructional Supervisor	\$98,042
SD 5-7	Director SS	\$123,806
SD 5-7	Director Cultural Arts	\$112,143

School District	Title	Salary 2003-2004	
SD 5-7	Asst Principal	\$105,508	
SD 5-7	Asst Principal	\$110,430	
SD 5-7	Director of Guidance	\$114,643	
SD 5-7	Elementary Principal	\$125,698	
SD 5-7	Asst Principal	\$79,130	
SD 5-7	Asst Supt Business	\$160,815	
SD 5-7		\$3,706,651	
Ttl # of Administrators	31		
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SD 3-4	Supt	\$166,058	
SD 3-4	Asst Supt Finance	\$127,500	
SD 3-4	Asst Supt Curriculum	\$138,092	
SD 3-4	Director HR	\$115,077	
SD 3-4	Dir Pupil Svcs & Special Ed	\$3,464	
SD 3-4	Principal	\$41,955	
SD 3-4	Asst Principal	\$13,068	
SD 3-4	Asst Principal	\$12,545	
SD 3-4	Asst Principal	\$110,409	
SD 3-4	Principal	\$120,753	
SD 3-4	Principal	\$12,500	
SD 3-4	Asst Principal	\$90,475	
SD 3-4	Principal	\$117,988	
SD 3-4	Principal	\$84,642	
SD 3-4	Principal	\$102,707	
SD 3-4	Director of Guidance	\$83,068	
SD 3-4	Interim Special Ed Chair	\$44,275	
SD 3-4		\$1,384,576	
Ttl # of Administrators	17		
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SD 6-10	Supt	\$174,667	
SD 6-10	Asst Supt for Business	\$111,250	
SD 6-10	Asst Supt for Curriculum	\$144,179	
SD 6-10	Principal	\$105,490	
SD 6-10	Principal	\$126,090	
SD 6-10	Asst Principal	\$103,418	
SD 6-10	Special Ed Administrator	\$110,600	
SD 6-10	Asst Principal	\$32,141	prorated
SD 6-10	Asst Principal	\$125,840	
SD 6-10	Network Communications Manager	\$84,000	
SD 6-10	PT Admin Asst/Teacher	\$108,694	
SD 6-10	PT Admin Asst/Teacher	\$104,158	
SD 6-10	PT Admin Asst/Teacher	\$71,844	
SD 6-10	PT Admin Asst/Teacher	\$103,706	
SD 6-10	Dir Practical Arts	\$111,162	
SD 6-10	Dir Fine Arts	\$83,630	
SD 6-10	Dir Math	\$118,954	
SD 6-10	Dir English	\$160,271	retired
SD 6-10	Dir Foreign Language	\$85,081	
SD 6-10	Dir Athletics	\$83,111	

School District	Title	Salary 2003-2004
SD 6-10	Dir SS	\$107,053
SD 6-10	Dir Guidance	\$98,255
SD 6-10	Dir Science	\$107,318
SD 6-10	Dir Phys Ed	\$100,292
SD 6-10	Asst Principal	\$52,313
SD 6-10	PT Admin Asst/Teacher	\$110,111
SD 6-10		\$2,723,628
Ttl # of Administrators	26	
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SD 6-32	Supt	\$129,000
SD 6-32		\$129,000
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SD 5-9	Supt	\$175,288
SD 5-9	Asst Supt	\$146,494
SD 5-9	Asst Supt	\$144,787
SD 5-9	Asst Supt	\$144,931
SD 5-9	Principal	\$121,936
SD 5-9	Directors	\$124,545
SD 5-9	Directors	\$99,798
SD 5-9	Directors	\$108,388
SD 5-9	Directors	\$102,633
SD 5-9	Directors	\$99,160
SD 5-9	Directors	\$102,462
SD 5-9	Directors	\$114,724
SD 5-9	Chairperson	\$104,324
SD 5-9	Chairperson	\$111,361
SD 5-9	Chairperson	\$92,321
SD 5-9	District Administrators	\$120,748
SD 5-9	District Administrators	\$121,149
SD 5-9	District Administrators	\$124,785
SD 5-9	Principal	\$123,753
SD 5-9	Principal	\$110,474
SD 5-9	Principal	\$125,913
SD 5-9	Principal	\$99,967
SD 5-9	Asst Principal	\$96,344
SD 5-9	Principal	\$111,893
SD 5-9	Asst Principal	\$92,781
SD 5-9	Asst Principal	\$74,067
SD 5-9	Asst Principal	\$104,833
SD 5-9	Asst Principal	\$106,063
SD 5-9	Asst Principal	\$90,846
SD 5-9	Asst Principal	\$81,345
SD 5-9	Teacher	\$93,787
SD 5-9	Asst Principal	\$48,533
SD 5-9	Directors	\$70,704
SD 5-9		\$3,591,137
Ttl # of Administrators	33	

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 6-23	Supt	\$103,526
SD 6-23	Asst Principal	\$82,687
SD 6-23		\$186,213
SD 5-27	Principal	\$108,785
SD 5-27	Asst Principal	\$61,067
SD 5-27	Dept Coord - math	\$83,299
SD 5-27	Plant Faciliites	\$75,349
SD 5-27	Principal	\$100,588
SD 5-27	Dept Coor - math, science,tech	\$93,961
SD 5-27	Elementary CSE Chair	\$85,614
SD 5-27	Director Pupil Personnel	\$117,537
SD 5-27	Supt	\$116,489
SD 5-27	Principal - Interim	\$94,524
SD 5-27	Network & Systems Admin	\$76,517
SD 5-27	Dept Coord - math	\$58,940
SD 5-27	Director of Curric & Instruction	\$104,888
SD 5-27	Secondary School CSE Chair	\$64,850
SD 5-27	Dept Coord- Humanities	\$99,003
SD 5-27	Asst Principal	\$61,267
SD 5-27	Director Health & Phys Ed	\$86,427
SD 5-27	Interim Supt	\$141,574
SD 5-27		\$1,630,679
Ttl # of Administrators	18	
SD 6-22	Supt & Principal	\$100,000
SD 6-14	Supt	\$125,000
SD 6-14		\$90,125
SD 6-14		\$114,675
SD 6-14		\$102,865
SD 6-14		\$100,254
SD 6-14		\$84,885
SD 6-14		\$94,125
SD 6-14	Asst Principal	\$91,625
SD 6-14		\$803,554

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
Ttl # of Administrators	8	
SD 5-29	Supt	\$9,000
SD 6-29	Supt	\$129,499
SD 6-29	Principal	\$94,703
SD 6-29		\$224,202
SD 6-2	Supt	\$207,480
SD 6-2	Asst Supt Admin	\$154,093
SD 6-2	Asst Supt Instruction	\$153,575
SD 6-2	Asst Supt Elem. Instruction	\$148,259
SD 6-2	Asst Supt Research	\$154,009
SD 6-2	Principal	\$155,638
SD 6-2	Principal	\$165,970
SD 6-2	Principal	\$148,290
SD 6-2	Principal	\$149,864
SD 6-2	Principal	\$220,981
SD 6-2	Principal	\$110,674
SD 6-2	Principal	\$155,397
SD 6-2	Principal	\$102,406
SD 6-2	Principal	\$119,316
SD 6-2	Principal	\$116,473
SD 6-2	Principal	\$193,336
SD 6-2	Admin Asst	\$85,541
SD 6-2	Admin Asst	\$75,990
SD 6-2	Admin Asst	\$113,743
SD 6-2	Admin Asst	\$75,399
SD 6-2	Admin Asst	\$100,400
SD 6-2	Admin Asst	\$78,743
SD 6-2	Admin Asst	\$124,141
SD 6-2	Asst Principal	\$195,543
SD 6-2	Admin Asst	\$122,868
SD 6-2	Asst Principal	\$90,601
SD 6-2	Admin Asst	\$107,060
SD 6-2	Admin Asst	\$104,776
SD 6-2	Asst Principal	\$124,173
SD 6-2	Admin Asst	\$116,308
SD 6-2	Asst Principal	\$129,325
SD 6-2	Admin Asst	\$94,570
SD 6-2	Asst Principal	\$127,622
SD 6-2	Asst Principal	\$111,873
SD 6-2	Asst Principal	\$126,459
SD 6-2	Director Music & Fine Arts	\$124,686
SD 6-2	Coordinator of Language Arts	\$114,393
SD 6-2	Coordinator of Foreign Language	\$119,943
SD 6-2	Director Health & Phys Ed	\$116,109
SD 6-2	Director of Math	\$143,604

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 6-2	Director of SS	\$126,539
SD 6-2	Director of Computer Assisted Instruction	\$125,633
SD 6-2	Director of Athletics	\$213,340
SD 6-2	Director of Science	\$131,461
SD 6-2	Elem Lang Arts	\$123,846
SD 6-2	Sec. Special Ed Coordinator	\$108,913
SD 6-2	Elem Special Ed Coordinator	\$106,502
SD 6-2	Preschool Coordinator	\$107,498
SD 6-2		\$6,223,363
Ttl # of Administrators	48	
SD 5-26	Supt	\$157,592
SD 5-26	Dir of Guidance/Special Ed	\$111,500
SD 5-26	Principal	\$107,000
SD 5-26	Principal	\$90,462
SD 5-26		\$466,554
Ttl # of Administrators	4	
SD 6-21	Supt	\$136,000
SD 6-21	Principal	\$120,700
SD 6-21	Business Administrator	\$100,700
SD 6-21	Athletic Director	\$125,466
SD 6-21		\$482,866
Ttl # of Administrators	4	
SD 5-10	Principal	\$105,389
SD 5-10	Dir of Math	\$94,050
SD 5-10	Dir of Athlet	\$53,506
SD 5-10	Asst Princip	\$90,778
SD 5-10	Dir Spec Ed	\$145,117
SD 5-10	Dir of Human	\$85,373
SD 5-10	Principal	\$110,041
SD 5-10	Asst Princip	\$118,862
SD 5-10	Principal	\$122,308
SD 5-10	Dir for Lang	\$108,132
SD 5-10	Asst Princip	\$96,729
SD 5-10	Dir Guidance	\$143,239
SD 5-10	Dir Art/Music	\$104,942
SD 5-10	Dir Science	\$95,367
SD 5-10	Asst Princip	\$92,564
SD 5-10	Principal	\$119,518

School District	Title	Salary 2003-2004	
SD 5-10	Principal	\$162,988	
SD 5-10	Principal	\$96,128	
SD 5-10	Supt	\$86,567	
SD 5-10	Plant Fac Adm	\$88,839	
SD 5-10	Sr. Acct	\$230,249	
SD 5-10	Principal	\$161,965	
SD 5-10	Asst Princip	\$160,513	
SD 5-10	Supt	\$332,629	retired or r
SD 5-10	Asst Supt	\$150,061	think he ret
SD 5-10		\$3,155,854	
Ttl # of Administrators	25		
SD 5-24	Supt	\$130,000	
SD 5-24	Principal/Asst Supt	\$109,000	
SD 5-24		\$239,000	
SD 6-33	Supt	\$44,000	
SD 6-33	Principal	\$102,386	
SD 6-33		\$146,386	
SD 6-28	Supt	\$136,000	
SD 6-28	Principal	\$117,262	
SD 6-28	Principal	\$107,948	
SD 6-28	Dir Special Ed	\$97,840	
SD 6-28	Business Admin	\$98,045	
SD 6-28	Business Admin	\$115,829	
SD 6-28		\$672,924	
Ttl # of Administrators	6		
SD 6-7	Principal	\$121,917	
SD 6-7	Principal	\$127,418	
SD 6-7	Principal	\$139,646	
SD 6-7	Principal	\$118,444	
SD 6-7	Principal	\$121,520	
SD 6-7	Asst Principal	\$122,821	
SD 6-7	Asst Principal	\$103,656	
SD 6-7	Asst Principal	\$109,378	
SD 6-7	Asst Principal	\$105,634	
SD 6-7	Asst Principal	\$106,889	
SD 6-7	Asst Principal	\$106,888	
SD 6-7	Asst Principal	\$121,403	

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 6-7	Asst Principal	\$117,142
SD 6-7	Director	\$119,425
SD 6-7	Director	\$110,004
SD 6-7	Asst Director	\$72,654
SD 6-7	Coordinator	\$119,227
SD 6-7	Director	\$110,281
SD 6-7	Dept Chair	\$105,946
SD 6-7	Dept Chair	\$114,325
SD 6-7	Dept Chair	\$103,967
SD 6-7	Dept Chair	\$128,175
SD 6-7	Asst Supt Personnel	\$147,245
SD 6-7	Ass Supt Curriculum	\$137,407
SD 6-7	Asst Sup Business	\$132,233
SD 6-7	Supt	\$199,068
SD 6-7		\$3,122,713
Ttl # of Administrators	26	
SD 6-6	Principal	\$132,027
SD 6-6	Principal	\$113,572
SD 6-6	Exec Dir HR	\$112,481
SD 6-6	Asst Principal	\$85,574
SD 6-6	Dir Health PE	\$14,553
SD 6-6	Asst Principal	\$100,551
SD 6-6	Deputy Supt	\$159,974
SD 6-6	Asst Principal	\$11,111
SD 6-6	Dir Music Art	\$112,269
SD 6-6	Principal	\$128,635
SD 6-6	Principal	\$5,242
SD 6-6	Supt	\$187,107
SD 6-6	Director PPS	\$134,789
SD 6-6	Director Tech	\$90,018
SD 6-6	Asst Principal	\$100,337
SD 6-6	Asst Principal	\$80,024
SD 6-6	Asst Principal	\$94,665
SD 6-6	Asst Principal	\$73,353
SD 6-6	Asst Supt	\$147,076
SD 6-6	Principal	\$107,038
SD 6-6	Dir Guidance	\$108,243
SD 6-6	Dir Health PE	\$115,027
SD 6-6		\$2,213,666
Ttl # of Administrators	22	
SD 5-16	Supt	\$221,062
SD 5-16	Principal	\$97,035
SD 5-16	Asst Principal	\$102,227
SD 5-16	Teacher Dean	\$125,516
SD 5-16	Teacher Dean	\$134,233

School District	Title	Salary 2003-2004
SD 5-16	School Business Adm	\$118,721
SD 5-16	Dist Admin for Curriculum	\$113,808
SD 5-16	Principal	\$122,164
SD 5-16	Dir of Athletics	\$107,861
SD 5-16	Asst Dir Pupil Personnel	\$92,378
SD 5-16	Principal	\$105,900
SD 5-16	Asst Principal	\$111,738
SD 5-16	Dir Pupil Personnel	\$102,694
SD 5-16	Teacher Dean	\$108,860
SD 5-16	Principal	\$52,783
SD 5-16	Principal	\$124,003
SD 5-16	Deputy Supt	\$170,148
SD 5-16	Admin Asst for HR	\$115,952
SD 5-16	Asst Supt for Student Mgmt Services	\$135,032
SD 5-16	Principal	\$103,786
SD 5-16	Principal	\$101,374
SD 5-16		\$2,467,275
Ttl # of Administrators	21	
SD 6-19	Supt	\$158,851
SD 6-19	Asst Supt	\$127,658
SD 6-19	Business Official	\$117,786
SD 6-19	Dir Pupil Servces	\$113,935
SD 6-19	Principal	\$118,160
SD 6-19	Principal	\$119,109
SD 6-19	Principal	\$106,460
SD 6-19	Asst Principal	\$56,188
SD 6-19	Asst Principal	\$69,287
SD 6-19	Asst Principal	\$91,670
SD 6-19	Mgmt Inf Specialist	\$84,835
SD 6-19	Plant Facilities Mgr	\$81,834
SD 6-19	Dir Health PE	\$106,529
SD 6-19	Eng Dept Coord	\$104,695
SD 6-19	For Lang Dept Coor	\$97,040
SD 6-19	Science Dept coor	\$106,992
SD 6-19	SS Dept Coor	\$137,089
SD 6-19	Math Dept Coor	\$102,522
SD 6-19	Spec Ed Dept Coor	\$122,545
SD 6-19	Music Dept Coord	\$77,662
SD 6-19		\$2,100,847
Ttl # of Administrators	20	
SD 5-20	Deputy Supt	\$225,135
SD 5-20	Asst Supt Curriculum/MS Principal	\$203,411
SD 5-20	Dir Guidance/HS AP	\$119,825
SD 5-20	HS Principal	\$150,902
SD 5-20	Psychologist	\$71,835
SD 5-20	MS AP	\$94,526
SD 5-20	Element Principal	\$124,450

School District	Title	Salary 2003-2004
SD 5-20	Asst Supt Business	\$134,122
SD 5-20	HS AP	\$112,678
SD 5-20	Dir Music & Arts	\$124,855
SD 5-20	Elem AP	\$98,821
SD 5-20	Management Info Systems	\$135,588
SD 5-20	Dir Athletics, PE	\$120,041
SD 5-20	Psychologist	\$33,207
SD 5-20	Psychologist	\$75,690
SD 5-20	Supt	\$197,103
SD 5-20	Dir Pupil Personnel	\$120,242
SD 5-20		\$2,142,431
Ttl # of Administrators	17	
SD 6-27	MS/HS Principal	\$95,740
SD 6-27	Supt	\$110,240
SD 6-27		\$205,980
SD 6-9	Supt	\$170,457
SD 6-9	Asst Supt Business	\$132,232
SD 6-9	Asst to Asst Supt Business	\$67,503
SD 6-9	Asst Supt Curriculum	\$110,538
SD 6-9		\$108,042
SD 6-9		\$92,175
SD 6-9		\$82,815
SD 6-9		\$94,822
SD 6-9		\$130,210
SD 6-9		\$108,042
SD 6-9		\$98,165
SD 6-9		\$108,210
SD 6-9	Associate Principal	\$94,808
SD 6-9	AP	\$81,355
SD 6-9	AP	\$95,180
SD 6-9	Supt B&g	\$93,150
SD 6-9	Dean	\$79,020
SD 6-9	Dean	\$64,017
SD 6-9	Lead	\$113,046
SD 6-9	Lead	\$80,956
SD 6-9	Lead	\$66,391
SD 6-9	Lead	\$120,266
SD 6-9	Principal	\$129,542
SD 6-9	Principal	\$114,108
SD 6-9	Principal	\$106,812
SD 6-9	Principal	\$118,868
SD 6-9	Principal	\$123,687
SD 6-9	Principal	\$122,482
SD 6-9	Principal	\$121,175
SD 6-9	Principal	\$96,948
SD 6-9	Principal	\$8,896
SD 6-9	Principal	\$105,953

School District	Title	Salary 2003-2004
SD 6-9		\$3,239,871
Ttl # of Administrators	32	
SD 6-8	Athletic Dir	\$63,483
SD 6-8	Principal	\$123,156
SD 6-8	Asst Principal	\$82,000
SD 6-8	Asst Principal	\$58,193
SD 6-8	Asst Principal	\$110,000
SD 6-8	Supt	\$155,000
SD 6-8	Asst Principal	\$38,550
SD 6-8	Adm Pupil Pers	\$110,000
SD 6-8	Principal	\$103,356
SD 6-8	Asst Principal	\$112,709
SD 6-8	Spec Ed Admin	\$87,682
SD 6-8	Asst Principal	\$106,513
SD 6-8	Principal	\$124,605
SD 6-8	Principal	\$123,140
SD 6-8	Asst Principal	\$94,127
SD 6-8	Ath Director/Asst Principal	\$102,548
SD 6-8	Asst Supt	\$128,077
SD 6-8	Principal	\$108,860
SD 6-8	SS Chair	\$82,440
SD 6-8	Maint Crew Ld	\$83,049
SD 6-8	Asst Principal	\$49,232
SD 6-8	Asst Principal	\$51,452
SD 6-8	Sch Trns Supv	\$92,208
SD 6-8		\$2,190,380
Ttl # of Administrators	23	
SD 6-16	Supt	\$274,609
SD 6-16	Asst Supt Business	\$98,959
SD 6-16	Dir Business Affairs	\$77,834
SD 6-16	Asst Supt Curric.	\$168,891
SD 6-16	Principal	\$122,414
SD 6-16	Curriculum Coordinator	\$110,028
SD 6-16	Curriculum Coordinator	\$107,888
SD 6-16	Director Athletics	\$131,338
SD 6-16	CSE Chairperson	\$91,427
SD 6-16	Asst Principal	\$85,829
SD 6-16	Dir Instructional Tech	\$71,926
SD 6-16	Plant & Facilities Admin	\$96,136
SD 6-16	Principal	\$152,938
SD 6-16	Principal	\$129,979
SD 6-16	Dir Music	\$122,826
SD 6-16		\$1,843,022
Ttl # of Administrators	15	

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 6-30	Supt	\$108,150
SD 6-30	Asst Principal	\$74,000
SD 6-30	CSE Chairperson	\$72,315
SD 6-30	School Business Official	\$85,471
SD 6-30		\$339,936
Ttl # of Administrators	4	
SD 5-2	Asst Supt	\$134,214
SD 5-2	Asst Supt	\$128,570
SD 5-2	Asst Supt	\$147,988
SD 5-2	Supt	\$204,656
SD 5-2	Asst Supt	\$130,980
SD 5-2	AP	\$59,110
SD 5-2	AP	\$44,986
SD 5-2	AP	\$42,606
SD 5-2	AP	\$20,215
SD 5-2	Dir Comp Education	\$104,986
SD 5-2	Principal	\$145,099
SD 5-2	Dir Elem Ed	\$121,708
SD 5-2	Principal	\$106,042
SD 5-2	Dir Phys Ed/Health	\$94,804
SD 5-2	AP	\$87,914
SD 5-2	AP	\$87,644
SD 5-2	AP	\$81,680
SD 5-2	Asst Dir Plant Facilities	\$68,746
SD 5-2	AP	\$100,270
SD 5-2	AP	\$78,644
SD 5-2	Dir Spec Ed	\$122,908
SD 5-2	Coor Elem Spec Ed	\$102,073
SD 5-2	AP	\$83,912
SD 5-2	Dir Athletics/Pupil Svcs	\$103,589
SD 5-2	Principal	\$132,776
SD 5-2	AP	\$80,200
SD 5-2	AP	\$135,794
SD 5-2	AP	\$98,085
SD 5-2	Dir Plant Facilities	\$95,266
SD 5-2	Principal	\$105,466
SD 5-2	AP	\$87,770
SD 5-2	Dir Technology	\$116,523
SD 5-2	AP	\$87,571
SD 5-2	Principal	\$105,106
SD 5-2	Dir Fine Arts	\$127,515
SD 5-2	AP	\$92,856
SD 5-2		\$121,557
SD 5-2	Dir Secondary Ed	\$94,270
SD 5-2	Principal	\$118,252
SD 5-2	Transp Coord	\$80,795
SD 5-2	AP	\$23,924
SD 5-2	AP	\$70,572
SD 5-2	Dir Technology	\$75,977
SD 5-2	AP	\$83,515
SD 5-2	AP	\$79,877
SD 5-2	Dir Plant Faciliites	\$38,248

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 5-2		\$4,455,259
<i>Ttl # of Administrators</i>	46	
SD 6-26	Dir Athletics	\$55,000
SD 6-26	Principal	\$137,166
SD 6-26	Supt	\$147,171
SD 6-26	Business Admin	\$99,225
SD 6-26	Principal	\$133,220
SD 6-26	Asst Principal	\$91,208
SD 6-26	Asst Principal	\$46,754
SD 6-26	Asst Principal	\$70,947
SD 6-26	Tech Advisor	\$53,251
SD 6-26	Dir Pupil Personnel	\$129,775
SD 6-26		\$963,717
<i>Ttl # of Administrators</i>	10	
SD 5-4	Director	\$122,386
SD 5-4	Director	\$0
SD 5-4	Director	\$118,029
SD 5-4	Principal	\$132,177
SD 5-4	Principal	\$109,172
SD 5-4	Asst Supt Instruction	\$131,775
SD 5-4	Director	\$96,549
SD 5-4	Asst Principal	\$78,526
SD 5-4	Instr Super/Coord	\$65,200
SD 5-4	Asst Supt HR	\$131,350
SD 5-4	Asst Principal	\$84,795
SD 5-4	Director	\$122,088
SD 5-4	Asst Principal	\$121,002
SD 5-4	CSE Chair	\$89,528
SD 5-4	Principal	\$101,363
SD 5-4	Principal	\$101,457
SD 5-4	Principal	\$105,946
SD 5-4	Asst Supt Spec Project	\$134,551
SD 5-4	Accounting Supervisor	\$63,884
SD 5-4	Asst Principal	\$84,795
SD 5-4	Admin Asst to Supt	\$126,740
SD 5-4	CSE Chair	\$78,610
SD 5-4	Asst Supt Business	\$141,886
SD 5-4	Supt.	\$187,962
SD 5-4	Director	\$99,890
SD 5-4	Principal	\$103,734
SD 5-4	Principal	\$102,238
SD 5-4	Asst Principal	\$85,663
SD 5-4	Principal	\$125,708
SD 5-4	Principal	\$113,255
SD 5-4	Principal	\$91,287
SD 5-4	Principal	\$125,022
SD 5-4	Facilities Admin	\$118,850
SD 5-4	Amin Aide	\$58,544

School District	Title	Salary 2003-2004
SD 5-4	Head School Nurse	\$54,991
SD 5-4	Principal	\$63,546
SD 5-4		\$3,672,499
Ttl # of Administrators	36	
SD 5-13	Supt	\$179,497
SD 5-13	Asst Supt Business	\$148,530
SD 5-13	Dir of Personnel	\$104,949
SD 5-13	Asst Supt Instruct	\$109,374
SD 5-13	Dir Pupil Pers	\$118,904
SD 5-13	Coor Spec Ed	\$105,992
SD 5-13	Asst Coor Spec Ed	\$84,128
SD 5-13	Principal	\$137,011
SD 5-13	Asst Principal	\$122,142
SD 5-13	Asst Principal	\$111,596
SD 5-13	Principal	\$108,225
SD 5-13	Principal	\$106,725
SD 5-13	Asst Principal	\$113,265
SD 5-13	Principal	\$135,133
SD 5-13	Principal	\$107,358
SD 5-13	Coor of Phys Ed	\$117,219
SD 5-13	Dean Summer School Principal	\$91,186
SD 5-13		\$2,001,234
Ttl # of Administrators	17	
SD 6-17		\$93,184
SD 6-17		\$125,320
SD 6-17		\$86,173
SD 6-17		\$40,706
SD 6-17		\$104,437
SD 6-17		\$119,060
SD 6-17		\$107,784
SD 6-17		\$130,199
SD 6-17		\$85,035
SD 6-17		\$116,822
SD 6-17	Supt	\$164,076
SD 6-17		\$60,362
SD 6-17		\$143,101
SD 6-17		\$118,598
SD 6-17		\$122,883
SD 6-17		\$63,277
SD 6-17		\$122,656
SD 6-17		\$1,803,673

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
Ttl # of Administrators	17	
SD 5-21	Coord	\$46,236
SD 5-21	Coord	\$106,837
SD 5-21	Admin	\$33,671
SD 5-21	Admin	\$69,911
SD 5-21	Admin	\$94,660
SD 5-21	Admin	\$38,778
SD 5-21	Admin	\$112,235
SD 5-21	Plant Facilities	\$47,810
SD 5-21	Admin	\$104,135
SD 5-21	Admin	\$106,239
SD 5-21	Admin	\$126,564
SD 5-21	Admin	\$104,880
SD 5-21	Admin	\$93,212
SD 5-21	Admin	\$105,284
SD 5-21	Admin	\$104,571
SD 5-21	Asst Supt Business	\$86,009
SD 5-21	Admin	\$109,233
SD 5-21	Admin	\$99,646
SD 5-21	Asst Supt Personnel	\$141,014
SD 5-21	Admin	\$89,231
SD 5-21	Admin	\$93,859
SD 5-21	Supt	\$157,540
SD 5-21	Admin	\$64,192
SD 5-21	Admin	\$58,857
SD 5-21	Admin	\$103,508
SD 5-21	Admin	\$25,000
SD 5-21	Admin	\$109,857
SD 5-21	Admin	\$111,767
SD 5-21	Admin	\$115,303
SD 5-21	Chair	\$5,696
SD 5-21	Chair	\$101,069
SD 5-21	Chair	\$108,549
SD 5-21	Chair	\$75,468
SD 5-21	Chair	\$67,218
SD 5-21	Chair	\$100,985
SD 5-21	Chair	\$87,958
SD 5-21		
SD 5-21		\$3,206,982
Ttl # of Administrators	36	
SD 5-28	Supt	\$122,065
SD 5-28	Asst Supt	\$107,853
SD 5-28		\$229,918
SD 5-30	Supt	\$13,200

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 3-1	Asst to Schl Bus Adm	\$94,091
SD 3-1	Principal	\$136,139
SD 3-1	Asst Plant Facilities Admi	\$137,119
SD 3-1	Asst Principal	\$116,548
SD 3-1	Coord Math & Science	\$140,544
SD 3-1	Supt	\$186,393
SD 3-1	Principal	\$126,359
SD 3-1	Dir Special Svcs	\$156,458
SD 3-1	Asst to Schl Bus Adm	\$86,602
SD 3-1	Dept head - Speech	\$87,539
SD 3-1	Asst Principal	\$100,717
SD 3-1	Dept head - SS	\$121,152
SD 3-1	Asst Principal	\$83,267
SD 3-1	Principal	\$136,139
SD 3-1	Grounds Foreman	\$77,938
SD 3-1	Coord Lang Arts	\$133,722
SD 3-1	Dist Coord of Food Services	\$87,505
SD 3-1	Production Coord	\$86,686
SD 3-1	Principal	\$133,929
SD 3-1	Adm Evening HS, Adult Ed	\$145,845
SD 3-1	Asst Principal	\$113,812
SD 3-1	Asst to Dir Special Service	\$126,383
SD 3-1	Asst Coord ESL	\$97,678
SD 3-1	Asst Principal	\$132,276
SD 3-1	Principal	\$133,929
SD 3-1	Asst Principal	\$127,985
SD 3-1	Dept Head ESL	\$103,283
SD 3-1	Coord Guidance	\$133,738
SD 3-1	Principal	\$145,716
SD 3-1	Coor Att/Census	\$154,215
SD 3-1	School Transp Supervisor	\$105,732
SD 3-1	Asst Principal	\$119,870
SD 3-1	Purchasing Agent	\$94,091
SD 3-1	Dir Prog & Pol CM	\$139,829
SD 3-1	Principal	\$94,295
SD 3-1	School Cook Mgr	\$62,354
SD 3-1	Principal	\$132,950
SD 3-1	Plant & Facilities Adm	\$146,810
SD 3-1	Principal	\$123,466
SD 3-1	Dir Business Svcs	\$120,934
SD 3-1	Dir Funded Programs	\$139,928
SD 3-1	Sr Accountant	\$75,523
SD 3-1	Dept Head Science	\$115,662
SD 3-1	Asst Principal	\$126,599
SD 3-1	Asst Principal	\$103,149
SD 3-1	Coord Instruct Media	\$140,836
SD 3-1	Asst Principal	\$121,281
SD 3-1	Data Base Coord	\$95,522
SD 3-1	Principal	\$108,714
SD 3-1	Principal	\$146,016
SD 3-1	Principal	\$128,381
SD 3-1	School Custodial Supv	\$100,325
SD 3-1	Human Resource Coord	\$146,716
SD 3-1	Human Resource Officer	\$112,709
SD 3-1	Principal	\$103,374
SD 3-1	Data Base Coord	\$122,418
SD 3-1	Asst Supt of Schools Sec C&M	\$159,198
SD 3-1	Principal	\$156,359
SD 3-1	Coor PE, Health	\$129,321

School District	Title	Salary 2003-2004
SD 3-1	Dept Head English	\$91,058
SD 3-1	Asst Principal	\$122,480
SD 3-1	Asst Principal	\$123,328
SD 3-1	Coor Bilingual	\$134,006
SD 3-1	Principal	\$145,776
SD 3-1	Principal	\$145,776
SD 3-1	Asst to the Dir of Spec Svcs	\$99,743
SD 3-1	Coord of Music	\$132,204
SD 3-1	Asst Principal	\$118,588
SD 3-1	Asst to the Dir of Spec Svcs	\$108,074
SD 3-1	Asst Coord of PE	\$99,645
SD 3-1	School Cook Mgr	\$63,354
SD 3-1	Asst Principal	\$94,284
SD 3-1	School Maint Crew Worker	\$94,141
SD 3-1	Asst Principal	\$115,193
SD 3-1	Asst Coor Lang Arts	\$118,569
SD 3-1	Crew Leader	\$95,210
SD 3-1	Principal	\$108,844
SD 3-1	Principal	\$87,622
SD 3-1	Asst Principal	\$133,704
SD 3-1	Coordinator of Art	\$122,956
SD 3-1	Asst Principal	\$119,639
SD 3-1	Asst Principal	\$130,747
SD 3-1	Asst Principal	\$130,063
SD 3-1	Asst Supt of Schools Elem	\$159,258
SD 3-1	DH Special Ed	\$118,976
SD 3-1	Asst Principal	\$89,758
SD 3-1	Coord Health, Psych	\$121,560
SD 3-1	Dir Business Svcs	\$114,234
SD 3-1	Dept Head Math	\$94,458
SD 3-1		\$10,549,317
Ttl # of Administrators	89	
SD 3-3	Deput Supt	
SD 3-3	Asst Supt	
SD 3-3	Asst to Supt	
SD 3-3	Asst Supt Business	
SD 3-3	Dir Spec Ed	
SD 3-3	Asst Supt Personnel	
SD 3-3	Supt	
SD 3-3	Facilities Admin	
SD 3-3	Dir Schl Safety	
SD 3-3	Asst Bus Admin	
SD 3-3	Asst to Supt	
SD 3-3	Admin Asst Business	
SD 3-3	Plant Facilities Mgr	
SD 3-3		

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 5-6		\$82,977
SD 5-6		\$90,023
SD 5-6		\$32,850
SD 5-6		\$99,255
SD 5-6	Supt	\$183,068
SD 5-6	Asst Supt Business	\$136,577
SD 5-6		\$60,910
SD 5-6		\$99,782
SD 5-6		\$105,054
SD 5-6		\$98,488
SD 5-6		\$152,745
SD 5-6		\$80,291
SD 5-6		\$96,471
SD 5-6		\$95,631
SD 5-6		\$107,103
SD 5-6		\$73,146
SD 5-6		\$110,391
SD 5-6		\$96,041
SD 5-6		\$91,047
SD 5-6		\$77,426
SD 5-6		\$88,955
SD 5-6		\$40,499
SD 5-6		\$90,741
SD 5-6		\$2,992,708
Ttl # of Administrators	31	
SD 3-2	Asst Supt Adm	\$144,138
SD 3-2	Dir Sp Ed	\$119,448
SD 3-2	Asst Principal	\$65,501
SD 3-2	Asst Principal	\$99,830
SD 3-2	Principal	\$98,001
SD 3-2	Principal	\$12,650
SD 3-2	Bil Cur Spec	\$99,174
SD 3-2	Principal	\$98,911
SD 3-2	Asst Principal	\$110,069
SD 3-2	Fund Prog Adm	
SD 3-2	Principal	\$98,001
SD 3-2	Asst Principal	\$129,001
SD 3-2	Principal	\$100,220
SD 3-2	Asst Principal	\$94,073
SD 3-2	Sp Ed Tchr	\$92,619
SD 3-2	Principal	\$143,049
SD 3-2	Asst Principal	\$110,194
SD 3-2	Asst Principal	\$96,369
SD 3-2	Principal	\$109,748
SD 3-2	Adm for Sp Ed	\$79,741
SD 3-2	Principal	\$81,972
SD 3-2	Principal	\$150,671
SD 3-2	Principal	\$106,737
SD 3-2	Asst Principal	\$101,225
SD 3-2	Asst Supt Personnel	\$152,290
SD 3-2	Principal	\$184,960
SD 3-2	Supt	\$21,240
SD 3-2	Principal	\$16,215

School District	Title	Salary 2003-2004
SD 3-2	Principal	\$219,990
SD 3-2		\$2,936,037
Ttl # of Administrators	29	
SD 6-3	Supt	\$225,938
SD 6-3	Exec Dir HR	\$147,142
SD 6-3	Dir Community Svcs	\$128,551
SD 6-3	Dir Phys Ed	\$128,634
SD 6-3	Dir of Art/Media	\$129,634
SD 6-3	Exe Dir of Pupil Svcs	\$150,683
SD 6-3	Dir of Music	\$128,134
SD 6-3	Dir of Assessment	\$104,314
SD 6-3	Asst Supt for Instruction	\$141,478
SD 6-3	Asst Supt for Business	\$143,978
SD 6-3	Principal	\$125,574
SD 6-3	Asst Principal	\$100,176
SD 6-3	Principal	\$122,663
SD 6-3	Principal	\$122,583
SD 6-3	Asst Principal	\$89,609
SD 6-3	Principal	\$110,582
SD 6-3	Chairperson of Guidance	\$116,762
SD 6-3	Principal	\$125,634
SD 6-3	Chairperson of Mathematics	\$103,828
SD 6-3	Principal	\$121,865
SD 6-3	Principal	\$110,200
SD 6-3	Chairperson of Languages other than English	\$117,941
SD 6-3	Chair of Science	\$113,762
SD 6-3	Principal	\$124,472
SD 6-3	Asst Principal	\$119,612
SD 6-3	Chair of English	\$103,828
SD 6-3	Asst Principal	\$106,508
SD 6-3	Admin Special Ed	\$114,667
SD 6-3	Interim Asst Principal	\$59,485
SD 6-3	Principal	\$126,583
SD 6-3	Asst Principal	\$103,354
SD 6-3	Principal	\$105,266
SD 6-3	Chair SS	\$110,350
SD 6-3		\$3,983,790
Ttl # of Administrators	33	
SD 5-23	Supt	\$162,016
SD 5-23	Bus Admin	\$96,319
SD 5-23		\$79,031
SD 5-23		\$117,690
SD 5-23		\$99,150
SD 5-23		\$114,936
SD 5-23		\$107,033
SD 5-23	Cirric Develop	\$118,820

<u>School District</u>	<u>Title</u>		<u>Salary 2003-2004</u>
SD 5-23	Lead Teacher		\$53,665
SD 5-23	Dean of Students		\$65,683
SD 5-23	Lead Teacher		\$82,978
SD 5-23	Lead Teacher		\$98,951
SD 5-23	Lead Teacher		\$45,528
SD 5-23	Lead Teacher		\$83,607
SD 5-23	Lead Teacher		\$89,522
SD 5-23	Lead Teacher		\$83,381
SD 5-23	Lead Teacher		\$101,643
SD 5-23	Lead Teacher		\$69,463
SD 5-23	Lead Teacher		\$83,362
SD 5-23	Lead Teacher		\$47,901
SD 5-23	Lead Teacher		\$100,467
SD 5-23	Lead Teacher		\$91,587
SD 5-23	Lead Teacher		\$102,037
SD 5-23	Lead Teacher		\$102,191
SD 5-23	Lead Teacher		\$68,512
SD 5-23	Lead Teacher		\$94,701
SD 5-23	Lead Teacher		\$58,021
SD 5-23	Lead Teacher		\$72,863
SD 5-23	Lead Teacher		\$71,953
SD 5-23	Lead Teacher		\$77,570
SD 5-23			\$2,640,581
Ttl # of Administrators	30		
SD 6-11	Supt		\$170,636
SD 6-11	Asst Supt		\$120,167
SD 6-11	Asst Supt		\$148,741
SD 6-11	Plant Facilities		\$87,120
SD 6-11	Principal		\$115,880
SD 6-11	Principal		\$102,092
SD 6-11	Principal		\$117,384
SD 6-11	Principal		\$127,042
SD 6-11	Principal		\$120,563
SD 6-11	Asst Principal		\$89,065
SD 6-11	Dir Pupil Services		\$111,227
SD 6-11	Dir of Athletics		\$71,374
SD 6-11	Coord Instruct Support		\$96,310
SD 6-11	Asst Principal		\$88,656
SD 6-11	Asst Principal	pt yr - 7/1/3-8/25/0	\$15,905
SD 6-11	Dir of Athletics	pt yr - 7/1/3-8/22/0	\$12,626
SD 6-11			\$1,594,788
Ttl # of Administrators	16		
SD 5-5	Principal		\$123,228
SD 5-5	AP		\$115,452
SD 5-5	Admin Asst		\$110,286
SD 5-5	Safety Officer		\$54,143
SD 5-5	Dep Supt		\$139,922

School District	Title	Salary 2003-2004
SD 5-5	Plant Facility Admi	\$99,327
SD 5-5	Administrator	\$99,873
SD 5-5	Administrator	\$107,624
SD 5-5	AP	\$105,624
SD 5-5	Asst Supt	\$133,376
SD 5-5	Principal	\$105,676
SD 5-5	Custd. Supv	\$61,723
SD 5-5	Principal	\$120,212
SD 5-5	Dir Systems Admin	\$44,111
SD 5-5	Principal	\$123,628
SD 5-5	Principal	\$110,286
SD 5-5	Administrator	\$115,452
SD 5-5	Principal	\$97,276
SD 5-5	Admin Asst	\$121,428
SD 5-5	Principal	\$122,528
SD 5-5	Principal	\$123,228
SD 5-5	School Transp Supv	\$71,696
SD 5-5	AP	\$96,997
SD 5-5	Principal	\$110,286
SD 5-5	Principal	\$110,286
SD 5-5		\$110,286
SD 5-5	Principal	\$123,628
SD 5-5	AP	\$105,624
SD 5-5		\$12,357
SD 5-5	Sr Guard	\$50,655
SD 5-5	Principal	\$123,228
SD 5-5	Radio Station Mgr	\$63,082
SD 5-5	Asst to Coord	\$9,471
SD 5-5	AP	\$115,452
SD 5-5	Principal	\$110,286
SD 5-5	AP	\$96,997
SD 5-5	Plant Facilities Admin	\$117,315
SD 5-5	Admin Asst	\$110,286
SD 5-5	Purch Agent	\$72,558
SD 5-5	Asst Supt	\$131,019
SD 5-5	Principal	\$123,628
SD 5-5	Admin Asst	\$78,579
SD 5-5	Principal	\$115,187
SD 5-5	School Lunch Mgr	\$98,879
SD 5-5	Data base mgr	\$31,758
SD 5-5	Principal	\$121,428
SD 5-5	Admin Instructional Tech	\$30,304
SD 5-5	Supt	\$190,500
SD 5-5	School Bus Admin	\$53,838
SD 5-5	AP	\$89,340
SD 5-5	AP	\$115,052
SD 5-5	AP	\$96,997
SD 5-5	Asst Supt	\$137,369
SD 5-5	Asst to Coord	\$113,652
SD 5-5	Coordin	\$121,428
SD 5-5	AP	\$113,652
SD 5-5	Asst to Coord Student Svcs	\$93,730
SD 5-5	AP	\$105,624
SD 5-5	Asst Transp	\$50,655
SD 5-5		\$5,857,512
Ttl # of Administrators	59	

<u>School District</u>	<u>Title</u>		<u>Salary 2003-2004</u>
SD 5-14	AS		\$104,780
SD 5-14	AP		\$89,204
SD 5-14	P		\$99,249
SD 5-14	AP		\$93,994
SD 5-14	AD		\$118,560
SD 5-14			\$78,451
SD 5-14	P		\$135,137
SD 5-14	P		\$132,786
SD 5-14	AP		\$113,815
SD 5-14	Dir		\$90,993
SD 5-14	AP		\$102,382
SD 5-14	D		\$53,282
SD 5-14	D		\$75,788
SD 5-14	AS		\$125,129
SD 5-14	Supt		\$174,818
SD 5-14	P		\$125,867
SD 5-14	P		\$132,786
SD 5-14	Dir		\$116,638
SD 5-14	P		\$121,489
SD 5-14	AS		\$14,977
SD 5-14	AP		\$92,108
SD 5-14	AP		\$107,439
SD 5-14	AS	looks like retired	\$221,454
SD 5-14			\$2,521,126
<i>Ttl # of Administrators</i>	23		
SD 5-22	Dir of HR		\$122,289
SD 5-22	Dir Hlth, Ped		\$117,429
SD 5-22	Asst Principal		\$119,178
SD 5-22	Principal		\$122,052
SD 5-22	Principal		\$116,799
SD 5-22	Asst Principal		\$99,749
SD 5-22	Asst Principal		\$112,010
SD 5-22	Asst Sup for Instruction		\$125,774
SD 5-22	Dean		\$63,989
SD 5-22	Supt		\$154,800
SD 5-22	Math Coord		\$97,327
SD 5-22	Asst Principal		\$103,654
SD 5-22	School Lunch Mgr		\$84,107
SD 5-22	Asst Principal		\$99,623
SD 5-22	Dir Special Ed		\$111,480
SD 5-22	Dean		\$73,896
SD 5-22	Principal		\$118,550
SD 5-22	Asst Dir Spec Ed		\$96,607
SD 5-22	Dean		\$62,500
SD 5-22	Dir Student Svcs		\$113,854
SD 5-22	SS Coordin		\$97,327
SD 5-22	Science Coordin		\$92,343
SD 5-22	Principal		\$115,937
SD 5-22	English Coord		\$97,075
SD 5-22	Chair Spec Ed		\$75,347

School District	Title	Salary 2003-2004	
SD 5-22	Coor Spec Ed	payroll report missing	
SD 5-22	Coor Science	\$52,220	
SD 5-22	Coor Science	\$107,042	
SD 5-22	Coor Science	\$45,032	
SD 5-22	Coor Spec Ed	\$96,838	
SD 5-22	Coor Literacy	\$61,882	
SD 5-22	Coor Literacy	\$94,433	
SD 5-22	Chair Bus Ed	\$106,836	
SD 5-22	Chair Tech	\$110,433	
SD 5-22	Chair Art	\$80,937	
SD 5-22	Chair Music	\$120,956	
SD 5-22	Chair Spec Ed	\$108,251	
SD 5-22	Chair Foreign Lang	\$117,745	
SD 5-22		\$3,696,301	
Ttl # of Administrators	38		
<hr/>			
SD 5-12	Chair Music	\$97,824	
SD 5-12	Chair SS	\$97,605	
SD 5-12	Chair	\$92,266	
SD 5-12	Chair	\$90,568	
SD 5-12	Chair	\$92,106	
SD 5-12	Principal	\$113,701	
SD 5-12	Director PPS	\$112,734	
SD 5-12	Director AD	\$111,169	
SD 5-12	Director Alt School	\$105,599	
SD 5-12	Asst Supt	\$114,220	
SD 5-12	Principal	\$11,914	
SD 5-12	Principal	\$111,372	
SD 5-12	Principal	\$114,962	
SD 5-12	Principal	\$135,565	retired
SD 5-12	Principal	\$118,517	
SD 5-12	Asst Supt	\$121,275	
SD 5-12	Principal	\$127,937	
SD 5-12	Asst Supt	\$103,526	
SD 5-12	Asst Principal	\$92,089	
SD 5-12	Supt	\$118,129	part yr
SD 5-12	Principal	\$106,667	
SD 5-12	Asst Principal	\$92,089	
SD 5-12	Asst Principal	\$94,129	
SD 5-12	Non Teach Supvrs	\$69,700	
SD 5-12	Non Teach Supvrs	\$81,964	
SD 5-12	Principal	\$25,360	
SD 5-12		\$2,552,987	
Ttl # of Administrators	26		
<hr/>			
SD 6-5			

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 6-5		\$107,842
SD 6-5		\$73,942
SD 6-5		\$105,915
SD 6-5		\$125,122
SD 6-5		\$99,264
SD 6-5		\$66,811
SD 6-5		\$92,869
SD 6-5		\$148,107
SD 6-5		\$124,766
SD 6-5		\$80,000
SD 6-5		\$90,125
SD 6-5		\$92,242
SD 6-5		\$123,521
SD 6-5		\$82,680
SD 6-5		\$122,168
SD 6-5		\$106,051
SD 6-5		\$95,616
SD 6-5		\$121,655
SD 6-5		\$106,777
SD 6-5		\$75,482
SD 6-5		\$102,544
SD 6-5		\$75,164
SD 6-5		\$84,403
SD 6-5		\$83,511
SD 6-5		\$129,956
SD 6-5		\$82,389
SD 6-5		\$106,276
SD 6-5		\$73,942
SD 6-5		\$89,250
SD 6-5		\$92,821
SD 6-5		\$114,400
SD 6-5		\$9,959
SD 6-5		\$106,453
SD 6-5		\$142,700
SD 6-5		\$149,500
SD 6-5		\$106,600
SD 6-5		\$86,000
SD 6-5		\$123,961
SD 6-5		\$93,555
SD 6-5		\$90,458
SD 6-5		\$20,059
SD 6-5		\$120,355
SD 6-5		\$131,438
SD 6-5		\$105,047
SD 6-5		\$111,000
SD 6-5		\$97,855
SD 6-5		\$49,730
SD 6-5		\$150,864
SD 6-5		\$111,077
SD 6-5		\$61,883
SD 6-5		\$130,956
SD 6-5		\$99,503
SD 6-5		\$73,942
SD 6-5		\$93,533
SD 6-5		\$91,875
SD 6-5		\$103,104
SD 6-5		\$114,400
SD 6-5		\$101,186
SD 6-5		\$135,771
SD 6-5		\$79,511

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 6-5		\$5,967,886
Ttl # of Administrators	61	
<hr/>		
SD 6-31	Supt	\$137,208
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SD 6-24	Supt/Chairperson	\$117,000
SD 6-24	CSE Chairperson	\$10,800
SD 6-24		\$127,800
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SD 6-25	Dir Special Ed	\$98,140
SD 6-25	Supt	\$125,000
SD 6-25		\$223,140
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SD 6-18	Supt	\$180,200
SD 6-18	Asst Supt Business	\$142,000
SD 6-18	Asst to Supt	\$139,749
SD 6-18	Principal	\$140,405
SD 6-18	Asst Principal	\$100,170
SD 6-18	Principal	\$112,582
SD 6-18	Principal	\$86,700
SD 6-18	Principal	\$120,406
SD 6-18	Principal	\$109,330
SD 6-18	Dean	\$103,621
SD 6-18	Dir of PE Athletics	\$100,296
SD 6-18	Dir of Facilities	\$104,500
SD 6-18	Interim PPS	\$147,350
SD 6-18		\$1,587,309
Ttl # of Administrators	13	

<u>School District</u>	<u>Title</u>	<u>Salary 2003-2004</u>
SD 5-25	Asst Supt Business	\$81,659
SD 5-25		\$78,700
SD 5-25		\$81,419
SD 5-25		\$131,025
SD 5-25		\$137,150
SD 5-25	Supt	\$177,771
SD 5-25		\$69,504
SD 5-25		\$130,100
SD 5-25		\$92,991
SD 5-25	Asst Principal	\$89,466
SD 5-25	Adm Special Svcs	\$72,450
SD 5-25	Plant Facilities Adm	\$77,427
SD 5-25		\$72,009
SD 5-25		\$20,213
SD 5-25		\$36,231
SD 5-25		\$82,293
SD 5-25		\$118,745
SD 5-25		\$14,000
SD 5-25		\$74,545
SD 5-25		\$94,665
SD 5-25	Principal	\$97,825
SD 5-25		
SD 5-25		
		\$1,830,188
Ttl # of Administrators	21	
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SD 6-15	Supt	\$168,773
SD 6-15	Asst Supt Instruction	\$161,773
SD 6-15	Asst Supt Business	\$142,379
SD 6-15	Adm Special Ed	\$119,908
SD 6-15	Coord Special Ed	\$78,683
SD 6-15	Athletic Director	\$106,610
SD 6-15	Principal	\$108,533
SD 6-15	Principal	\$109,750
SD 6-15	Principal	\$99,743
SD 6-15	Principal	\$114,021
SD 6-15	Principal	\$93,272
SD 6-15	Asst Principal	\$91,457
SD 6-15	Asst Principal	\$94,180
SD 6-15	Dean of Students	\$62,156
SD 6-15	Dir Tech	\$79,660
SD 6-15	Dir Facilities	\$88,942
SD 6-15	Dir Phys Ed	\$102,946
SD 6-15	Dir Arts	\$103,899
SD 6-15	Dir Music	\$102,221
SD 6-15	Dir Guidance	\$165,154
SD 6-15	Dept Chair Science	\$97,288
SD 6-15	Coor Business	\$95,262
SD 6-15	Coor Science	\$59,611
SD 6-15	Coord Special Ed	\$77,695
SD 6-15	Coord Special Ed	\$87,132
SD 6-15		
SD 6-15		
SD 6-15		
SD 6-15		\$2,611,048
Ttl # of Administrators	25	

School District	Title	Salary 2003-2004
SD 5-11	Teacher & Alt HS Admin	\$103,919
SD 5-11	Elem Grade Level Coord	\$87,843
SD 5-11	Elem Grade Level Coord	\$95,140
SD 5-11	Title I Coor	\$73,706
SD 5-11	Coor Scholastic Enrichment	\$94,095
SD 5-11	Chair Special Ed 9-12	\$79,762
SD 5-11	Elem Grade Level Coord	\$80,031
SD 5-11	HS Phys Ed Coord	\$97,489
SD 5-11	Elem Grade Level Coord	\$61,993
SD 5-11	Elem Grade Level Coord	\$98,190
SD 5-11	Elem Grade Level Coord	\$88,808
SD 5-11	Elem Grade Level Coord	\$81,264
SD 5-11	Elemen Principal	\$112,841
SD 5-11	Intermediate School Dean	\$88,861
SD 5-11	Asst Supt Gen Admin & Personnel	\$141,776
SD 5-11	Asst Supt Finance	\$139,416
SD 5-11	Supt	\$222,653
SD 5-11	Asst Supt Curriculum	\$142,694
SD 5-11	Chair SS	\$107,425
SD 5-11	Chair Spl Ed 4-8	\$120,494
SD 5-11	Chair English	\$109,644
SD 5-11	Chair Spc Ed K-3	\$98,316
SD 5-11	Elem Principal	\$128,101
SD 5-11	Elem Principal	\$8,517
SD 5-11	Elem Principal	\$118,481
SD 5-11	AP MS	\$123,012
SD 5-11	Dir Perf Arts K-12	\$123,210
SD 5-11	Dir Foreign Language	\$122,911
SD 5-11	Dir Art & Tech	\$118,640
SD 5-11	Chair Special Ed 9-12	\$63,928
SD 5-11	Principal HS	\$133,806
SD 5-11	Dir Science K-12	\$106,918
SD 5-11	Elem Principal	\$109,076
SD 5-11	Elem Principal	\$113,481
SD 5-11	Dir Health, Phys Ed	\$119,500
SD 5-11	Exec Dir Special Ed	\$132,503
SD 5-11	Admin Asst HS	\$118,024
SD 5-11	Elem Principal	\$125,942
SD 5-11	Asst Dir Special Ed	\$115,789
SD 5-11	MS Principal	\$135,261
SD 5-11	Admin Asst HS	\$102,596
SD 5-11	Admin Asst HS	\$112,623
SD 5-11		\$4,558,679
Ttl # of Administrators	42	
SD 3-5	Supt	\$164,133
SD 3-5	Bus Mgr	\$130,603
SD 3-5	Asst Supt HR	\$101,105
SD 3-5	Asst Supt HR	\$26,596
SD 3-5	Dir Testing & Attendance	\$114,260
SD 3-5	Asst Dir Student Services	\$51,968

School District	Title	Salary 2003-2004
SD 3-5	Dir Student Services	\$110,481
SD 3-5	Principal	\$108,372
SD 3-5	Principal	\$110,046
SD 3-5	Principal	\$83,353
SD 3-5	Principal	\$116,629
SD 3-5	Asst Principal	\$110,222
SD 3-5	Asst Principal	\$106,418
SD 3-5	Asst Principal	\$100,841
SD 3-5	Asst Principal	\$99,443
SD 3-5		\$1,534,470
Ttl # of Administrators	15	

APPENDIX B

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 5-15	Director of Student Services	\$109,180
SD 5-15	Director of Language Arts & Testing	\$97,603
SD 5-15	Bus Dispatcher	\$74,536
SD 5-15	School Lunch Director	\$65,313
SD 5-15	Plant Facilities Administrator	\$57,211
SD 5-15	Director Health & Phys Ed	\$135,190
SD 5-15	HS Admin Asst	\$102,852
SD 5-15	HS Admin Asst	\$101,364
SD 5-15	HS Math Chair	\$112,756
SD 5-15	HS SS Chair	\$108,906
SD 5-15	HS Business Chair	\$110,516
SD 5-15	HS English Chair	\$104,823
SD 5-15	HS Special Ed Chair	\$98,772
SD 5-15	HS Science Chair	\$103,825
SD 5-15	HS Guidance Chair	\$94,945
SD 5-15	HS Music Chair	\$95,388
SD 5-15	HS Health & Phys Ed	\$83,897
SD 5-15	HS Foreign Language Chair	\$74,428
SD 5-15	Technology Chair 7-12	\$103,842
SD 5-15	Art Chairperson 6-12	\$102,566
SD 5-15	Coordinator of Cultural Arts	\$127,759
SD 5-15	SS Coordinator k-8	\$107,914
SD 5-15	Coordinator of Cultural Arts	\$105,393
SD 5-15	Home & Careers Chair 7-12	\$103,842
SD 5-15	JH Health & Phys Ed Chair	\$114,653
SD 5-15	Math Coordinator k-8	\$96,675
SD 5-15	DW Chair Library Media k-12	\$92,732
SD 5-15	JH Foreign Language Chair	\$92,678
SD 5-15	JH Guidance Chair	\$85,021
SD 5-15	JH Music Chair	\$80,367
SD 5-15	JH Admin Asst	\$77,574
SD 5-15	JH English Chair	\$76,976
SD 5-15	Science Coordinator k-8	\$80,713
SD 5-15	JH Admin Asst	\$73,038
SD 5-15	JH Principal	\$131,471
SD 5-15	HS Principal	\$127,483
SD 5-15	Principal	\$116,948
SD 5-15	Asst Principal	\$116,195
SD 5-15	Asst Principal	\$116,195
SD 5-15	Principal	\$115,442
SD 5-15	Principal	\$115,442
SD 5-15	Principal	\$109,422
SD 5-15	Principal	\$109,422
SD 5-15	JH Asst Principal	\$112,027
SD 5-15		\$5,030,277
Ttl # of Administrators	48	
SD 5-8	Curricu Develop	\$159,258
SD 5-8	Supt	\$204,536
SD 5-8	Business Admin	\$36,413
SD 5-8	Business Admin	\$154,161
SD 5-8	Stud Disab	\$151,336
SD 5-8	Food Service Director	\$84,299

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 5-8		\$154,957
SD 5-8	Operations	\$93,923
SD 5-8	Business Admin	\$23,625
SD 5-8	Building Admin	\$80,222
SD 5-8	Building Admin	\$116,725
SD 5-8	Building Admin	\$125,914
SD 5-8	Building Admin	\$84,127
SD 5-8	Building Admin	\$103,653
SD 5-8	Building Admin	\$130,705
SD 5-8	Building Admin	\$100,128
SD 5-8	Building Admin	\$84,607
SD 5-8	Building Admin	\$135,822
SD 5-8	Building Admin	\$107,192
SD 5-8	Building Admin	\$52,629
SD 5-8	Building Admin	\$97,698
SD 5-8	Building Admin	\$44,608
SD 5-8	Building Admin	\$137,978
SD 5-8	Coordinators	\$104,764
SD 5-8	Coordinators	\$112,919
SD 5-8	Coordinators	\$83,048
SD 5-8	Coordinators	\$112,655
SD 5-8	Coordinators	\$38,387
SD 5-8	Coordinators	\$112,655
SD 5-8	Coordinators	\$105,704
SD 5-8	Chairperson	\$124,236
SD 5-8	Chairperson	\$93,687
SD 5-8	Chairperson	\$114,543
SD 5-8	Chairperson	\$112,886
SD 5-8	Chairperson	\$107,585
SD 5-8	Chairperson	\$110,827
SD 5-8	Chairperson	\$101,645
SD 5-8	Chairperson	\$105,871
Ttl # of Administrators	38	
<u>SD 5-8</u>		\$4,005,928
SD 6-13	Supt	\$183,313
SD 6-13	MS Asst Principal	\$119,782
SD 6-13	HS Asst Principal	\$121,579
SD 6-13	Dir of Guidance	\$88,853
SD 6-13	HS Principal	\$147,255
SD 6-13	Element Principal	\$125,991
SD 6-13	School Business Administrator	\$116,761
SD 6-13	Dir Pupil and Personnel	\$121,579
SD 6-13	MS Principal	\$136,623
SD 6-13	HS Asst Principal	\$2,200
SD 6-13	HS Asst Principal	\$121,579
SD 6-13	Asst Supt for Curriculum	\$150,854
SD 6-13	Elementary Asst Principal	\$122,801
SD 6-13	Dir of Arts	\$133,015
SD 6-13	Dir of Athletics	\$121,578
SD 6-13		\$1,813,763

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>	
Ttl # of Administrators	15		
SD 5-18	Asst Sup HR	\$138,351	
SD 5-18		\$99,062	
SD 5-18		\$130,600	
SD 5-18	Director of Special Ed	\$124,602	
SD 5-18		\$86,814	
SD 5-18		\$111,309	
SD 5-18	Asst Supt Business	\$138,351	
SD 5-18	Asst Supt Curriculum	\$134,670	
SD 5-18	Supt	\$360,357	retired in 11/04
SD 5-18		\$124,600	
SD 5-18		\$122,634	
SD 5-18		\$56,376	
SD 5-18		\$134,159	
SD 5-18		\$16,962	
SD 5-18		\$105,185	
SD 5-18	Supt	\$131,496	
SD 5-18	Dir of Technology	\$93,000	
SD 5-18		\$122,152	
SD 5-18		\$2,230,680	
Ttl # of Administrators	18		
SD 6-1	Chairperson	\$124,321	
SD 6-1	Asst Principal	\$111,170	
SD 6-1	Asst Director	\$117,897	
SD 6-1	Principal	\$198,452	
SD 6-1	Asst Principal	\$139,251	
SD 6-1	Asst Principal	\$120,385	
SD 6-1	Facilities Admin	\$136,681	
SD 6-1	Chairperson	\$121,149	
SD 6-1	Assoc Supt	\$267,899	
SD 6-1	Chairperson	\$76,201	
SD 6-1	Asst Supt Personnel	\$145,001	
SD 6-1	Principal	\$135,001	
SD 6-1	Principal	\$138,001	
SD 6-1	Director	\$103,891	
SD 6-1	Supt	\$418,566	
SD 6-1	Director	\$120,861	
SD 6-1	Chairperson	\$111,971	
SD 6-1	Chairperson	\$131,183	
SD 6-1	Chairperson	\$124,534	
SD 6-1	Asst Principal	\$115,761	
SD 6-1	Chairperson	\$81,748	
SD 6-1	Asst Principal	\$120,602	
SD 6-1	Chairperson	\$108,700	
SD 6-1	Principal	\$132,001	
SD 6-1	Director	\$140,001	
SD 6-1	Chairperson	\$202,852	
SD 6-1	Chairperson	\$119,938	
SD 6-1	Chairperson	\$107,378	

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>	
SD 6-1	Director	\$152,660	
SD 6-1	Asst Principal	\$138,001	
SD 6-1	Principal	\$122,615	
SD 6-1	Asst Principal	\$113,474	
SD 6-1	Director	\$118,202	
SD 6-1	Chairperson	\$121,686	
SD 6-1	Asst Principal	\$106,222	
SD 6-1	Principal	\$147,001	
SD 6-1	Chairperson	\$84,538	
SD 6-1	Principal	\$153,001	
SD 6-1	Asst Supt	\$143,000	
SD 6-1	Principal	\$135,001	
SD 6-1		\$5,506,797	
Ttl # of Administrators	40		
SD 6-20	Supt	\$142,155	
SD 6-20	Director of Student Services	\$43,659	resigned 1/28/05
SD 6-20		\$185,814	
Ttl # of Administrators	2		
SD 5-17	Supt	\$189,896	
SD 5-17	Deput Supt	\$154,717	
SD 5-17	Asst Supt Student Services	\$149,121	
SD 5-17	Asst Supt Personnel	\$149,511	
SD 5-17	Business Admin	\$107,039	
SD 5-17	Interim Business Admin	\$11,375	
SD 5-17	Asst Business Admin	\$76,005	
SD 5-17	Interim Supervisor of Arts	\$102,300	
SD 5-17	Director of Special Ed	\$16,623	
SD 5-17	Interim Director of Special Ed	\$47,400	
SD 5-17	Supervisor of Phys Ed	\$132,966	
SD 5-17	Supervisor of Language Arts	\$140,381	
SD 5-17	Director of Technology	\$136,604	
SD 5-17	Supervisor of Facilities	\$112,610	
SD 5-17	Admin Aide to Supt/Dist Clerk	\$78,714	
SD 5-17	Principal	\$134,278	
SD 5-17	Asst Principal	\$119,001	
SD 5-17	Principal	\$124,649	
SD 5-17	Asst Principal	\$96,327	
SD 5-17	Principal	\$134,278	
SD 5-17	Asst Principal	\$105,328	
SD 5-17	Principal	\$110,097	
SD 5-17	Asst Principal	\$80,315	
SD 5-17	Principal	\$125,338	
SD 5-17	Asst Principal	\$107,861	

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 5-17	Asst Principal	\$120,849
SD 5-17	Administrative Dean	\$88,641
SD 5-17	Administrative Dean	\$70,147
SD 5-17	Principal	\$134,266
SD 5-17	Asst Principal	\$133,067
SD 5-17	Asst Principal	\$113,853
SD 5-17	Asst Principal	\$87,151
SD 5-17	Administrative Dean	\$68,445
SD 5-17	Administrative Dean	\$75,819
SD 5-17	Director Alternative HS	\$138,490
SD 5-17	Dept Chair 6-8 English	\$12,967
SD 5-17	Dept Chair 6-8 English	\$66,907
SD 5-17	Dept chair 6-8 guidance	\$112,214
SD 5-17	Dept chair 6-8 math	\$87,573
SD 5-17	Dept chair 6-8 science	\$73,708
SD 5-17	Dept chair 6-8 ss	\$107,278
SD 5-17	Dept chair 6-8 special ed	\$107,690
SD 5-17	Dept chair 9-12 English	\$112,092
SD 5-17	Dept chair 9-12 Guidance	\$117,669
SD 5-17	Dept chair 9-12 math	\$104,795
SD 5-17	Dept chair 9-12 science	\$104,104
SD 5-17	Dept chair 9-12 ss	\$72,604
SD 5-17	Dept chair 9-12 special ed	\$120,464
SD 5-17	Dept chair 6-12 foreign language	\$64,544
SD 5-17	Interim Dept chair 6-12 foreign language	\$40,000
SD 5-17		\$5,078,071
Ttl # of Administrators	50	
SD 5-1		\$21,100
SD 5-1	Asst Principal	\$90,402
SD 5-1	Lang Es Chair	\$50,000
SD 5-1	Asst Principal	\$118,111
SD 5-1	Asst Supt Business	\$14,238
SD 5-1	Dir Music	\$110,784
SD 5-1	Principal Spec	\$104,987
SD 5-1	Asst Principal	\$93,797
SD 5-1	Dir Spec Svcs	\$125,532
SD 5-1		\$3,909
SD 5-1	Dir Phys Ed	\$107,508
SD 5-1	Principal	\$137,301
SD 5-1	Principal	\$104,508
SD 5-1	Dir Purch	\$78,742
SD 5-1	Chair SS	\$100,761
SD 5-1	Asst Sup HR	\$137,000
SD 5-1	Math Chair	\$8,697
SD 5-1	Supt.	\$175,000
SD 5-1	Plant Fac Adm	\$96,583
SD 5-1	Dir Technol	\$111,560
SD 5-1	English Chair	\$69,900
SD 5-1	Principal	\$113,424
SD 5-1		\$5,575
SD 5-1	Principal	\$91,208
SD 5-1	District Treas	\$70,939

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>		
SD 5-1	Asst Princip	\$117,954		
SD 5-1	Asst Princip	\$118,111		
SD 5-1	Science Chair	\$104,474		
SD 5-1	Asst Princip	\$91,184		
SD 5-1	Principal	\$110,297		
SD 5-1		\$50,000		
SD 5-1	Principal	\$133,000		
SD 5-1	Asst Supt	\$137,000		
SD 5-1	Trans Supervi	\$50,247		
SD 5-1	Principal	\$91,113		
SD 5-1	Asst Principal	\$88,691		
SD 5-1	Principal	\$113,424		
SD 5-1	Director	\$111,364		
SD 5-1	Asst Supt	\$114,954		
SD 5-1	Principal	\$106,538		
SD 5-1	Principal	\$119,236		
SD 5-1	Language Chair	\$67,746		
SD 5-1	Math Chair	\$78,116		
SD 5-1	43	\$3,945,015		
Ttl # of Administrators				
SD 5-19	Supt	\$181,014		
SD 5-19	Business Admin	\$208,883		
SD 5-19	Director HR	\$130,060		
SD 5-19	Director Tech	\$131,752		
SD 5-19	Principal HS	\$134,328		
SD 5-19	Director Special Ed	\$118,233		
SD 5-19	Principal MS	\$112,128		
SD 5-19	AP Middle School	\$70,056		
SD 5-19	AP High School	\$75,169		
SD 5-19	Principal Elementary	\$124,321		
SD 5-19	Principal Elementary	\$182,984		
SD 5-19	Principal Elementary	\$131,021		
SD 5-19	Director Guidance	\$112,158		
SD 5-19	Director Phys Ed	\$106,000		
SD 5-19		\$1,818,107		
Ttl # of Administrators	14			
SD 5-3	Supt.	\$165,000		
SD 5-3	Supt. -left 8/04	\$32,800		
SD 5-3	Dep Supt of Instruction	\$151,481		
SD 5-3	Asst Supt for Business	\$134,781		
SD 5-3	retired 7/1/04	\$1,514		
SD 5-3	HS Principal	\$130,413		
SD 5-3	Elemen Principal	\$114,911		
SD 5-3	AP High School	\$103,410		
SD 5-3	Elemen Principal	\$136,177		

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>	
SD 5-7	Asst Director of PPS	\$114,311	
SD 5-7	MS Principal	\$135,393	
SD 5-7	Instructional Supervisor	\$104,334	
SD 5-7	Director SS	\$127,778	
SD 5-7	Director Cultural Arts	\$121,373	
SD 5-7	Asst Principal	\$113,736	
SD 5-7	Instructional Supervisor	\$73,435	
SD 5-7	Asst Principal	\$116,526	
SD 5-7	Director of Guidance	\$121,373	
SD 5-7	Elementary Principal	\$132,899	
SD 5-7	Asst Principal	\$103,124	
SD 5-7	31	\$3,899,100	
Ttl # of Administrators			
SD 3-4	Supt	\$168,204	
SD 3-4	Asst Supt Finance	\$67,085	resigned 1/14/05
SD 3-4	Interim Asst Supt Finance	\$30,294	
SD 3-4	Interim Asst Supt Finance	\$54,607	
SD 3-4	Asst Supt Curriculum	\$143,870	
SD 3-4	Director HR	\$114,231	
SD 3-4	Dir Pupil Svcs & Special Ed	\$132,080	
SD 3-4	Principal	\$135,200	
SD 3-4	Asst Principal	\$119,600	
SD 3-4	Asst Principal	\$119,600	
SD 3-4	Principal	\$130,000	
SD 3-4	Asst Principal	\$112,500	
SD 3-4	Principal	\$107,735	
SD 3-4	Asst Principal	\$90,120	
SD 3-4	Principal	\$103,239	
SD 3-4	Principal	\$119,919	
SD 3-4	Director of Guidance	\$93,600	
SD 3-4		\$1,841,884	
Ttl # of Administrators		17	
SD 6-10	Supt	\$185,583	
SD 6-10	Asst Supt for Business	\$128,020	
SD 6-10	Asst Supt for Curriculum	\$150,417	
SD 6-10	Principal	\$113,153	
SD 6-10	Principal	\$129,920	
SD 6-10	Asst Principal	\$110,470	
SD 6-10	Special Ed Administrator	\$114,750	
SD 6-10	Asst Principal	\$95,250	
SD 6-10	Asst Principal	\$139,703	
SD 6-10	Network Communications Manager	\$90,000	
SD 6-10	PT Admin asst/teacher	\$109,404	
SD 6-10	PT Admin asst/teacher	\$118,423	
SD 6-10	PT Admin asst/teacher	\$110,973	

School District	Title	Salary 2004-2005
SD 6-10	PT Admin asst/teacher	\$80,261
SD 6-10	PT Admin asst/teacher	\$111,727
SD 6-10	Dir Practical Arts	\$122,798
SD 6-10	Dir Fine Arts	\$93,839
SD 6-10	Dir Math	\$131,758
SD 6-10	Dir English	\$84,280
SD 6-10	Dir Foreign Language	\$87,240
SD 6-10	Dir Athletics	\$92,070
SD 6-10	Dir SS	\$118,949
SD 6-10	Dir Guidance	\$103,645
SD 6-10	Dir Science	\$114,690
SD 6-10	Dir Phys Ed	\$105,569
SD 6-10		\$2,842,892
Ttl # of Administrators	25	
SD 6-32	Supt	\$157,071
SD 6-32		\$157,071
SD 5-9	Supt	\$187,607
SD 5-9	Asst Supt	\$85,648
SD 5-9	Asst Supt	\$150,467
SD 5-9	Asst Supt	\$43,393
SD 5-9	Asst Supt	\$130,324
SD 5-9	Directors	\$100,201
SD 5-9	Principal	\$135,752
SD 5-9	Directors	\$117,033
SD 5-9	Directors	\$106,808
SD 5-9	Directors	\$111,567
SD 5-9	Directors	\$106,177
SD 5-9	Directors	\$105,527
SD 5-9	Directors	\$106,952
SD 5-9	Directors	\$113,911
SD 5-9	Directors	\$100,285
SD 5-9	Chairperson	\$108,319
SD 5-9	Chairperson	\$120,477
SD 5-9	Chairperson	\$98,374
SD 5-9	District Administrators	\$12,875
SD 5-9	District Administrators	\$121,450
SD 5-9	District Administrators	\$120,273
SD 5-9	Principal	\$128,625
SD 5-9	Principal	\$114,782
SD 5-9	Principal	\$125,923
SD 5-9	Principal	\$107,208
SD 5-9	Principal	\$114,217
SD 5-9	Principal	\$6,675
SD 5-9	Asst Principal	\$101,134
SD 5-9	Asst Principal	\$94,693
SD 5-9	Asst Principal	\$96,824
SD 5-9	Asst Principal	\$115,445
SD 5-9	Asst Principal	\$98,734

School District	Title	Salary 2004-2005
SD 5-9	Asst Principal	\$91,542
SD 5-9	Asst Principal	\$99,910
SD 5-9	Interim Asst Supt Business	\$93,150
SD 5-9		\$3,672,282
Ttl # of Administrators	35	
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SD 6-23	Supt	\$106,632
SD 6-23	Asst Principal	\$83,940
SD 6-23	Director Pupil Personnel	\$75,714
SD 6-23		\$266,286
Ttl # of Administrators	3	
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SD 5-27	Asst to Supt	\$118,346
SD 5-27	Asst Principal	\$97,492
SD 5-27	Dept Coord - math	\$91,923
SD 5-27	Plant Facilities	\$75,412
SD 5-27	Principal	\$135,677
SD 5-27	Dept Coord - math, science,tech	\$98,370
SD 5-27	Elementary CSE Chair	\$89,183
SD 5-27	Director Pupil Personnel	\$126,945
SD 5-27	Dept Coord- English	\$104,539
SD 5-27	Supt	\$147,764
SD 5-27	Principal	\$124,706
SD 5-27	Network & Systems Admin	\$80,759
SD 5-27	Dept Coord - math	\$65,156
SD 5-27	Director of Curric & Instruction	\$109,157
SD 5-27	Secondary School CSE Chair	\$69,284
SD 5-27	Dept Coord- Humanities	\$102,537
SD 5-27	Asst Principal	\$97,671
SD 5-27	Director Health & Phys Ed	\$103,616
SD 5-27		\$1,838,537
Ttl # of Administrators	18	
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SD 6-22	Supt & Principal	\$111,000
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SD 6-14	Supt	\$129,063
SD 6-14		\$92,829
SD 6-14	Principal	\$118,310
SD 6-14	Principal	\$108,009

School District	Title	Salary 2004-2005
SD 6-14		\$103,250
SD 6-14	Asst Principal	\$81,879
SD 6-14	Principal	\$96,829
SD 6-14	Asst Principal	\$92,829
SD 6-14		\$822,998
Ttl # of Administrators	8	
<hr/>		
SD 5-29	Supt	\$9,000
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SD 6-29	Supt	\$138,331
SD 6-29	Principal	\$48,259
SD 6-29	Interim Principal	\$54,450
SD 6-29		\$241,040
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SD 6-2	Supt	\$228,504
SD 6-2	Asst Supt Admin	\$161,167
SD 6-2	Asst Supt Instruction	\$160,578
SD 6-2	Asst Supt Elem. Instruction	\$160,999
SD 6-2	Asst Supt Research	\$276,677
SD 6-2	Principal	\$168,404
SD 6-2	Principal	\$169,441
SD 6-2	Principal	\$157,500
SD 6-2	Principal	\$257,667
SD 6-2	Principal	\$104,092
SD 6-2	Principal	\$119,958
SD 6-2	Principal	\$276,310
SD 6-2	Principal	\$111,079
SD 6-2	Principal	\$127,542
SD 6-2	Principal	\$127,145
SD 6-2	Principal	\$101,538
SD 6-2	Asst Principal	\$84,353
SD 6-2	Asst Principal	\$82,646
SD 6-2	Asst Principal	\$136,538
SD 6-2	Asst Principal	\$81,199
SD 6-2	Asst Principal	\$107,102
SD 6-2	Asst Principal	\$106,907
SD 6-2	Asst Principal	\$78,045
SD 6-2	Asst Principal	\$107,663
SD 6-2	Asst Principal	\$128,882
SD 6-2	Asst Principal	\$113,872
SD 6-2	Asst Principal	\$114,082
SD 6-2	Asst Principal	\$117,824
SD 6-2	Asst Principal	\$131,597
SD 6-2	Asst Principal	\$122,835
SD 6-2	Asst Principal	\$87,499
SD 6-2	Asst Principal	\$113,497
SD 6-2	Asst Principal	\$135,264

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>		
SD 6-2	Asst Principal	\$118,296		
SD 6-2	Asst Principal	\$136,661		
SD 6-2	Director Music & Fine Arts	\$133,055		
SD 6-2	Coordinator of Language Arts	\$128,704		
SD 6-2	Coordinator of Foreign Language	\$132,203		
SD 6-2	Director Health & Phys Ed	\$124,154		
SD 6-2	Director of Math	\$155,628		
SD 6-2	Director of SS	\$148,957		
SD 6-2	Director of Computer Assisted Instruction	\$146,591		
SD 6-2	Director of Athletics	\$139,839		
SD 6-2	Director of Science	\$147,513		
SD 6-2	Elem Lang Arts	\$138,967		
SD 6-2	Coordinator of Computer Assisted Instr	\$145,093		
SD 6-2	Sec. Special Ed Coordinator	\$117,695		
SD 6-2	Elem Special Ed Coordinator	\$113,794		
SD 6-2	Preschool Coordinator	\$114,825		
SD 6-2	Sec Special Ed Chairperson	\$99,208		
SD 6-2			\$6,799,589	
Ttl # of Administrators	50			
SD 5-26	Supt	\$173,035		
SD 5-26	Dir of Guidance/Special Ed	\$115,000		
SD 5-26	Principal	\$116,000		
SD 5-26	Principal	\$105,000		
Ttl # of Administrators	4			
SD 5-26			\$509,035	
SD 6-21	Supt	\$44,175		
SD 6-21	Principal/Supt	\$135,750		
SD 6-21	Business Administrator	\$110,700		
SD 6-21	Interim Principal	\$42,350		
SD 6-21	Interim Principal	\$53,200		
SD 6-21	Athletic Director	\$121,023		
SD 6-21			\$507,198	
Ttl # of Administrators	6			

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>	
SD 5-10	Principal	\$118,000	
SD 5-10	Principal	\$97,937	
SD 5-10	Dir of Math	\$97,879	
SD 5-10	Dir of Athletic	\$109,914	
SD 5-10	Asst Princip	\$95,296	
SD 5-10	Dir Spec Ed	\$151,114	
SD 5-10	Dir of Human	\$95,366	
SD 5-10	Principal	\$120,834	
SD 5-10	Asst Princip	\$134,351	
SD 5-10	Principal	\$125,737	
SD 5-10	Dir for Lang	\$111,726	
SD 5-10	Asst Princip	\$98,145	
SD 5-10	Dir Guidance	\$141,105	
SD 5-10	Principal	\$103,166	
SD 5-10	Dir Art/Music	\$106,603	
SD 5-10	Dir Science	\$100,183	
SD 5-10	Principal	\$98,514	
SD 5-10	Interim Asst	\$22,396	
SD 5-10	Asst Princip	\$97,172	
SD 5-10	Principal	\$85,868	
SD 5-10	Principal	\$8,700	
SD 5-10	Asst Supt	\$139,050	
SD 5-10	Supt	\$169,924	
SD 5-10	Plant Fac Adm	\$99,579	
SD 5-10	Sr. Acct	\$257,000	
SD 5-10	Asst Supt Business	\$57,804	
SD 5-10		\$2,843,363	
Ttl # of Administrators	26		
SD 5-24	Supt	\$195,622	retired 6/30
SD 5-24	Principal/Asst Supt	\$114,000	
SD 5-24	Principal/	\$101,000	
SD 5-24		\$410,622	
Ttl # of Administrators	3		
SD 6-33	Supt	\$35,000	part time supt
SD 6-33	Supt	\$8,066	left 9/04
SD 6-33	Principal	\$110,515	
SD 6-33		\$153,581	
Ttl # of Administrators	3		
SD 6-28	Supt	\$142,500	
SD 6-28	Principal	\$118,353	
SD 6-28	Principal	\$110,211	
SD 6-28	Dir Special Ed	\$117,361	

School District	Title	Salary 2004-2005
SD 6-28	Business Admin	\$108,606
SD 6-28		\$597,031
Ttl # of Administrators		5
SD 6-7	Principal	\$128,450
SD 6-7	Principal	\$131,697
SD 6-7	Principal	\$144,530
SD 6-7	Principal	\$124,790
SD 6-7	Principal	\$127,844
SD 6-7	Asst Principal	\$108,232
SD 6-7	Asst Principal	\$109,520
SD 6-7	Asst Principal	\$115,006
SD 6-7	Asst Principal	\$110,984
SD 6-7	Asst Principal	\$112,661
SD 6-7	Asst Principal	\$104,356
SD 6-7	Asst Principal	\$126,011
SD 6-7	Director	\$125,738
SD 6-7	Director	\$115,927
SD 6-7	Asst Director	\$106,422
SD 6-7	Coordinator	\$81,547
SD 6-7	Director	\$104,656
SD 6-7	Asst Director	\$104,997
SD 6-7	Director	\$115,110
SD 6-7	Dept Chair	\$10,579
SD 6-7	Dept Chair	\$117,754
SD 6-7	Dept Chair	\$109,542
SD 6-7	Dept Chair	\$121,829
SD 6-7	Dept Chair	\$104,177
SD 6-7	Asst Supt Personnel	\$152,364
SD 6-7	Asst Supt Curriculum	\$143,903
SD 6-7	Asst Sup Business	\$126,766
SD 6-7	Supt	\$198,749
SD 6-7		\$3,284,141
Ttl # of Administrators		28
SD 6-6	Principal	\$140,634
SD 6-6	Principal	\$119,084
SD 6-6	Principal	\$18,500
SD 6-6	Exec Dir HR	\$141,116
SD 6-6	Asst Principal	\$99,747
SD 6-6	Asst Principal	\$107,298
SD 6-6	Deputy Supt	\$169,398
SD 6-6	Dir Music Art	\$120,561
SD 6-6	Principal	\$136,927
SD 6-6	Asst Principal	\$93,024
SD 6-6	Supt	\$196,111
SD 6-6	Director PPS	\$138,898

School District	Title	Salary 2004-2005		
SD 6-6	Asst Principal	\$9,144		
SD 6-6	Asst Principal	\$73,313		
SD 6-6	Asst Principal	\$100,815		
SD 6-6	Asst Principal	\$85,248		
SD 6-6	Asst Supt	\$150,145		
SD 6-6	Principal	\$114,853		
SD 6-6	Dir Guidance	\$115,045		
	Dir Health PE	\$121,379		
SD 6-6		\$2,251,240		
Ttl # of Administrators	20			
SD 5-16	Principal	\$102,945		
SD 5-16	Asst Principal	\$106,774		
SD 5-16	Principal	\$99,890		
SD 5-16	Teacher Dean	\$119,904		
SD 5-16	Supt	\$218,994		
SD 5-16	School Business Admin	\$130,876		
SD 5-16	Dir of Athletics	\$80,909		
SD 5-16	Principal	\$113,692		
SD 5-16	Asst Supt Student Services	\$136,476		
SD 5-16	Dist Admin for Operations	\$55,698		
SD 5-16	Dist Admin for Curriculum	\$103,427		
SD 5-16	Principal	\$111,513		
SD 5-16	Asst Principal	\$118,651		
SD 5-16	Dir Pupil Services	\$109,198		
SD 5-16	Teacher Dean	\$110,502		
SD 5-16	Principal	\$131,255		
SD 5-16	Teacher Dean	\$77,340		
SD 5-16	Deputy Supt	\$176,107		
SD 5-16	Admin Asst for HR	\$122,072		
SD 5-16	Asst Sup Student Mgmt Svcs	\$90,599		
SD 5-16	Principal	\$109,203		
SD 5-16	Asst Dir Pupil Personnel Svcs	\$71,803		
SD 5-16		\$2,497,828		
Ttl # of Administrators	22			
SD 6-19	Supt	\$177,794		
SD 6-19	Asst Supt	\$134,459		
SD 6-19	Business Official	\$124,676		
SD 6-19	Dir Pupil Services	\$109,187		
SD 6-19	Principal	\$119,621		

School District	Title	Salary 2004-2005		
SD 6-19	Principal	\$120,279		
SD 6-19	Principal	\$109,150		
SD 6-19	Asst Principal	\$93,691		
SD 6-19	Mgmt Inf Specialist	\$90,480		
SD 6-19	Plant Facilities Mgr	\$82,298		
SD 6-19	Dir Health PE	\$106,751		
SD 6-19	Eng Dept Coord	\$108,685		
SD 6-19	For Lang Dept Coor	\$133,377		
SD 6-19	Science Dept coor	\$111,486		
SD 6-19	SS Dept Coor	\$87,283		
SD 6-19	Math Dept Coor	\$104,735		
SD 6-19	Art Dept Coor	\$79,056		
SD 6-19	Spec Ed Dept Coor	\$104,600		
SD 6-19	Music Dept Coor	\$87,576		
SD 6-19			\$2,085,184	
Ttl # of Administrators	19			
SD 5-20	Deputy Supt	\$234,116		
SD 5-20	Asst Supt for Instruction/MS Principal	\$202,748		
SD 5-20	Dir Guidance/HS AP	\$123,732		
SD 5-20	HS Principal	\$169,228		
SD 5-20	Psychologist	\$76,004		
SD 5-20	MS AP	\$104,738		
SD 5-20	Elemen Principal	\$131,539		
SD 5-20	Asst Supt Business	\$144,288		
SD 5-20	HS Asst Princp/Dir Humanities	\$121,540		
SD 5-20	Director Music& Art	\$130,448		
SD 5-20	Elemen AP	\$104,145		
SD 5-20	Dir Math, Science, Tech	\$109,605		
SD 5-20	Management Info System Specialist	\$138,318		
SD 5-20	Dir Athletics, PE	\$124,594		
SD 5-20	Psychologist	\$75,932		
SD 5-20	Psychologist	\$48,600		
SD 5-20	Supt	\$206,912		
SD 5-20	Dir Pupil Personnel Services	\$124,179		
SD 5-20			\$2,370,666	
Ttl # of Administrators	18			
SD 6-27	MS/HS Principal	\$96,340		
SD 6-27	Interim Supt	\$130,350		
SD 6-27			\$226,690	
Ttl # of Administrators	2			

School District	Title	Salary 2004-2005
SD 6-8	Spec Ed Admin	\$3,883
SD 6-8	Asst Principal	\$116,274
SD 6-8	Principal	\$132,479
SD 6-8	Adm Cirricul	\$134,027
SD 6-8	Asst Principal	\$99,781
SD 6-8	Ath Director	\$118,935
SD 6-8	Asst Supt	\$146,282
SD 6-8	Principal	\$116,214
SD 6-8	SS Chair	\$90,500
SD 6-8	Maint Crew Ld	\$85,653
SD 6-8	Sch Trns Supv	\$90,480
SD 6-8		\$2,271,205
Ttl # of Administrators	21	
SD 6-16	Supt	\$270,100
SD 6-16	Dir Business Affairs	\$123,479
SD 6-16	Asst Supt Curric.	\$180,880
SD 6-16	Principal	\$122,517
SD 6-16	Curriculum Coordinator	\$108,158
SD 6-16	Curriculum Coordinator	\$110,715
SD 6-16	Asst Principal	\$90,486
SD 6-16	Director Athletics	\$11,332
SD 6-16	CSE Chairperson	\$69,808
SD 6-16	Principal	\$111,500
SD 6-16	Dir Athletics/Asst Principal	\$105,217
SD 6-16	Dir Instructional Tech	\$85,858
SD 6-16	Plant & Facilities Admin	\$99,251
SD 6-16	Principal	\$143,818
SD 6-16	Dir Music	\$4,601
SD 6-16		\$1,637,720
Ttl # of Administrators	15	
SD 6-30	Supt	\$118,605
SD 6-30	Asst Principal	\$80,000
SD 6-30	CSE Chairperson	\$80,433
SD 6-30	School Business Official	\$92,270
SD 6-30		\$371,308
Ttl # of Administrators	4	

School District	Title	Salary 2004-2005
SD 5-2	Asst Supt	\$146,260
SD 5-2	Asst Supt	\$137,570
SD 5-2	Asst Supt	\$154,988
SD 5-2	Supt	\$212,168
SD 5-2	Asst Supt	\$142,480
SD 5-2	AP	\$10,031
SD 5-2	AP	\$91,158
SD 5-2	AP	\$73,914
SD 5-2	AP	\$56,919
SD 5-2	AP	\$78,153
SD 5-2	AP	\$75,993
SD 5-2	Dir Comp Ed	\$109,327
SD 5-2	Principal	\$36,823
SD 5-2	Dir Elem Ed	\$127,368
SD 5-2	Social Worker	\$66,631
SD 5-2	AP	\$78,510
SD 5-2	Principal	\$109,669
SD 5-2	Dir Phys Ed	\$98,178
SD 5-2	AP	\$30,514
SD 5-2	AP	\$17,934
SD 5-2	AP	\$86,715
SD 5-2	Asst Dir Plant Facilities	\$75,814
SD 5-2	AP	\$103,648
SD 5-2	AP	\$81,197
SD 5-2	AP	\$79,978
SD 5-2	Dir Spec Ed	\$128,862
SD 5-2	AP	\$127,923
SD 5-2	Coord Elem Spec Ed	\$107,383
SD 5-2	AP	\$93,583
SD 5-2	Dir Athletics/Pupil Services	\$107,020
SD 5-2	Principal	\$138,042
SD 5-2	AP	\$77,633
SD 5-2	AP	\$90,532
SD 5-2	AP	\$22,513
SD 5-2	AP	\$13,533
SD 5-2	Dir Plant Facilities	\$98,994
SD 5-2	Principal	\$108,844
SD 5-2	AP	\$95,667
SD 5-2	Dir Technology	\$116,537
SD 5-2	AP	\$90,598
SD 5-2	Principal	\$108,484
SD 5-2	Dir Fine Arts	\$61,915
SD 5-2	AP	\$97,852
SD 5-2	AP	\$81,859
SD 5-2	Principal	\$75,785
SD 5-2	Dir Secondary Ed	\$98,412
SD 5-2	Principal	\$124,521
SD 5-2	Tranp Coord	\$83,970
SD 5-2		\$4,432,402
Ttl # of Administrators	48	

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 6-26	Dir Athletics	\$57,633
SD 6-26	Dir Pupil Svcs	\$40,615
SD 6-26	Principal	\$144,024
SD 6-26	Supt	\$154,530
SD 6-26	Business Admin	\$7,633
SD 6-26	Principal	\$136,600
SD 6-26	Tech Coordinator	\$39,500
SD 6-26	Asst Principal	\$103,239
SD 6-26	Business Admin	\$90,769
SD 6-26	Asst Principal	\$66,808
SD 6-26	Tech Advisor	\$15,394
SD 6-26		\$856,745
Ttl # of Administrators	11	
SD 5-4		\$78,620
SD 5-4		\$134,143
SD 5-4		\$83,410
SD 5-4	Director	\$108,128
SD 5-4	Supt	\$112,100
SD 5-4	Financial Consultant	\$47,400
SD 5-4	Principal	\$112,321
SD 5-4	Principal	\$109,693
SD 5-4	Asst Principal	\$90,748
SD 5-4	Principal	\$130,873
SD 5-4	Principal	\$117,891
SD 5-4		\$75,000
SD 5-4		\$90,340
SD 5-4	Principal	\$105,121
SD 5-4	Principal	\$129,983
SD 5-4		\$49,655
SD 5-4	Director	\$133,750
SD 5-4	Principal	\$113,881
SD 5-4	Asst Supt Instruction	\$145,513
SD 5-4	Director	\$110,124
SD 5-4		\$89,860
SD 5-4	Asst Principal	\$90,987
SD 5-4		\$90,289
SD 5-4	Principal	\$105,899
SD 5-4	Principal	\$108,881
SD 5-4		\$77,204
SD 5-4	Asst Supt Business	\$102,773
SD 5-4	Principal	\$110,758
SD 5-4	Asst Principal	\$90,291
SD 5-4		\$57,451
SD 5-4		\$95,612
SD 5-4	Asst Supt Business	\$147,431
SD 5-4	Facilities Adm	\$120,706
SD 5-4		\$58,125
SD 5-4		\$11,877
SD 5-4		\$7,785
SD 5-4	Adm Aide	\$60,632

School District	Title	Salary 2004-2005
SD 5-4	Head School Nurse	\$57,229
SD 5-4	Principal	
SD 5-4	Principal	\$43,122
SD 5-4	Asst Principal	
SD 5-4	Asst Principal	
SD 5-4	Principal	
SD 5-4	Principal	\$91,039
SD 5-4	Principal	
SD 5-4	Asst Principal	\$0
SD 5-4	Supt	\$108,928
SD 5-4		\$3,805,573
Ttl # of Administrators	47	
SD 5-13	Supt	\$190,314
SD 5-13	Asst Supt Business	\$158,277
SD 5-13	Dir of Personnel	\$122,421
SD 5-13	Asst Supt Instruct	\$130,001
SD 5-13	Dir Pupil Pers	\$126,455
SD 5-13	Coor Spec Ed	\$124,113
SD 5-13	Asst Coor Spec Ed	\$90,722
SD 5-13	Principal	\$142,568
SD 5-13	Asst Principal	\$127,019
SD 5-13	Asst Principal	\$119,966
SD 5-13	Principal	\$115,519
SD 5-13	Principal	\$114,019
SD 5-13	Asst Principal	\$119,037
SD 5-13	Principal	\$140,631
SD 5-13	Principal	\$116,219
SD 5-13	Coor of Phys Ed	\$121,418
SD 5-13	Dean Summer School Principal	\$104,727
SD 5-13		\$2,163,426
Ttl # of Administrators	17	
SD 6-17		\$95,579
SD 6-17		\$130,812
SD 6-17		\$88,396
SD 6-17		\$7,497
SD 6-17		\$117,122
SD 6-17		\$20,813
SD 6-17		\$143,855

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 5-21		\$3,494,075
Ttl # of Administrators	35	
SD 5-28	Supt	\$145,464
SD 5-28	Asst Supt	\$72,692
		\$218,156
SD 5-28		
Ttl # of Administrators	2	
SD 5-30	Supt	\$13,860
SD 3-1	Asst to Schl Bus Adm	\$106,417
SD 3-1	Principal	\$142,639
SD 3-1	Asst Principal	\$121,092
SD 3-1	AP Summer, Adult Ed	\$128,773
SD 3-1	Coord Math & Science	\$146,087
SD 3-1	Supt	\$192,747
SD 3-1	Principal	\$140,315
SD 3-1	Dir Special Svcs	\$162,553
SD 3-1	Asst to Schl Bus Adm	\$67,225
SD 3-1	Dept head - Speech	\$70,427
SD 3-1	Asst Principal	\$109,611
SD 3-1	Dept head - SS	\$124,906
SD 3-1	Asst Principal	\$91,038
SD 3-1	Principal	\$141,447
SD 3-1	Grounds Foreman	\$84,249
SD 3-1	Coord Lang Arts	\$138,932
SD 3-1	Dist Coord of Food Services	\$91,002
SD 3-1	Production Coord	\$95,021
SD 3-1	Principal	\$140,405
SD 3-1	Asst Principal	\$95,569
SD 3-1	Automotive Mechanic IV	\$64,759
SD 3-1	Asst Principal	\$121,516
SD 3-1	Asst to Dir Special Service	\$131,326
SD 3-1	Asst Coord ESL	\$100,967
SD 3-1	Asst Principal	\$138,992
SD 3-1	Principal	\$140,439
SD 3-1	Asst Principal	\$132,964
SD 3-1	Dept Head ESL	\$111,960
SD 3-1	Coord Guidance	\$138,872
SD 3-1	Principal	\$151,696
SD 3-1	Coor Att/Census	\$157,104
SD 3-1	School Transp Supervisor	\$111,223
SD 3-1	Asst Principal	\$125,537
SD 3-1	Purchasing Agent	\$105,417
SD 3-1	Dir Prog & Pol CM	\$145,296
SD 3-1	Principal	\$111,344
SD 3-1	School Cook Mgr	\$68,001

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 3-1	Plant & Facilities Adm	\$152,530
SD 3-1	School Maint Supervisor	\$67,999
SD 3-1	Principal	\$133,387
SD 3-1	Dir Business Svcs	\$148,675
SD 3-1	Asst Principal	\$125,646
SD 3-1	Dir Funded Programs	\$146,572
SD 3-1	Sr Accountant	\$114,504
SD 3-1	Dept Head Science	\$121,816
SD 3-1	Asst Principal	\$131,701
SD 3-1	Asst Principal	\$117,395
SD 3-1	Coord Instruct Media	\$151,016
SD 3-1	Asst Principal	\$122,666
SD 3-1	Data Base Coord	\$99,223
SD 3-1	Principal	\$118,061
SD 3-1	Principal	\$151,696
SD 3-1	Principal	\$133,387
SD 3-1	School Custodial Supv	\$104,730
SD 3-1	Human Resource Coord	\$152,395
SD 3-1	Human Resource Officer	\$115,104
SD 3-1	Principal	\$117,950
SD 3-1	Dir School Safety	\$86,906
SD 3-1	Data Base Coord	\$133,504
SD 3-1	Asst Supt of Schools Sec C&M	\$164,812
SD 3-1	Principal	\$162,502
SD 3-1	Coor PE, Health	\$134,363
SD 3-1	Dept Head English	\$99,079
SD 3-1	Asst Principal	\$127,409
SD 3-1	Asst Principal	\$129,320
SD 3-1	Coor Bilingual	\$137,896
SD 3-1	Principal	\$151,521
SD 3-1	Principal	\$151,456
SD 3-1	Asst Principal	\$88,850
SD 3-1	Asst to the Dir of Spec Svcs	\$107,431
SD 3-1	Coord of Music	\$138,848
SD 3-1	Asst Principal	\$122,582
SD 3-1	Asst to the Dir of Spec Svcs	\$117,143
SD 3-1	Asst Coord of PE	\$109,456
SD 3-1	School Cook Mgr	\$69,001
SD 3-1	Asst Principal	\$103,182
SD 3-1	Asst Principal	\$119,684
SD 3-1	Asst Coor Lang Arts	\$117,326
SD 3-1	Principal	\$118,334
SD 3-1	Principal	\$105,682
SD 3-1	Asst Principal	\$140,068
SD 3-1	Coordinator of Art	\$103,234
SD 3-1	Asst Principal	\$127,166
SD 3-1	Asst Principal	\$132,736
SD 3-1	Asst Supt of Schools Elem	\$164,872
SD 3-1	DH Special Ed	\$118,220
SD 3-1	Asst Principal	\$97,897
SD 3-1	Coord Health, Psych	\$131,326
SD 3-1	Asst Plant Facilities Admi	\$74,384
SD 3-1	Principal	\$138,420
SD 3-1	Dept Head Math	\$105,145
SD 3-1		\$11,104,076

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
Ttl # of Administrators	91	
SD 3-3	Deput Supt	\$181,038
SD 3-3	Asst Supt	\$149,699
SD 3-3	Asst to Supt	\$129,903
SD 3-3	Asst Supt Business	\$180,739
SD 3-3	Dir Spec Ed	\$124,907
SD 3-3	Asst Supt Personnel	\$118,501
SD 3-3	Supt	\$206,110
SD 3-3	Facilities Admin	\$115,126
SD 3-3	Dir Schl Safety	\$40,000
SD 3-3	Asst Bus Admin	\$23,385
SD 3-3	Asst to Supt	\$135,303
SD 3-3	Admin Asst Business	\$103,012
SD 3-3	Plant Facilities Mgr	\$67,349
SD 3-3		\$123,835
SD 3-3		\$115,375
SD 3-3		\$85,321
SD 3-3		\$92,705
SD 3-3		\$136,247
SD 3-3		\$148,435
SD 3-3		\$92,464
SD 3-3		\$118,774
SD 3-3		\$97,905
SD 3-3		\$87,883
SD 3-3		\$78,281
SD 3-3		\$92,466
SD 3-3		\$86,671
SD 3-3		\$110,694
SD 3-3		\$92,467
SD 3-3		\$92,466
SD 3-3		\$135,655
SD 3-3		\$78,288
SD 3-3		\$85,366
SD 3-3		\$115,010
SD 3-3		\$111,272
SD 3-3		\$114,236
SD 3-3		\$120,432
SD 3-3		\$92,467
SD 3-3		\$116,345
SD 3-3		\$115,365
SD 3-3		\$92,467
SD 3-3		\$147,145
SD 3-3		\$121,837
SD 3-3		\$110,626
SD 3-3		\$55,055
SD 3-3		\$119,305
SD 3-3		\$122,384
SD 3-3		\$108,045
SD 3-3		\$108,730
SD 3-3		\$36,539
SD 3-3		\$65,786
SD 3-3		\$128,494
SD 3-3		\$120,533
SD 3-3		\$122,573

School District	Title	Salary 2004-2005	
SD 5-6		\$3,612,396	
Ttl # of Administrators	38		
SD 3-2	Supt	\$206,151	
SD 3-2	Dir Sp Ed	\$122,492	
SD 3-2	Asst Principal	\$105,878	
SD 3-2	Asst Principal	\$109,070	
SD 3-2	Adm Ela/Lit	\$69,090	
SD 3-2	Principal	\$11,932	
SD 3-2	Principal	\$9,350	
SD 3-2	Principal	\$95,827	
SD 3-2	Bil Cur Spec	\$108,697	
SD 3-2	Principal	\$122,007	
SD 3-2	Asst Principal	\$122,921	
SD 3-2	Fund Prog Adm	\$103,870	
SD 3-2	Principal	\$116,567	
SD 3-2	Asst Principal	\$20,143	
SD 3-2	Asst Principal	\$140,895	
SD 3-2	Asst Dir Sped	\$76,423	
SD 3-2	Asst Supt Cur	\$111,938	
SD 3-2	Principal	\$107,561	
SD 3-2	Asst Principal	\$104,862	
SD 3-2	Sp Ed Tchr	\$49,093	
SD 3-2	Principal	\$161,393	
SD 3-2	Asst Principal	\$119,667	
SD 3-2	Asst Principal	\$102,878	
SD 3-2	Principal	\$138,360	
SD 3-2	Adm for Sp Ed	\$103,907	
SD 3-2	Principal	\$105,482	
SD 3-2	Principal	\$160,610	
SD 3-2	Principal	\$117,011	
SD 3-2	Asst Principal	\$105,878	
SD 3-2	Asst Supt Personnel	\$157,101	
SD 3-2		\$3,187,054	
Ttl # of Administrators	30		
SD 6-3	Supt	\$236,354	
SD 6-3	Exec Dir HR	\$156,081	
SD 6-3	Dir Community Svcs	\$216,467	think retired
SD 6-3	Dir Phys Ed	\$136,725	
SD 6-3	Dir of Art/Media	\$137,725	
SD 6-3	Exe Dir of Pupil Svcs	\$159,160	
SD 6-3	Dir of Music	\$114,837	
SD 6-3	Dir of Assessment	\$122,051	
SD 6-3	Asst Supt for Instruction	\$150,590	
SD 6-3	Asst Supt for Business	\$155,848	
SD 6-3	Principal	\$133,478	

School District	Title	Salary 2004-2005
SD 6-3	Asst Principal	\$106,630
SD 6-3	Principal	\$130,558
SD 6-3	Principal	\$130,478
SD 6-3	Asst Principal	\$94,613
SD 6-3	Asst Principal	\$102,198
SD 6-3	Principal	\$126,724
SD 6-3	Chairperson of Guidance	\$124,088
SD 6-3	Principal	\$133,725
SD 6-3	Chairperson of Mathematics	\$110,519
SD 6-3	Principal	\$129,717
SD 6-3	Principal	\$117,384
SD 6-3	Chairperson of Languages other than English	\$125,458
SD 6-3	Chair of Science	\$121,088
SD 6-3	Principal	\$132,575
SD 6-3	Asst Principal	\$127,168
SD 6-3	Chair of English	\$110,519
SD 6-3	Asst Principal	\$109,670
SD 6-3	Asst Principal	\$119,086
SD 6-3	Chair Special Ed	\$96,706
SD 6-3	Admin Special Ed	\$122,013
SD 6-3	Interim Chair SS	\$48,451
SD 6-3	Interim Asst Principal	\$108,677
SD 6-3		\$4,247,361
Ttl # of Administrators	33	
SD 5-23	Supt	\$18,603
SD 5-23	Bus Admin	\$90,395
SD 5-23		\$35,000
SD 5-23		\$124,082
SD 5-23		\$107,192
SD 5-23		\$75,255
SD 5-23		\$64,150
SD 5-23		\$115,397
SD 5-23	Supt	\$147,847
SD 5-23		\$71,400
SD 5-23	Lead Teacher	\$86,940
SD 5-23	Lead Teacher	\$104,958
SD 5-23	Lead Teacher	\$48,489
SD 5-23	Lead Teacher	\$97,331
SD 5-23	Lead Teacher	\$92,157
SD 5-23	Lead Teacher	\$89,615
SD 5-23	Lead Teacher	\$77,280
SD 5-23	Lead Teacher	\$105,383
SD 5-23	Lead Teacher	\$84,220
SD 5-23	Lead Teacher	\$91,968
SD 5-23	Lead Teacher	\$90,877
SD 5-23	Lead Teacher	\$98,657
SD 5-23	Lead Teacher	\$106,089
SD 5-23	Lead Teacher	\$106,152
SD 5-23	Lead Teacher	\$101,078
SD 5-23	Lead Teacher	\$69,333
SD 5-23	Lead Teacher	\$63,880
SD 5-23	Lead Teacher	\$67,858
SD 5-23	Lead Teacher	\$79,110
SD 5-23	Lead Teacher	\$80,428

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 5-23	Lead Teacher	\$81,412
SD 5-23		\$2,672,536
Ttl # of Administrators	31	
<hr/>		
SD 6-11	Supt	\$240,350
SD 6-11	Asst Supt	\$127,251
SD 6-11	Asst Supt	\$150,712
SD 6-11	Plant Facilities	\$94,508
SD 6-11	Principal	\$121,045
SD 6-11	Principal	\$106,239
SD 6-11	Principal	\$122,593
SD 6-11	Principal	\$132,539
SD 6-11	Principal	\$125,842
SD 6-11	Asst Principal	\$87,672
SD 6-11	Asst Principal	\$85,903
SD 6-11	Asst Principal	\$90,047
SD 6-11	Dir Pupil Services	\$116,336
SD 6-11	Dir of Athletics	\$105,053
SD 6-11	Coord Instruct Support	\$101,391
SD 6-11		\$1,807,481
Ttl # of Administrators	15	
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SD 5-5	Principal	\$126,871
SD 5-5	AP	\$118,862
SD 5-5	Admin Asst	\$113,595
SD 5-5	Safety Officer	\$57,024
SD 5-5	Plant Facility Admi	\$99,309
SD 5-5	Administrator	\$105,831
SD 5-5	Administrator	\$96,944
SD 5-5	AP	\$108,793
SD 5-5	Asst Supt	\$143,090
SD 5-5	Principal	\$111,220
SD 5-5	AP	\$96,946
SD 5-5	Custd. Supv	\$64,974
SD 5-5	Principal	\$126,090
SD 5-5	Dir Systems Admin	\$125,071
SD 5-5	Principal	\$127,271
SD 5-5	Principal	\$113,595
SD 5-5	AP	\$72,641
SD 5-5	Admin Asst	\$126,171
SD 5-5	Principal	\$126,171
SD 5-5	Principal	\$126,871
SD 5-5	Principal	\$96,724
SD 5-5	AP	\$102,869
SD 5-5	Principal	\$113,595
SD 5-5	Adminstrator	\$89,068
SD 5-5	Principal	\$113,595
SD 5-5		\$113,595
SD 5-5	Principal	\$127,271
SD 5-5	AP	\$108,793

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 5-14		\$85,027
SD 5-14	AS	\$130,387
SD 5-14	Supt	\$175,544
SD 5-14		\$85,027
SD 5-14	P	\$138,026
SD 5-14	Dir	\$121,333
SD 5-14	P	\$131,527
SD 5-14		\$90,024
SD 5-14	AS	\$118,098
SD 5-14	AP	\$20,016
SD 5-14	AP	\$111,808
SD 5-14		\$93,189
SD 5-14		\$93,760
SD 5-14		\$29,792
SD 5-14		\$2,905,607
Ttl # of Administrators	29	
SD 5-22	Dir of HR	\$128,383
SD 5-22	Principal	\$128,286
SD 5-22	Principal	\$122,631
SD 5-22	Asst Principal	\$104,867
SD 5-22	Asst Principal	\$117,603
SD 5-22	Asst Sup for Instruction	\$131,499
SD 5-22	Dean	\$71,495
SD 5-22	Supt	\$196,315
SD 5-22	Math Coord	\$102,173
SD 5-22	Admin Asst	\$88,892
SD 5-22	Dir of Hlth, Ped	\$116,799
SD 5-22	School Lunch Mgr	\$84,251
SD 5-22	Asst Principal	\$104,597
SD 5-22	Dir Special Ed	\$117,045
SD 5-22	Dean	\$78,025
SD 5-22	Principal	\$124,331
SD 5-22	Asst Dir Spec Ed	\$101,399
SD 5-22	Dean	\$68,646
SD 5-22	Dir Student Svcs	\$119,534
SD 5-22	SS Coordin	\$102,533
SD 5-22	Science Coordin	\$101,939
SD 5-22	Assist Principal	\$113,120
SD 5-22	Assist Principal	\$103,591
SD 5-22	Principal	\$122,180
SD 5-22	English Coord	\$104,343
SD 5-22	Assist Principal	\$103,582
SD 5-22	Coor Spec Ed	\$108,037
SD 5-22	Coor Science	\$111,833
SD 5-22	Coor Spec Ed	\$112,871
SD 5-22	Coor Literacy	\$101,055
SD 5-22	Coor Science	payroll report missing
SD 5-22	Coor Science	\$58,331
SD 5-22	Coor Literacy	\$69,186
SD 5-22	Chair Bus Ed	\$116,484
SD 5-22	Chair Tech	\$115,904
SD 5-22	Chair Art	\$82,368
SD 5-22	Chair Music	\$78,871
SD 5-22	Chair Spec Ed	\$108,963
SD 5-22	Chair Spec Ed	\$77,925

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>	
SD 5-22	Chair Foreign Lang	\$100,596	
SD 5-22		\$4,100,483	
Ttl # of Administrators	40		
<hr/>			
SD 5-12	Chair Music	\$100,759	
SD 5-12	Chair SS	\$107,462	
SD 5-12	Chair	\$102,081	
SD 5-12	Chair	\$96,075	
SD 5-12	Chair	\$92,106	
SD 5-12	Principal	\$121,606	
SD 5-12	Asst Principal	\$92,903	
SD 5-12	Director PPS	\$99,790	
SD 5-12	Director AD	\$115,615	
SD 5-12	Director Guidance	\$109,823	
SD 5-12	Asst Supt	\$15,818	
SD 5-12	Principal	\$119,561	
SD 5-12	Principal	\$123,258	
SD 5-12	Principal	\$104,267	
SD 5-12	Principal	\$27,761	
SD 5-12	Asst Supt	\$127,339	
SD 5-12	Principal	\$317,077	retired
SD 5-12	Asst Supt	\$32,186	
SD 5-12	Asst Principal	\$20,354	
SD 5-12	Asst Supt	\$60,000	
SD 5-12	Supt	\$97,788	part yr
SD 5-12	Principal	\$115,074	
SD 5-12	Asst Supt	\$15,050	
SD 5-12	Asst Principal	\$54,623	
SD 5-12	Asst Principal	\$85,041	
SD 5-12	Asst Principal	\$98,229	
SD 5-12	Principal	\$19,726	
SD 5-12	Asst Principal	\$95,419	
SD 5-12	Non Teach Supvrs	\$69,700	
SD 5-12	Non Teach Supvrs	\$81,964	
SD 5-12			
SD 5-12			
SD 5-12		\$2,718,455	
Ttl # of Administrators	30		
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SD 6-5		\$108,833	
SD 6-5		\$113,476	
SD 6-5		\$73,942	
SD 6-5		\$105,040	
SD 6-5		\$125,122	
SD 6-5		\$102,553	
SD 6-5		\$69,483	
SD 6-5		\$90,554	
SD 6-5		\$97,964	
SD 6-5	Supt Inst admin	\$185,000	
SD 6-5		\$122,220	
SD 6-5		\$79,500	
SD 6-5		\$105,146	

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 6-24	Supt/Chairperson	\$123,000
SD 6-24	CSE Chairperson	\$18,936
SD 6-24		\$141,936
SD 6-25	Dir Special Ed	\$105,506
SD 6-25	Supt	\$128,000
SD 6-25		\$233,506
SD 6-18	Supt	\$185,606
SD 6-18	Asst Supt Business	\$149,760
SD 6-18	Asst to Supt	\$146,736
SD 6-18	Principal	\$147,425
SD 6-18	Asst Principal	\$108,679
SD 6-18	Principal	\$118,027
SD 6-18	Principal	\$101,575
SD 6-18	Principal	\$126,426
SD 6-18	Principal	\$109,330
SD 6-18	Dean	\$95,688
SD 6-18	Dir of PE Athletics	\$108,500
SD 6-18	Dir of Facilities	\$128,750
SD 6-18	Interim PPS	\$111,300
SD 6-18		\$1,637,802
Ttl # of Administrators	13	
SD 5-25		\$102,980
SD 5-25		\$105,314
SD 5-25	Asst Supt Bus	\$120,234
SD 5-25		\$8,600
SD 5-25		\$79,915
SD 5-25		\$100,897
SD 5-25		\$91,971
SD 5-25		\$131,226
SD 5-25	Supt	\$176,688
SD 5-25		\$84,724
SD 5-25		\$83,622
SD 5-25		\$97,014
SD 5-25		\$126,675
SD 5-25		\$93,666

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 5-25		\$85,364
SD 5-25		\$74,986
SD 5-25		\$79,040
SD 5-25		\$43,329
SD 5-25		\$1,686,245
Ttl # of Administrators	18	
SD 5-11	Coor Art Grades 7-8	\$98,831
SD 5-11	Teacher & Alt HS Admin	\$111,566
SD 5-11	Elementary grade level coord	\$90,057
SD 5-11	English/Lang Arts Coord	\$99,910
SD 5-11	Title I Coor	\$64,671
SD 5-11	Coor Scholastic Enrichment	\$96,833
SD 5-11	Elementary grade level coord	\$83,119
SD 5-11	Elementary grade level coord	\$71,634
SD 5-11	Coor Art 9-12	\$62,726
SD 5-11	HS Phys Ed Coord	\$100,646
SD 5-11	Intermediate School Dean	\$52,846
SD 5-11	Elementary grade level coord	\$69,656
SD 5-11	Dir Health, Phys Ed	\$123,506
SD 5-11	Coor Sp Ed 9-12	\$61,315
SD 5-11	Elementary grade level coord	\$69,848
SD 5-11	Coor Art K-6	\$50,253
SD 5-11	Elementary grade level coord	\$85,850
SD 5-11	Elementary grade level coord	\$66,995
SD 5-11	Instruct Technology Coord	\$51,210
SD 5-11	Intermediate School Dean	\$95,664
SD 5-11	Asst Supt Gen Adm & Personnel	\$150,285
SD 5-11	Supt	\$242,329
SD 5-11	Asst Supt for Finance	\$151,872
SD 5-11	Asst Supt Curriculum	\$147,932
SD 5-11	Chair Spec Ed 9-12	\$96,097
SD 5-11	Asst Dir Sepc Ed	\$63,849
SD 5-11	Chair SS	\$111,367
SD 5-11	Chair Spec Ed 4-8	\$128,986
SD 5-11	Chair English	\$113,496
SD 5-11	Chair Spec Ed K-3	\$105,027
SD 5-11	Elem Principal	\$132,924
SD 5-11	Elem Principal	\$122,606
SD 5-11	Asst Principal MS	\$131,192
SD 5-11	Dir Perf Arts K-12	\$133,061
SD 5-11	Dir for Language, ESL	\$121,315
SD 5-11	Principal HS	\$143,827
SD 5-11	Dir Science K-12	\$110,082
SD 5-11	Elem Principal	\$112,886
SD 5-11	Elem Principal	\$117,441
SD 5-11	Exec Dir Special Ed	\$137,122
SD 5-11	Admin Asst HS	\$121,088
SD 5-11	Elem Principal	\$129,486
SD 5-11	Middle School Principal	\$139,971
SD 5-11	Admin Asst HS	\$106,168
SD 5-11	Elem Principal	\$119,398
SD 5-11	Admin Asst HS	\$111,397

<u>School District</u>	<u>Title</u>	<u>Salary 2004-2005</u>
SD 5-11		\$4,908,340
Ttl # of Administrators 46		
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SD 6-15	Supt	\$179,455
SD 6-15	Asst Supt Instruction	\$169,036
SD 6-15	Asst Supt Business	\$163,097
SD 6-15	Adm Special Ed	\$123,058
SD 6-15	Coord Special Ed	\$83,445
SD 6-15	Athletic Director	\$108,964
SD 6-15	Principal	\$113,917
SD 6-15	Principal	\$112,900
SD 6-15	Principal	\$103,733
SD 6-15	Principal	\$118,425
SD 6-15	Adm Student Svcx	\$101,739
SD 6-15	Asst Principal	\$94,423
SD 6-15	Asst Principal	\$53,045
SD 6-15	Asst Principal	\$96,945
SD 6-15	Dean of Students	\$72,801
SD 6-15	Dir Tech	\$83,733
SD 6-15	Dir Facilities	\$99,614
SD 6-15	Dir Facilities	\$38,919
SD 6-15	Dir Food Service	\$39,709
SD 6-15	Dir Phys Ed	\$113,282
SD 6-15	Dir Arts	\$106,217
SD 6-15	Dir Music	\$110,756
SD 6-15	Dept Chair Science	\$101,495
SD 6-15	Coor Business	\$154,463
SD 6-15	Coor Science	\$62,681
SD 6-15	Coord Special Ed	\$74,740
SD 6-15	Coord Special Ed	\$90,094
SD 6-15		\$2,770,686
Ttl # of Administrators 27		
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SD 3-5	Supt	\$156,250
SD 3-5	Bus Mgr	\$130,604
SD 3-5	Asst Supt HR	\$125,314
SD 3-5	Dir of Curriculum	\$50,463
SD 3-5	Dir HR	\$71,434
SD 3-5	Dir Testing & Attendance	\$116,779
SD 3-5	Dir Tech	\$79,308
SD 3-5	Dir Spe Ed	\$113,963
SD 3-5	Dir Transportation	\$118,404
SD 3-5	Asst Dir Spec Ed	\$11,095
SD 3-5	Asst Dir Spec Ed	\$24,871

School District	Title	Salary 2004-2005		
SD 3-5	Principal	\$113,873		
SD 3-5	Principal	\$110,150		
SD 3-5	Principal	\$106,256		
SD 3-5	Asst Principal	\$112,029		
SD 3-5	Principal	\$98,756		
SD 3-5	Asst Principal	\$115,762		
SD 3-5	Asst Principal	\$68,588		
SD 3-5	Asst Principal	\$100,974		
SD 3-5	Asst Principal	\$108,270		
SD 3-5	Dean of Students	\$59,476		
SD 3-5	Dean of Students	\$64,816		
SD 3-5		\$2,057,435		
Ttl # of Administrators	22			

APPENDIX C

School District	NRC Code	Total Enrollment	Total Revenue	Total Expenditures	Total Administrator Salaries	% Total Salaries to Total Expenditures	Total Number of Administrators	# of Students per Administrator
SD 6-20	6	201	\$5,520,498	\$5,152,816	214,380	4.16%	2	100.50
SD 3-4	3	3,083	63,910,493	63,057,781	1,384,576	2.61%	17	181.35
SD 6-10	6	2,008	30,994,501	31,265,685	2,723,628	8.71%	26	77.23
SD 5-7	5	5,698	89,083,675	82,670,894	3,706,651	4.48%	31	183.81
SD 6-11	6	2,490	36,734,597	37,344,056	1,594,788	4.27%	16	155.63
SD 3-1	3	17,187	201,529,028	203,376,587	10,549,317	5.19%	89	193.11
SD 6-21	6	167	8,216,966	7,564,025	482,866	6.38%	4	41.75
SD 5-16	5	3,930	63,697,145	63,318,480	2,467,275	4.63%	21	187.14
SD 5-23	5	1,395	22,331,554	23,155,907	2,640,581	11.40%	30	46.50
SD 3-2	3	6,467	115,044,328	113,428,136	2,936,037	2.59%	29	223.00
SD 6-12	6	2,092	35,048,421	32,374,895	2,690,850	8.31%	22	95.09
SD 6-1	6	7,566	106,161,463	99,276,576	5,067,015	5.10%	41	184.54
SD 5-1	5	6,995	110,141,469	105,575,565	3,775,041	3.58%	38	184.08
SD 5-8	5	4,821	66,984,096	60,562,075	3,789,526	6.26%	37	130.30
SD 5-9	5	4,448	69,237,791	68,941,424	3,591,137	5.21%	33	134.79
SD 6-13	6	2,031	35,547,172	35,701,789	1,638,939	4.59%	15	135.40
SD 5-10	5	5,280	70,882,306	71,602,867	3,155,854	4.41%	25	211.20
SD 5-24	5	1,053	14,686,089	15,570,325	239,000	1.53%	2	526.50
SD 6-33	6	432	13,042,995	13,663,768	146,386	1.07%	2	216.00
SD 5-25	6		11,205,251	10,755,332				
SD 5-18	5	2,606	32,965,375	32,810,579	1,888,923	5.76%	17	153.29
SD 6-32	6	52	3,880,748	3,578,039	129,000	3.61%	1	52.00
SD 6-22	6	57	2,276,007	2,170,359	100,000	4.61%	1	57.00
SD 5-26	5	668	10,568,920	10,423,289	466,554	4.48%	4	167.00

School District	NRC Code	Total Enrollment	Total Revenue	Total Expenditures	Total Administrator Salaries	% Total Salaries to Total Expenditures	Total Number of Administrators	# of Students per Administrator
SD 6-2	6	10,065	138,513,700	138,173,023	6,223,363	4.50%	48	209.69
SD 5-27	5	1,758	24,926,055	24,932,258	1,630,679	6.54%	18	97.67
SD 6-6	6	3,562	47,199,639	44,980,295	2,213,666	4.92%	22	161.91
SD 6-7	6	4,155	66,295,183	63,314,173	3,122,713	4.93%	26	159.81
SD 5-11	5	4,131	76,873,701	72,842,025	4,558,679	6.26%	42	98.36
SD 5-19	5	3,631	47,899,492	46,897,054	1,681,935	3.59%	14	259.36
SD 6-8	6	4,122	52,036,262	50,344,483	2,190,380	4.35%	23	179.22
SD 5-6	5	7,689	96,131,217	97,542,956	2,992,708	3.07%	31	248.03
SD 5-28	5		3,713,893	3,694,893	229,918	6.22%	2	0.00
SD 5-2	5	9,895	148,738,295	143,736,375	4,455,259	3.10%	47	210.53
SD 6-14	6	1,566	25,088,673	25,204,837	803,554	3.19%	8	195.75
SD 5-3	5	11,630	144,117,363	141,619,868	4,364,285	3.08%	39	298.21
SD 6-15	6	3,030	42,865,018	40,404,178	2,611,048	6.46%	25	121.20
SD 6-23	6	675	10,239,388	9,855,482	186,213	1.89%	2	337.50
SD 5-20	5	2,417	36,498,704	34,448,061	2,142,431	6.22%	17	142.18
SD 5-29	5	9			9,000		1	9.00
SD 5-21	5	5,169	77,055,295	75,235,851	3,206,982	4.26%	36	143.58
SD 6-3	6	6,392	99,879,327	99,171,482	3,983,790	4.02%	33	193.70
SD 6-24	6	206			127,800		2	103.00
SD 5-4	5	9,230	112,917,540	113,930,036	3,672,499	3.22%	36	256.39
SD 6-16	6	1,273	26,959,650	26,807,814	1,843,022	6.87%	15	84.87
SD 6-31	6	126	4,161,582	4,257,478	137,208	3.22%	1	126.00
SD 6-25	6	181	6,397,078	6,631,989	223,140	3.36%	2	90.50
SD 5-12	5	4,818	72,718,507	69,553,548	2,552,987	3.67%	26	185.31
SD 5-22	5	3,594	46,844,424	45,692,983	3,696,301	8.09%	38	94.58
SD 5-5	5	15,378	217,553,883	217,544,569	5,857,512	2.69%	59	260.64
SD 6-26	6	969	21,599,379	21,203,593	963,717	4.55%	10	96.90

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School District	NRC Code	Total Enrollment	Total Revenue	Total Expenditures	Total Administrator Salaries	% Total Salaries to Total Expenditures	Total Number of Administrators	# of Students per Administrator
SD 5-30	5	13			13,200		1	13.00
SD 5-13	5	3,759	56,636,389	56,537,587	2,001,234	3.54%	17	221.12
SD 6-27	6	269	6,828,087	6,647,596	205,980	3.10%	2	134.50
SD 6-17	6	2,710	39,321,046	39,704,203	1,803,673	4.54%	17	159.41
SD 6-4	6	10,174	148,551,937	145,982,743	6,201,199	4.25%	64	158.97
SD 5-14	5	4,756	74,475,655	73,724,503	2,521,126	3.42%	23	206.78
SD 5-17	5	6,112	94,463,236	92,468,080	4,719,638	5.10%	42	145.52
SD 5-25	5		9,254,985	10,517,236		0.00%		
SD 6-18	6	1,769			1,587,309		13	136.08
SD 6-28	6	1,004	17,153,439	17,171,282	672,924	3.92%	6	167.33
SD 6-29	6	841	12,971,487	13,012,832	224,202	1.72%	2	420.50
SD 6-5	6	7,976	114,676,576	109,573,488	5,967,886	5.45%	61	130.75
SD 6-30	6	340	10,075,993	8,753,528	339,936	3.89%	4	85.00
SD 5-15	5	4,881	65,864,344	66,624,405	4,957,784	7.44%	51	95.71
SD 6-9	6	5,885	76,006,830	76,767,939	3,239,871	4.22%	32	183.91
SD 6-19	6	1,727	30,829,554	30,399,589	2,100,847	6.91%	20	86.35
SD 3-3	3	10,393	145,579,563	144,114,498		0.00%		
SD 3-5	3				1,534,470		15	0.00

APPENDIX D

School District	NRC Code	Total Enrollment	Total Revenue	Total Expenditures	Total Administrator Salaries	% Total Salaries to Total Expenditures	Total # of Administrators	# of Students per Administrator
SD 6-2	6	10,244	155,039,458	150,678,802	6,799,589	4.51%	50	204.88
SD 5-27	5	1,756	27,693,179	28,035,678	1,838,537	6.56%	18	97.56
SD 6-6	6	3,661	52,381,535	49,545,120	2,251,240	4.54%	20	183.05
SD 6-7	6	4,160	73,415,851	66,372,007	3,284,141	4.95%	28	148.57
SD 5-11	5	4,202	83,679,069	79,791,518	4,908,340	6.15%	46	91.35
SD 5-19	5	3,636	50,711,522	51,423,109	1,818,107	3.54%	14	259.71
SD 6-8	6	4,217	55,327,703	54,356,489	2,271,205	4.18%	21	200.81
SD 5-6	5	7,482	102,974,190	104,219,532	3,612,396	3.47%	38	196.89
SD 5-28	5	100			\$218,156	#DIV/0!	2	50.00
SD 5-2	5	9,803	159,632,598	158,432,027	4,432,402	2.80%	50	196.06
SD 6-14	6	1,585	26,606,255	26,820,995	822,998	3.07%	8	198.13
SD 5-3	5	11,439	150,532,228	147,255,384	4,148,136	2.82%	37	309.16
SD 6-15	6	3,104	47,080,926	43,164,304	2,770,686	6.42%	27	114.96
SD 6-23	6	698	10,752,448	10,819,414	266,286	2.46%	3	232.67
SD 5-20	5	2,437	38,761,841	37,157,048	2,370,666	6.38%	18	135.39
SD 5-29	5	13			9,000		1	13.00
SD 5-21	5	5,087			3,494,075		35	145.34
SD 6-3	6	6,475	109,296,828	110,537,938	4,247,361	3.84%	33	196.21
SD 6-24	6	177	4,071,849	4,254,819	141,936	3.34%	2	88.50
SD 5-4	5	9,268	120,826,019	124,329,327	3,805,573	3.06%	46	201.48
SD 6-16	6	1,267	29,369,006	27,681,762	1,637,720	5.92%	15	84.47
SD 6-31	6	128			150,000		1	128.00
SD 6-25	6	178	7,435,873	7,021,512	233,506	3.33%	2	89.00
SD 5-12	5	4,958	81,965,952	77,225,626	2,718,455	3.52%	30	165.27
SD 5-22	5	3,617	49,896,375	45,948,171	4,100,483	8.92%	40	90.43
SD 5-5	5	15,548	239,314,414	241,997,823	6,394,655	2.64%	61	254.89
SD 6-26	6	934	23,804,332	23,608,807	856,745	3.63%	11	84.91

School District	NRC Code	Total Enrollment	Total Revenue	Total Expenditures	Total Administrator Salaries	% Total Salaries to Total Expenditures	Total # of Administrators	# of Students per Administrator
SD 5-30	5	11			\$13,860		1	11.00
SD 5-13	5	3,803	60,652,863	59,722,220	2,163,426	3.62%	17	223.71
SD 6-27	6	246	7,639,020	7,181,600	226,690	3.16%	2	123.00
SD 6-17	6	2,719	18		1,628,688			
SD 6-4	6	10,029	162,577,564	159,850,181	6,155,246	3.85%	61	164.41
SD 5-14	5	4,793	76,884,083	78,726,830	2,905,607	3.69%	29	165.28
SD 5-17	5	6,212			5,078,071		50	124.24
SD 6-18	6	1,730	43,999,207	40,865,447	1,637,802	4.01%	13	133.08
SD 6-28	6	1,012	18,379,102	19,125,518	597,031	3.12%	5	202.40
SD 6-29	6	872	14,360,872	14,489,857	241,040	1.66%	2	436.00
SD 6-5	6	7,942	125,801,960	118,038,761	6,007,621	5.09%	60	132.37
SD 6-30	6	347	10,433,289	10,383,011	371,308	3.58%	4	86.75
SD 5-15	5	4,922	71,178,686	70,106,167	5,030,277	7.18%	48	102.54
SD 6-9	6	5,770	81,060,849	80,582,862	3,443,880	4.27%	33	174.85
SD 6-19	6	1,711	32,871,266	31,573,497	2,085,184	6.60%	19	90.05
SD 3-3	3	10,191	152,128,249	151,330,300	6,838,924	4.52%	63	161.76
SD 3-5	3				2,057,435		22	0.00

APPENDIX E

*Suffolk County School Districts - Small Sized Districts - Revenues Aproximately \$25,000,000 or less
Summary of Mgmt Letter Issues or Schedule of Findings and Questioned Costs*

<u>SCHOOL DISTRICT</u>	<u>AUDITORS</u>	<u>FINDINGS</u>
SD 6-20	CPA -1	6/30/03 - District had unreserved unappropriated fund balance of 8.2% of authorized budget for 2003-2004 <ul style="list-style-type: none"> - No matters involving the internal control over financial reporting that require discussion with management
	CPA -1	6/30/04 - District had unreserved unappropriated fund balance of 5.2% of authorized budget for 2003-2004 <ul style="list-style-type: none"> - District transfers monies from the General Fund to the Capital Fund in excess of amt authorized by the original budget - District doesn't attach signed purchase order to supporting documentation for invoice payments
	CPA - 3	6/30/05 - 24 internal control suggestions noted - several suggestions are as follows: <ul style="list-style-type: none"> - District had unreserved unappropriated fund balance in excess of the 2% limit for unreserved fund balance allowed by the Real Property Tax Law - District not utilizing purchase order system effectively - very often an item is purchased without a purchase order - District issues a lot of manually written checks - Internal claims auditor not authorizing all invoices prior to payment - District does not have a designated responsible person sign off on the packaging slip for items received to verify that all of the items were received in good condition - District does not follow the adopted policy for items that need to be quoted - The school district owns a house that the superintendent lives in. The District paid all of the utility bills for this location, however, they were never reimbursed by the Superintendent. - The District paid three invoices twice. - The District was not maintaining a separate accounting for its reserved funds as required by General Municipal Law - Cash receipts were not being timely deposited - Checks that are received by mail are not restrictively endorsed as the mail is opened ie: "for deposit only"
SD 6-21	CPA - 1	6/30/02 - District had unreserved unappropriated fund balance of 26% of authorized budget for 2002-2003 <ul style="list-style-type: none"> - American Express credit card payments lack sufficient documentation to substantiate payment - Purchasing policies of the district are not being followed

- Annual financial report was not published in puclid paper as required by Section 1721 of the New York State Education Law

CPA - 1 6/30/03 - No mgmt letter present

CPA - 1 6/30/04 - No mgmt letter present

CPA - 2 6/30/05 - 3 reportable conditions - adj journal entries to the District's general ledger not reviewed and approved by management

- Cash is received, deposited and entered into the District's books by the same individual who also sign checks and reconciles the books to the bank

- Changes to permanent payroll files can be done by the same individual who processes payroll (ie: adding an employee to payroll or changing someone's salary)

SD 6-14

CPA - 1 6/30/03 - No reportable conditions

CPA - 1 6/30/04 - District should appoint internal claims auditors

-Self insured health ins.-should be reviewed annually to determine cost and compliance

-Budgetary controls - pymts authorized in excess of budgetary amounts

- District hasn't rec'd state aid pymt for summer handicapped program

- Capital asset inventory not updated fye 6/30/04

- Capitalization policy not adopted - no menthod of depr chosen

CPA - 4 6/30/05 - 4 reportable conditions -

- AJE's not reviewed or approved

- payroll files can be changed by same individual that processes checks

- wire transfers done without any oversight

- fixed assets not updated or validated in several years

SD 6-16

CPA - 1 6/30/04 - Computer access/passwords to vital financial functions such as check printing should be limited

- The district should enhance the internal uadit function

CPA - 4 6/30/05 - There were several bank accounts with district's id number not on their books

- Personnel files lacked W-4 forms, employment applications, and payroll certification forms for some employees,

- several line items of the budget were over spent

- Cash disbursments invoices were not stamped paid, in some instances the invoice predated the purchase order

- Computer access/passwords should be restrictive

- District accountant has ability to open journal entry schedules that have already been closed and change prior journal entries'

- Small internal control issues with school lunch program and extra classroom club accounts

SD 6-27

CPA - 1

6/30/04 - Unappropriated fund balance at 6/30/04 is 6% of next year's budget Board should consider reducing tax levy by the excess about the permitted 2%

- Board of education should consider appointing an internal auditor who would have exclusive authority to audit payments and to allow or reject claims against the District
- All original credit card receipts invoices and conference approval forms should be attached to monthly invoice to support expenditure
- The District transferred monies from the General Fund to the Special Aid Fund in excess of the amount authorized by the original budget
- The Teacher's Association utilizes their bank account in the District's employer identification number.

CPA -2

6/30/05 - Passwords for Windows programs are not changed on a regular basis.

- Journal entries should be approved prio to posting
- The District should update the fixed asset inventory
- As of 6/30/05 the District's undesignated fund balance exceeded 2% of the 2005-2006 budget
- Extraclassroom activity fund had sales tax not being paid for some taxable sales, cash receipts not being deposited on a timely basis, some cash disbursements lacked supporting documentation
- There is not adequate disaster recovery or IT contingency plan in place that has been documented and tested.
- The system accounting software does not provide for a log indicating who enters into the system and from where and when
- The system accounting software does not routinely generate an edit listing of all changes to master files

- The District should consider segregating the Office procedures, ie: the person who receives the cash receipts should not be the person who deposits the money, records the cash receipt and performs the bank reconciliation
- One scholarship account was not included in the total cash to be collateralized
- A business employee should compare returned checks to the District's books.
- The District's policy is to maintain \$75 petty cash however, there was \$100 in petty cash per they physical count
- The payroll clerk enters new employees in the system in addition to processing payroll and changing payroll
- The District should review personnel files to ensure that they include all supporting documentation
- New employees should prepare a Form I-9

- Overtime should be approved by a supervisor therefore all timesheets should be approved
 - The District should review its procedures with respect to attendance to ensure that all absences are accounted for
 - Four instances were noted where expenditures in excess of the dollar amount for bidding was exceeded with no indication that bidding had taken place
 - Instances were noted where purchase orders were not used
 - Receipts of goods and services should be compared to purchase order when received
 - District should review its reimbursements policy and reinforce it with all involved personnel
 - Superintendent should not approve his own claims, this should be done by the school board or board president
 - Form 1099's should be issued in accordance with IRS regulations
-

*Suffolk County School Districts - Medium Sized Districts - Revenues Between \$50,000,000 - \$100,000,000
Summary of Mgmt Letter Issues or Schedule of Findings and Questioned Costs*

SCHOOL DISTRICT AUDITORS MANAGEMENT LETTER FINDINGS 2003 - 2005

SD 3-4	CPA - 2	6/30/03 - No reportable conditions
	CPA - 2	6/30/04 - No reportable conditions
	CPA - 2	6/30/05 - 4 reportable conditions - Tentative draft of f/s - AJE's not reviewed or approved - payroll files can be changed by same individual that processes checks - wire transfers done without any oversight - fixed assets not updated or validated in several years
<hr/>		
SD 5-20	CPA - 5	6/30/03 - District's undesignated fund balance was in excess of 2% of the 6/30/04 fiscal year's budget - Two non authorized bank accounts were in the District's identification number - Extraclassroom activity funds funds should only be disbursed upon receipt of an original invoice - District should review federal purchasing procedures and regulations with newly employed administrative staff responsible for federal program expenditures
	CPA - 5	6/30/04 - District's undesignated fund balance was in excess of 2% of the 6/30/05 fiscal year's budget - District should continue to monitor the extra classroom activity funds to ensure reasonable compliance with the provisions of each. - Special Aid Funds - approved project applications were being used as substitute purchase orders also there was late approval by the state of several projects - District needs to implement a policy regarding accounting for fixed assets - Blank checks are stored in a closet that is not always locked
	CPA - 5	6/30/05 - District's undesignated fund balance was in excess of 2% of the 6/30/06 fiscal year's budget - District's extraclassroom activity funds deposits were not accompanied by supporting documentation, stale checks should be written back, balance in these clubs should be transferred to the Student Council according to board policy, - New clubs should be established in accordance with the procedures set forth in the Board policy as published by the Stae Ed Dept

- As assets are purchased, they should be added to fixed asset control and coded.
- Internal claims auditor should report directly to the Board of Education
- District should adhere to its policy that requires written quotations from at least three vendors in relation to acquisitions in excess of \$1,000
- District should adhere to bidding procedures as required by law
- Form 1099 were not issued to two vendors that should have received them.
- Board must establish an audit committee by 1/1/06

SD 5-22	CPA - 2	6/30/03 - District is accounting for agency funds and scholarship funds separately in their accounting system
	CPA - 2	6/30/04 - Internal controls for payroll should be strengthened for example - individual to set up new employees should not be individual cutting payroll checks, payroll distribution check should be done, review of payroll registers to time sheets should be performed <ul style="list-style-type: none"> - Finance Manager should be update to implement safeguards so that flaws in accounting system, such as what happened at Roslyn, can not occur - Internal controls should be monitored and audit procedures should be implemented to enhance the District's internal control
	CPA - 2	6/30/05 - No reportable conditions however, Federal awards - noted that charges to federal awards for salaries and wages were not supported by periodic certifications signed by an employee or supervisor having first hand knowledge of the work performed. <ul style="list-style-type: none"> - District should ensure that proper individuals approve budget transfers - Employees were not removed from life insurance billing although they no longer worked for district - District does not reconcile the payroll per payroll tax returns - Form 941 to ledger. - All journal entries should be approved by management before they are recorded - Extra classroom activity - sales tax was not collected, Form 1099's were not issued, sales tax in some cases was not paid on purchases - A semi annual certification should be made of salaries to charging of grants

SD 5 -12	CPA -1	6/30/03 - No reportable conditions
	CPA - 1	6/30/04 - Capital fund had \$400k deficit yet district has no permanent financing <ul style="list-style-type: none"> - Two PTA accounts utilize district's ID number - Board minutes are not maintained on a timely basis

- District should review internal auditor's job responsibilities to make sure they are consistent with work being performed

- Review of payments to District revealed that there were several price quotations required by District's purchasing policy that were not documented

CPA - 2 6/30/2005 - 2 reportable conditions

- adjusting journals entries are not reviewed and approved by management

- the system administrator is also the bookkeeper for the district

28 items regarding internal control deficiencies addressed in mgmt letter reponses (major items as follows):

- accounting software -passwords need to be changed on a regular basis, data needs to be backed up on a daily basis, testing of backup needs to be done on a regular basis

- financial accounting transactions - adjusting journal entires need to be approved, written authorization logs need to be developed, system administration protocols should be reviewed.

- Reimbursements to district administrators should be made on travel cliam form, receipts will be required for all claims, sales tax should not be paid

- Credit cards - district credit cards should be discontinued

- Payroll tax returns should be reconciled to expenditure ledger in addition all unclaimed payroll checks should be returned to Asst Supt of Business

- Prior approval for overtime should be received prior to the individual working the overtime hours

- There should be specific personnel assigned to the federal and state grants

- There should be a reconciliation of all capital accounts

SD 5 -13

CPA - 6 6/30/03 - No mgmt letter present

CPA - 6 6/30/04 - Mgmt letter points - Un appropriated fund balance at 6/30/04 is in excess of 2% permitted by Section 1318 of Real Property Tax Law -same point appeared on 6/30/02 mgmt letter

- Treasurer should be present for printing of all checks and will maintain a log of all check numbers run

- Bank reconciliations should be performed by an individual who is not responsible for depositing cash

CPA - 6 6/30/05 - Mgmt letter points - Unappropriated fund balance at 6/30/05 is in excess of 2% permitted by Section 1318 of Real Property Tax Law

- Certain capital projects were completed with residual balances residing in the Capital Projects Fund, many of which date back to prior bond issues and capital projects that have been completed

SD 3 - 5

CPA - 7

6/30/2003 - Cash - checks submitted for pymt should be accompanied by an invoice, Cancelled checks should be reviewed for irregular endorsements, old outstanding checks - ie past 90 days should be written off after payee is contacted

-Invoices should be checked to purchase order to verify that price, extensions and footing are correct.

-Invoices that are being disputed should be entered into accounts payable

-Invoices should be canceled by indicating date paid, check number and amount

-Individual signing check should initial invoice to indicate review of the invoice

-Invoices should be filed in a manner that makes retrieving them easily to access

- Vendor files should be set up in a manner that is easy to retrieve

- Purchase orders are often prepared after the items are received

- Personnel files are not current

- Personnel files do not include the pertinent items that should be maintained in such file

CPA - 8

6/30/04 - Financial statements for the year ended 6/30/04 were not filed with NYS on a timely basis - report is due by 10/1/04

-Purchase order should accompany invoice and should be prepared when items are purchased

- Personnel files not complete and current

- District accountant and treasurer should not be staffed by the same individual

- District should maintain an updated list of current fixed assets

- Some employees do not have a personnel file and not cleared by NYS Central Registry as required by NYS School Law

*Suffolk County School Districts - Large Sized Districts - Revenues in Excess of \$100,000,000
Summary of Mgmt Letter Issues or Schedule of Findings and Questioned Costs*

SCHOOL DISTRICT AUDITORS MANAGEMENT LETTER FINDINGS 2003 - 2005

SD 6 -1 CPA - 2 6/30/03 - No reportable conditions

CPA - 2 6/30/04 - No reportable conditions

CPA - 2 6/30/05 - 3 reportable conditions

- Adjusted journal entries not reviewed or approved
- Cash is received, deposited and entered into the District's books by the same individual who signs checks and reconciles the books to the bank
- fixed assets not updated or validated in several years

SD 5 -7 CPA - 2 6/30/03 - No reportable conditions

CPA - 2 6/30/04 - Internal auditor should review claims/checks after they are signed

- Two bank accounts using the District's federal identification number appear to be funds maintained by outside organizations
- The individual who receives the cash for the district is also the person who deposits it into the bank - there should be a segregation of duties.
- The District should review its purchasing procedures to ensure that all transactions that require quotations are supported by adequate documentation'
- The District should review its purchasing procedures to ensure that all purchase orders are prepared prior to the purchase being made
- District should obtain written confirmation from Finance Mgr that controls in their software have been implemented to avoid a "Roslyn scandal"
- District should review fixed assets for completeness

- Some cash disbursements of extraclassroom activity funds do not reflect student involvement in transaction, some clubs do not meet state criteria of such

- 6/30/05 - District should utilize computer audit trail, remote computer channel as well as system should have a log, District should have a disaster recovery plan, review all internal controls within its computer operations
- CPA - 2
- Business administrator should review and sign off on all journal entries
 - Must segregate duties for depositing money, recording transactions and comparing monthly bank recs to deposit slips
 - Review of how cash is collateralized should be done annually
 - Two bank accounts were in the District's identification number that should have had their own number
 - In preparation of monthly bank reconciliation, cancelled checks should be compared to recorded information
 - Checks should not be payable to petty cash
 - District should review its purchasing procedures to ensure that all transactions that require quotations be supported with adequate documentation
 - A purchase order should be prepared prior to any purchases
 - Payroll changes should be input by a human resources supervisor. Payroll dept should not have access to adding/editing employees
 - A monthly payroll certification should be implemented
 - Quarterly payroll tax returns should be reconciled to acctg ledger
 - Claims auditor should report to the Board on a monthly basis
 - Credit card purchases should contain a sales draft attached to it
 - District should update fixed asset reports
 - District should form an audit committee
 - District should review its current reserves according to general municipal law
 - Reimbursement for out of pocket conference expense should be submitted based upon documentation recommended by the state

SD 5 - 2

CPA - 1 6/30/03 - board needs to adopt a capitalization policy

- per a recent ruling by the NYS Commissioner of Education - any funds held by district for the non-current portion of its liability for compensated absences must be maintained in a new reserve known as Reserve for Accrued Liabilities and Employee Benefits

- 6/30/04 - Passwords should be changed on a frequent basis and there should be a review of those individuals that have permission
- CPA - 1
- The district should consider having internal claims auditors
 - Fixed assets should be inventoried in coordination with A/P system
 - The district should strengthen internal control with respect to distribution of payroll and vendor checks- should be distributed/mailed by someone other than person drawing the check
- CPA - 4 6/30/05 - District should collateralize all cash
- District should continue with it's fixed asset valuation and implement a system to track all fixed assets
 - Treasurer's report should include all cash accounts
 - Quarterly payroll tax returns should be reconciled to District's accounting system
 - All personnel files should be reviewed for completeness and accuracy
 - New hires should not be entered into acctg system by same individuals drawing the checks
 - School lunch fund balance exceeded the three month average expenditure level allowed by federal regulation
 - All purchases should contain a properly approved purchase order prior to ordering goods or services
 - Some invoices submitted for meal reimbursements did not contain an itemized receipt
 - Extraclassroom activity - missing invoices, prenumbered receipts were not issued to collect cash, invoices not stamped paid, deposit slips not attached to receipts, sales tax not being remitted with sales tax returns
 - Revenue Status and Appropriation Status reports need to be submitted to the board monthly for all funds

SD 5 - 4

- CPA - 1 6/30/03 - No reportable conditions
- CPA - 1 6/30/04 - No reportable conditions
- 6/30/05 - 12 pages of reportable conditions several of the significant ones are as follows:
- CPA - 4
- Several budget codes were over expended throughout the year

- Related party disclosure form should be completed by key employees, board members and administrators
 - District, in certain instances did not obtain proper written quotes for contracts
 - Some personnel files and employment contracts were missing
 - District should reconcile salaries per Form 941 to general ledger
 - Payroll should be certified by building level administrators
 - Certain employees exceeded 403b withholdings allowances
 - Blank checks are available to several employees of business staff
 - Several invoices predated purchase orders
 - In certain instances Form 1099 was not issued per IRS regulations
 - Majority of journal entries did not have supporting documentation
 - District doesn't maintain a procedural manual for business office
 - District does not have a capitalization policy for fixed assets
 - District has not reviewed its insurance policies regarding the adequacy of insurance coverage or bonding of key employees
 - No computer controls are in place
 - District should adopt a budget transfer policy

APPENDIX F

Applicable Statutes and Regulations

New York State Public Officers Law §87 [Freedom of Information Law] states in pertinent part:

1(a) The governing body of each public corporation shall promulgate uniform rules and regulations for all agencies in such public corporation pursuant to such general rules and regulations as may be promulgated by the committee on open government in conformity with the provisions of this article, pertaining to the administration of this article.

(b) Each agency shall promulgate rules and regulations, in conformity with this article and applicable rules and regulations promulgated pursuant to the provisions of paragraph (a) of this subdivision, and pursuant to such general rules and regulations as may be promulgated by the committee on open government in conformity with the provisions of this article, pertaining to the availability of records and procedures to be followed, including, but not limited to:

- i. the times and places such records are available;
- ii. the persons from whom such records may be obtained, and
- iii. the fees for copies of records which shall not exceed twenty-five cents per photocopy no in excess of nine inches by fourteen inches or the actual cost of reproducing any other record, except when a different fee is otherwise prescribed by statute.

2. Each agency shall, in accordance with its published rules, make available for public inspection and copying all records, except that such agency may deny access to records or portions thereof that:

1. are specifically exempted from disclosure by state of federal statute;
2. if disclosed would constitute an unwarranted invasion of person privacy under the provisions of subdivision two of section eighty-nine of this article;
3. if disclosed would impair present or imminent contract awards or collective bargaining negotiations;
4. are trade secrets or are submitted to any agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise;
5. are compiled for law enforcement purposed and which, if disclosed would:
 - a. interfere with law enforcement investigations or judicial proceedings;

- b. deprive a person of a right to a fair trial or impartial adjudication;
 - c. identify a confidential source or disclose confidential information relating to a criminal investigation; or reveal criminal investigative techniques or procedures, except routine techniques and procedures;
 - 6. if disclosed could endanger the life or safety of any person;
 - 7. are inter-agency or intra-agency materials which are not:
 - a. statistical or factual tabulations or data;
 - b. instructions to staff that affects the public;
 - c. final agency policy or determinations;
 - d. external audits, including but not limited to audits performed by the comptroller or federal government; or
 - 8. are examination questions or answers which are requested prior to the final administration of such questions.
 - 9. If disclosed, would jeopardize an agency's capacity to guarantee the security of its information technology assets, such assets encompassing both electronic information systems and infrastructures; or
 - 10. Are photographs, microphotographs, videotape or other recorded images prepared under authority of section eleven hundred eleven –a of the vehicle and traffic law.
3. Each agency shall maintain:
- 1. a record of the final vote of each member in every agency proceeding in which the member votes;
 - 2. a record setting forth the name, public office address, title and salary of every officer or employee of the agency; and
 - 3. a reasonably detailed current list by subject matter, of all records in the possession of the agency, whether or not available under this article.

New York State Public Officers Law § 103 states in pertinent part:

Every meeting of a public body shall be open to the general public, except that an executive session of such body may be called and business transacted thereat in accordance with section ninety-five of this article.

New York State Public Officers Law §105 states in pertinent part:

- 1. Upon a majority vote of its total membership, taken in an open meeting pursuant to a motion identifying the general area or areas of the subject or subjects to be considered, a public body may conduct an executive session for the below enumerated

purposes only, provided, however, that no action by formal vote shall be taken to appropriate public moneys:

- a. matters which will imperil the public safety if disclosed;
 - b. any matter which may disclose the identity of a law enforcement agency or informer;
 - c. information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed;
 - d. discussions regarding proposed, pending or current litigation;
 - e. collective negotiations pursuant to article fourteen of the civil service law
 - f. the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
 - g. the preparation, grading or administration of examinations; and
 - h. the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.
2. Attendance at an executive session shall be permitted to any member of the public body and any other such persons authorized by the public body.

New York State Public Officers Law §106 states:

1. Minutes shall be taken at all open meetings of a public body which shall consist of a record or summary of all motions, proposals, resolutions and any other matter formally voted upon and the vote thereon.
2. Minutes shall be taken at executive sessions of any action that is taken by formal vote which shall consist of a record or summary of the final determination of such action, the date and vote thereon; provided, however, that such summary need not include any matter which is not required to be made public by the freedom of information law is added by article six of this chapter
3. Minutes of meetings of all public bodies shall be available to the public in accordance with the provisions of the freedom of information law within two weeks from the date of such meeting except that minutes taken pursuant to subdivision two hereof shall be available to the public within one week from the date of the executive session.

New York State Education Law §1604 in pertinent part states

It shall be the duty of the trustees of a common school district and they shall have the power:

1. To call special meetings of the inhabitants of such district whenever they shall deem it necessary and proper.
5. To have the custody and safekeeping of the district schoolhouses, their sites and appurtenances.
8. To appoint and enter into contract with a superintendent of schools as provided in, and consistent with, section seventeen hundred eleven of this chapter, and to employ ... as many legally qualified teachers as the schools of the district require; to determine the rate of compensation of each teacher and to determine the terms of school to be held during each school year, and to employ persons to supervise, organize, conduct and maintain athletic, playground and social center activities when they are authorized by a vote of a district meeting as provided by law.
9. To establish rules for the government and discipline of the schools of the district.
10. To prescribe the course of studies to be pursued in such schools. Provisions shall be made for instructing pupils in all schools supported by public money, or under state control, in all subjects in which such instruction is required to be given under the provisions of article seventeen [of the Education law].
12. To collect by district tax an amount sufficient to maintain school in the district for the current school year.
14. To keep each of the school houses under their charge, and its furniture, school apparatus and appurtenances, in necessary and proper repair, and make the same reasonable comfortable for use;
15. To make any repairs and abate any nuisances, pursuant to the director of the district superintendent as herein provided, and provide fuel, stoves or other heating apparatus, pails, brooms and other implements necessary to keep the schoolhouses and the school rooms clean, and make them reasonably comfortable for use
16. To provide for all janitorial work in and about the school buildings, and pay reasonable compensation therefore.
17. To provided bound blank-books for the entering of their accounts, the records of the district and the proceedings of district and trustee meetings, and a list of movable property of the district
21. To purchase and maintain, when authorized by a vote of the qualified voters of the school district, a motor vehicle or vehicles to be used for the transportation of the school children of the district.
27. To reimburse members of the teaching and supervising staff for expenses actually and necessarily incurred in the performance of their official duties and to make such rules and regulations in relation thereto as they deem necessary and proper. Such rules and regulations may include the establishment of a mileage rate for the use of personally owned cars for such purpose in lieu of auditing and allowing claims of actual and necessary expenses of travel.
28. To provide, maintain and operate a cafeteria or restaurant service for the use of pupils and teachers while in school and for the use by the community for school related functions and activates and to furnish meals to the elderly residents, sixty years of age or older, of the district.

29. To prescribe the textbooks to be used in the schools, and to compel a uniformity in the use of the same, pursuant to the provision of this chapter, and to furnish the same to pupils out of any moneys provided for that purpose.

35 (a). In its discretion, to adopt a resolution establishing the office of claims auditor and appoint a claims auditor who shall hold his or her position subject to the pleasure of the board of education. Such claims auditor shall report directly to the board of education. No person shall be eligible for appointment to the office of claims auditor who shall also be: (1) a member of the board of education; (2) the clerk or treasurer of the board of education; (3) the superintendent of schools or other official of the district responsible for business management; (4) the person designated as purchasing agent or; (5) clerical or professional personnel directly involved in accounting and purchasing functions of the school district.

(b) When such office of claims auditor shall have been established and a claims auditor shall have been appointed and shall have qualified, the powers and duties of the board of education with respect to claims auditing, allowing or rejecting all accounts, charges, claims or demands against the school district shall devolve upon and thereafter be exercised by such claims auditor, during the continuance of such office.

New York State Education Law §1608 reads in pertinent part:

1. It shall be the duty of the trustees of each common school district to present at the annual budget hearing a detailed statement in writing of the amount of money which will be required for the ensuing year for school purposes, specifying the several purposes and the amount for each.
2. Such statement shall be completed at least seven days before the budget hearing at which it is to be presented and copies thereof shall be prepared and made available, upon request to residents within the district during the period of fourteen days immediately preceding the annual meeting and election or special district meeting at which the budget vote will occur and at such meeting or hearing. The board shall also as a part of the notice required by section two thousand three of this chapter give notice of the date, time and place of the budget hearing and that a copy of such statement may be obtained by any resident in the district at each school house in the district in which school is maintained during certain designated hours on each day other than a Saturday, Sunday or holiday during the fourteen days immediately preceding such meeting. The board shall include notice of the availability of such statement at least once during the school year in any district-wide mailing distributed.
3. Such proposed budget shall be in plain language and shall be consistent with regulations promulgated by the commissioner pursuant to subdivision twenty-six

- of section three hundred five of this chapter. Categorization of and format for revenue, including payments in lieu of taxes, property tax refunds from certiorari proceedings, expenditure, transfer, and fund balance information and changes in such data from the prior year and, in the case of a resubmitted or amended budget, changes in such information from the prior year's submitted budget shall be complete and accurate and set forth in such a manner as to best promote public comprehension and readability.
4. Such proposed budget shall be presented in three components: a program component, a capital component and an administrative component which shall be separately delineated. The administrative component shall include, but need not be limited to , office and central administrative expenses, traveling expenses and salaries and benefits of all certified school administrators and supervisors who spend a majority of their time performing administrative or supervisory duties, any and all expenditures associated with the operation of the office of trustee or board of trustees, the office of the superintendent of schools, general administration, the school business office, consulting costs not directly related to direct student services and programs, planning and all other administrative activities. The program component shall include, but need not be limited to, all program expenditures of the school district, including the salaries and benefits of teachers and any school administrators or supervisors who spend a majority of their time performing teaching duties, and all transportation operating expenses. The capital component shall include, but need not be limited to , all transportation capital, debt service, and lease expenditures; costs resulting from judgments in tax certiorari proceedings or the payment of awards from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the school district.
 5. The trustee or board of trustees shall append to the statement of estimated expenditures a detailed statement of the total compensation to be paid to the superintendent of schools, and any assistant or associate superintendents of schools in the ensuing school year, including a delineation of the salary, annualized cost of benefits and any in-kinds or other form of remuneration. The trustees shall also append a list of all other school administrators and supervisors, if any, whose annual salary will be eight-five thousand dollars or more in the ensuing school year, with the title of their positions and annual salary identified; provided however, that the commissioner may adjust such salary level to reflect increases in administrative salaries after June thirtieth, nineteen hundred ninety-eight. The trustees shall submit a copy of such list and statement of compensation to the commissioner with five days after their preparation. The commissioner shall compile such data, into a single statewide compilation, which shall be made available to the governor, the legislature and other interested parties upon request.

New York State Education Law §1610 states in pertinent part:

The trustees shall render to the district, at its annual meeting, a just, full and true account in writing of all moneys received b y them respectively for use of the district, or raised or collected by taxes, in the preceding year, and of the manner in which the same shall have

been expended, and showing to which of them an unexpended balance, or any part thereof, is chargeable; and of all drafts or orders made by them upon the county treasurer, collector, treasurer or other custodian of moneys of the district; and a full statement of all appeals, actions or suits and proceedings brought by or against them, and of every special matter touching the condition of the district.

New York State Education Law §1619 states:

The trustees shall let all contracts for public work and all purchase contracts to the lowest responsible bidder after advertisement for bids where so required by section one hundred three of the General Municipal Law

New York State General Municipal Law §103 states in pertinent part:

All contracts for public work involving an expenditure of more than twenty thousand dollars and all purchase contracts involving an expenditure of more than ten thousand dollars, shall be awarded by the appropriate officer, board or agency of a political subdivision or of any district therein to the lowest responsible bidder furnishing the required security after advertisement for sealed bids in the manner provided by this section.

New York State Education Law §1702 reads in pertinent part:

1. Whenever a union free school district shall be established, it shall be the duty of the meeting at which such union free school district is established to elect by ballot not less than three nor more than nine trustees, who shall, by the order of such meeting, be divided into a sufficient number of classes so that as nearly as possible an equal number of members shall be elected to the board each year, based upon a normal term of three, for or five years, as such meeting may determine.
2. The trustees thus elected, shall enter at once upon their offices. The said trustees and their successors in office shall constitute the board of education of the union free school district thus established.

New York State Education Law § 1709 reads in pertinent part:

The said board of education of every union free school district shall have the power and it shall be its duty;

1. To adopt such by-laws and rules for its government as shall seem proper in the discharge of the duties required under the provisions of this chapter;
2. To establish such rules and regulations concerning the order and discipline of the schools, in the several departments thereof, as they may deem necessary to secure the best educational results;

3. To prescribe the course of study by which the pupils of the schools shall be graded and classified and to regulate the admission of pupils and their transfer from one class or department to another, as their scholarship shall warrant.
4. To prescribe the textbooks to be used in the schools and to compel a uniformity in the use of the same, pursuant to the provisions of this chapter and to furnish the same to pupils out of any monies provided for that purpose;
5. To make provision for the instruction of pupils in all subjects in which instruction is required to be given under the provisions of Article 17 of this chapter;
6. To purchase sites, or additions thereto, for recreation grounds, for agricultural education purposes and for schoolhouses for the district; and to operate the facilities provided; to purchase furniture and apparatus for such schoolhouses, and to keep the furniture and apparatus therein in repair;
14. To have in all respects the superintendence, management and control of said union free schools and to establish therein, in conformity with the regents rules, an academic department, whenever in their judgment the same is warranted by the demand for such instruction
15. To provide fuel, furniture, apparatus and other necessities for the use of said schools.
16. To contract with and employ such persons as by the provisions of this chapter are qualified teachers; to determine the number of teachers to be employed in the several departments of instruction in said school, and at the time of such employment to make and deliver to each teacher a written contract;
- 20-a. In its discretion, to adopt a resolution establishing the office of claims auditor and appoint a claims auditor who shall hold his or her position subject to the pleasure of the board of education. Such claims auditor shall report directly to the board of education. No person shall be eligible for appointment to the office of claims auditor who shall also be: (1) a member of the board of education; (2) the clerk or treasurer of the board of education; (3) the superintendent of schools or other official of the district responsible for business management; (4) the person designated as purchasing agent or; (5) clerical or professional personnel directly involved in accounting and purchasing functions of the school district.
 - (b) When such office of claims auditor shall have been established and a claims auditor shall have been appointed and shall have qualified, the powers and duties of the board of education with respect to claims auditing, allowing or rejecting all accounts, charges, claims or demands against the school district shall devolve upon and thereafter be exercised by such claims auditor, during the continuance of such office.

New York State Education Law §1710 states:

The board of education of a union free school district shall possess all the powers and privileges and be subject to all the duties which the trustees of common school districts possess or are subject to under this chapter, not especially provided for in this article and not inconsistent with the provisions of this article

New York State Education Law §1711 states in pertinent part:

1. The board of education of any union free school district may appoint a superintendent consistent with the provisions of this section.
2. Such superintendent shall possess, unless otherwise specified by the by-laws of the board of education, the following powers and be charged with the following duties:
 - a. To be the chief executive officer of the school district and the educational system, and to have the right to speak on all matters before the board, but not to vote.
 - b. To enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the board of education.
 - c. To prepare the content of each course of study authorized by the board of education. The content of each such course shall be submitted to the board of education for its approval and, when thus approved, the superintendent shall cause such courses of study to be used in the grades, classes and schools for which they are authorized.
 - d. To recommend suitable lists of textbooks to be used in the schools.
 - e. To have supervision and direction of associate, assistant and other superintendents, directors, supervisors, principals, teachers, lecturers, medical inspectors, nurses, claims auditors, attendance officer, janitors and other persons employed in the management of the schools or the other educational activities of the district authorized by this chapter and under the direction and management of the board of education; to transfer teachers from one school to another, or from one grade of the course of study to another grade in such course, and to report immediately such transfers to such board for its consideration and actions; to report to such board violations of regulations and cases of insubordination, and to suspend an associate, assistant or other superintendent, director, supervisor, expert, principal, teacher or other employee until the next regular meeting of such board, when all facts relating to the case shall be submitted to such board for its consideration and action.
 - f. To have supervision and direction over the enforcement and observance of the courses of study, the examination and promotion of pupils, and over all other matters pertaining to playgrounds, medical inspection, recreation and social center work, libraries, lectures, and all other education activities under the management, direction and control of the board of education
3. Each superintendent shall be under the direction of the board of education, which shall prescribe his or her powers and duties, except as otherwise provided in subdivision two of this section. The superintendent shall be paid a salary, to be fixed by the board of education, and he may be removed from office by a vote of the majority of all the members of such board, provided, however, that a board of education may enter into a contract with such superintendent for a period of not

less than three and not more than five years, and upon such other terms as shall be mutually acceptable to the parties, including but not limited to, fringe benefits and procedures for termination by either party prior to the expiration of the term of such contract. The services of such a superintendent of schools may be discontinued at any time by a majority vote of the board of education, and upon sixty days notice in writing to the superintendent of schools. The other terms of any such contract, including any provisions relating to an increase in salary, compensation or other benefits, shall not be based on or tied to the terms of any contract or collective bargaining agreement that the board of education has or will enter with the teachers or other employees of the school district.

New York State Education Law §1716 states in pertinent part:

1. It shall be the duty of the board of education to present at the annual budget hearing a detailed statement in writing of the amount of money which will be required for the ensuing year for school purposes, specifying the several purposes and the amount for each.
2. Such statement shall be completed at least seven days before the budget hearing at which it is to be presented and copies thereof shall be prepared and made available, upon request to residents within the district during the period of fourteen days immediately preceding the annual meeting and election or special district meeting at which the budget vote will occur and at such meeting or hearing. The board shall also as a part of the notice required by section two thousand three of this chapter give notice of the date, time and place of the budget hearing and that a copy of such statement may be obtained by any resident in the district at each school house in the district in which school is maintained during certain designated hours on each day other than a Saturday, Sunday or holiday during the fourteen days immediately preceding such meeting. The board shall include notice of the availability of such statement at least once during the school year in any district-wide mailing distributed.
3. Such proposed budget shall be in plain language and shall be consistent with regulations promulgated by the commissioner pursuant to subdivision twenty-six of section three hundred five of this chapter. Categorization of and format for revenue, including payments in lieu of taxes, property tax refunds from certiorari proceedings, expenditure, transfer, and fund balance information and changes in such data from the prior year and, in the case of a resubmitted or amended budget, changes in such information from the prior year's submitted budget shall be complete and accurate and set forth in such a manner as to best promote public comprehension and readability.
4. Such proposed budget shall be presented in three components: a program component, a capital component and an administrative component which shall be separately delineated. The administrative component shall include, but need not be limited to , office and central administrative expenses, traveling expenses and salaries and benefits of all certified school administrators and supervisors who

- spend a majority of their time performing administrative or supervisory duties, any and all expenditures associated with the operation of the office of trustee or board of trustees, the office of the superintendent of schools, general administration, the school business office, consulting costs not directly related to direct student services and programs, planning and all other administrative activities. The program component shall include, but need not be limited to, all program expenditures of the school district, including the salaries and benefits of teachers and any school administrators or supervisors who spend a majority of their time performing teaching duties, and all transportation operating expenses. The capital component shall include, but need not be limited to, all transportation capital, debt service, and lease expenditures; costs resulting from judgments in tax certiorari proceedings or the payment of awards from court judgments, administrative orders or settled or compromised claims; and all facilities costs of the school district.
5. The board of education shall append to the statement of estimated expenditures a detailed statement of the total compensation to be paid to the superintendent of schools, and any assistant or associate superintendents of schools in the ensuing school year, including a delineation of the salary, annualized cost of benefits and any in-kinds or other form of remuneration. The trustees shall also append a list of all other school administrators and supervisors, if any, whose annual salary will be eight-five thousand dollars or more in the ensuing school year, with the title of their positions and annual salary identified; provided however, that the commissioner may adjust such salary level to reflect increases in administrative salaries after June thirtieth, nineteen hundred ninety-eight. The trustees shall submit a copy of such list and statement of compensation to the commissioner with five days after their preparation. The commissioner shall compile such data, into a single statewide compilation, which shall be made available to the governor, the legislature and other interested parties upon request.

New York State Education Law §1721 states:

It shall be the duty of the board of education of a union free school district to keep an accurate record of all its proceedings in books provided for that purpose. It shall also be the duty of said board to cause to be published once in each year, during the month of July or during the month of August, in at least one public newspaper having general circulation within such district, a full and detailed account of all moneys received by the board or the treasurer of said district, for its account and use, also of all moneys expended therefore, giving the items of expenditure in full; should there be no paper published in or having general circulation within said district said board shall publish such account by notice to the taxpayers, by posting copies thereof in five public places in said district.

New York State Education Law § 1724 in pertinent part states:

No claim against a central school district or a union free school district, except for compensation for services of an officer or employee engaged at agreed wages by the hour, day, week, month or year or for the principal of or interest on indebtedness of the district, shall be paid unless an itemized voucher therefore approved by the officer whose action gave rise or origin to the claim, shall have been presented to the board of education of the district and shall have been audited and allowed.

New York State Education Law §1804 states in pertinent part:

Each such central school district shall be managed by a board of education consisting of five, seven or nine members, which board shall have the same powers and duties as boards of education in union free school districts as provided in this chapter.

New York State Education Law §1805 states in pertinent part:

All central school districts shall have the same powers and be subject to the same limitations that are now conferred or imposed by law upon union free school districts as provided in this chapter.

New York State Education Law §2002 states in pertinent part:

The annual meeting and election of each school district shall be held on the third Tuesday of May in each year.

New York State Education Law § 2003 states in pertinent part:

The district clerk of each common school district shall give notice of the availability of the statement of expenditures and shall also give notice of the time and place of the annual meeting by publishing a notice four times within the seven weeks next preceding such annual meeting, the first publication to be at least forty-five days before said meeting, in two newspapers if there shall be two, or in one newspaper if there shall be but one, having general circulation within such district.

New York State Education Law § 2004 states in pertinent part:

The clerk of each union free school district shall give notice of the availability of the statement of expenditures and shall also give notice of the time and place of the annual meeting by publishing a notice four times within the seven weeks next preceding such

annual meeting, the first publication to be at least forty-five days before said meeting, in two newspapers if there shall be two, or in one newspaper if there shall be but one, having general circulation within such district.

New York State Education Law §2022 states in pertinent part:

1. The election of trustees or members of the board of education, and the vote upon the appropriation of the necessary funds to meet the estimated expenditures, in any common school district, union free school district, central school district or central high school district shall be held at the annual meeting and election on the third Tuesday in May, provided however, that such election shall be held on the second Tuesday in May if the commissioner at the request of a local school board certifies no later than March first that such election would conflict with religious observances.
- 2-a. Every common, union free, central, central high school district and city school district to which this article applies shall mail a school budget notice to all qualified voters of the school district after the date of the budget hearing, but no later than six days prior to the annual meeting and election or special district meeting at which a school budget vote will occur. The school budget notice shall compare the percentage increase or decrease in total spending under the proposed budget over total spending under the school district budget adopted for the current school year, with the percentage increase or decrease in the consumer price index, from January first of the prior school year to January first of the current school year and shall also include the information required by paragraphs a and b of this subdivision. The notice shall also set forth the time, date and place of the school budget vote, in the same manner as in the notice of the annual meeting. Such notice shall be in a form prescribed by the commissioner. Such notice shall also include a description of how total spending and the tax levy resulting from the proposed budget would compare with a projected contingency budget. Such comparison shall be in total and by component (program, capital and administrative) and shall include a statement of the assumptions made in estimating the projected contingency budget.
- 2-b. Such notice shall also include, in a format prescribed by the commissioner, a comparison of the tax savings under the basic school tax relief (STAR) exemption and the increase or decrease in school taxes from the prior year, and the resulting taxpayer savings, for a hypothetical home within the district with a full value of one hundred thousand dollars, under the existing school budget with such saving under the proposed budget.

New York State Education Law § 2101 states:

1. Each common school district shall have one or three trustees as the district determines, a collector, except in first class towns and except as may otherwise provided by law, and if the district so decides, a treasurer.
2. Each union free school district shall have a board of education consisting of from three to nine trustees as the district shall determine.

New York State Education Law § 2102-a states in pertinent part:

1. Every trustee or voting member of a board of education of a school district or a board of cooperative educational services, elected or appointed for a term beginning on or after July first, two thousand five, shall within the first year of his or her term, complete a minimum of six hours of training on the financial oversight, accountability and fiduciary responsibilities of a school board member. Upon demonstration of compliance, no trustee or member of a board of education of board of cooperative educational services shall be required to repeat this training requirement.
2. The curriculum used for training on financial oversight, accountability and fiduciary responsibilities shall be approved by the commissioner in consultation with the comptroller. This curriculum may be offered as part of a general course of training for the purpose of educating trustees or members on their powers, functions and duties. The training required by this section may be offered by providers approved by the commissioner. In approving other providers for this training, the commissioner shall consider the potential provider's understanding of the educational environment, the roles of trustees and boards of education and boards of cooperative educational services, and the experience of the provider in delivering such training.
3. Each trustee or member shall demonstrate compliance with this requirement by filing with the district clerk a certificate of completion of such course issued by the provider. Actual and necessary expenses incurred by a trustee or member in complying with the foregoing requirement shall be a charge against the school district.

New York State Education Law §2102 states:

Every school district officer must be able to read and write and must be a qualified voter of the district; and each member of a board of education of a union free school district, common school district or a central school district, a resident of the district or reservation, for at least one year prior to the election. Notwithstanding the provisions of any other general or special law to the contrary, a school district treasurer, collector or clerk need not be a resident of the school district to hold such office in such district.

New York State Education Law § 2103 states in pertinent part:

1. No district superintendent or supervisor is eligible to the office of trustee or member of a board of education, and no trustee or member of a board of education can hold the office of district clerk, collector, treasurer or librarian, except as otherwise provided by section twenty-one hundred thirty.

2. A person removed from a school district office shall be ineligible to appointment or election to any district office for a period of one year from the date of such removal
3. No more than one member of a family shall be a member of the same board of education in any school district.

New York State Education Law §2105 states in pertinent part:

1. In a common school district having a sole trustee, the term of office of trustee shall be one year.
2. In a common school district having three trustees, the full term of office of trustee shall be three years.
3. In a central school district or a union-free school district, the full term of office of trustee shall be three, four or five years.
2. The term of office of all other district officers shall be one year.
3. One year, within the meaning of this section, is a school year.

New York State Education Law § 2116 states:

The records, books and papers belonging or appertaining to the office of a school district are hereby declared to be the property of such district and shall be open for inspection by any qualified voter of the district at all reasonable hours, and any such voter may make copies thereof

New York State Education Law § 2116 - a reads in pertinent part:

1. All school district shall be required to maintain books and records in such form as the commissioner of education shall approve.
- 3 (a) The school authorities of each school district, except those employer fewer than eight teachers, shall obtain an annual audit of its records by an independent certified public accountant or independent public account. The report of such annual audit shall be presented to the trustees or board of education by such accountant. A copy of the audit report in form prescribed by the commissioner and certified by the accountant, or the comptroller, or bureau of audit, as the case may be, shall be furnished to that commission on or before October 15 following the end of the fiscal year audited.
- 3(b) on or after July first, two thousand five, all school districts, shall utilize a competitive request for proposal process when contracting for such annual audit. In addition, on or after July first, two thousand five, no audit engagement shall be for a term longer than five consecutive years; provided, however, that nothing in this subdivision shall preclude a district, in its discretion, from permitting an independent certified public accountant or independent public accountant engaged under an existing contract for such services to (i) submit a proposal for such service in response to a request for competitive proposals, or (ii) be awarded a contract to provide such services under a request for proposal process.

3(c) Each school district shall (i) prepare a corrective action plan in response to any findings contained in the annual external audit report or management letter, or any final audit report issued by the state comptroller, within ninety days of receipt of such report or letter, and (ii) to the extent practicable, begin implementation of such corrective action plan no later than the end of the next fiscal year.

New York State Education Law § 2116-b states in pertinent part:

1. No later than July first, , two thousand six, each school district shall establish an internal audit function to be in operation no later than the following December thirty-first. Such function shall include: (a) development of a risk assessment of district operations, including but not limited to, a review of financial policies and procedures and the testing and evaluation of district internal controls; (b) an annual review and update of such risk assessment; and (c) preparation of reports, at least annually or more frequently as the trustees or board of education may direct, which analyze significant risk assessment findings, recommend changes for strengthening controls and reducing identified risks, and specify timeframes for implementation of such recommendations.
2. School districts of less than eight teachers, school districts with actual general fund expenditures totaling less than five million dollars in the previous school year, or school districts with actual enrollment of less than three hundred students in the previous school year shall be exempt from this requirement.
3. The commissioner, in consultation with the comptroller, is authorized to promulgate regulations with respect to the internal audit function as is necessary for the proper performance of its duties, including standards, qualifications and training for audit personnel.
4. A district shall be permitted to utilize existing district personnel to fulfill this function, but such persons shall not have any responsibility for other business operations of the district while performing such function
5. A district shall be permitted to use (a) inter-municipal cooperative agreements, (b) shared services, or (c) independent contractors, to fulfill this function as long as personnel or entities performing the internal audit function comply with any regulations issued by the commissioner of meet professional auditing standards for independence between the auditor and the district.
6. Personnel or entities performing the internal audit function shall report directly to the trustees or board of education of each district. The district audit committee established under section twenty-one hundred sixteen-c of this article shall assist in the oversight of the internal audit function on behalf of the trustees or board.

New York State Education Law § 2116-c states in pertinent part:

1. Every school district, except those employing fewer than eight teachers, shall establish by resolution of the trustees or board of education an audit committee to

- over see and report to the trustees or board on the annual audit of the district records as required by section twenty-one hundred sixteen-a of this article.
2. The audit committee shall be established no later than January first, two thousand six as a committee of the trustees or board, as an advisory committee, or as a committee of the whole. An advisory committee may include, or be composed entirely by persons other than trustees or members of the board if, in the opinion of the trustees or board, such membership is advisable to provide accounting and auditing expertise.
 3. The audit committee shall consist of at least three members, who shall serve without compensation. Committee members shall be reimbursed for any actual and necessary expenditures incurred in relation to attendance at meetings. Employees of the school district are prohibited from serving on the audit committee.
 4. The role of an audit committee shall be advisory and any recommendations it provides to the trustees or board under subdivisions five and six of this section shall not substitute for any required review and acceptance by the trustees or board of education. If required by a regulation adopted by the commissioner, the annual audit report prepared by an independent certified public accountant or an independent public accountant shall not be deemed final until accepted by a resolution adopted by the trustees or board of education.
 5. It shall be the responsibility of the audit committee to:
 - (a) provide recommendations regarding the appointment of the external auditor for the district;
 - (b) meet with the external auditor prior to commencement of the audit;
 - (c) review and discuss with the external auditor any risk assessment of the district's fiscal operations developed as part of the auditor's responsibilities under governmental auditing standards for a financial statement audit and single federal audit standards if applicable;
 - (d) receive and review the draft annual report and accompanying draft management letter and, working directly with the external auditor, assist the trustees or board of education in interpreting such statements;
 - (e) make a recommendation to the trustees or board of education on accepting the annual audit report; and
 - (f) review every corrective action plan to be developed by a school district as required by section twenty-one hundred sixteen-a of this article and assist the trustees or board of education in the implementation of such plan.
 6. In addition, it shall be the responsibility of the audit committee to assist in the oversight of the internal audit function required by section twenty-one hundred sixteen-b of this article, including but not limited to, providing recommendations regarding the appointment of the internal auditor for the school district, the review of significant findings and recommendations of the internal auditor, monitoring of the school district's implementations of such recommendations, and the evaluation of the performance of the internal audit function.

New York State Education Law §2121 states in pertinent part:

It shall be the duty of the clerk of each school district:

(1) To record the proceedings of all meetings of the voters of his district in a book to be provided for that purpose by the district, and to enter therein-true copies of all reports made by the trustees to the district superintendent.

(9) To attend all meetings of the board of trustees when notified, and keep a record of their proceedings in a book provided for that purpose.

New York State Education Law §2122 states in pertinent part:

3. The treasurer of a school district shall be the chief accounting officer and the custodian of all moneys belonging to the district from whatever source derived.

New York State Education Law §2130 states in pertinent part:

1. In every union free school district, the board of education shall have the power to appoint one of their number, or some other individual as clerk of the board of education of such district.
2. Such clerk shall also act as clerk of said district, and shall perform all the clerical and other duties pertaining to his office, and for his services, he shall be entitled to receive such compensation as shall be fixed at an annual meeting of such district.
3. In case no provision is made at an annual meeting for the compensation of a clerk, the board of education may fix the same.
4. The board of education in every union free school district whose limits do not correspond with those of an incorporated village or city shall appoint a district treasurer, and a collector who shall hold office during the pleasure of the board.

New York State General Municipal Law §33 in pertinent part states:

Accounts of Officers to be examined:

2. Inspection and examination of certain accounts. The Comptroller shall cause the accounts of all officers of each such municipal corporation, industrial development agency, district, agency and activity to be inspected and examined by one or more examiners of municipal affairs for such periods as the comptroller shall deem necessary. On every such examination inquiry shall be made as to the financial condition and resources of the municipal corporation, industrial development agency, district, agency or activity, and into the method and accuracy of its accounts.

3. Audits of school districts, boards of cooperative educational services (BOCES) and charter schools.
 - a. Notwithstanding any other provisions of law to the contrary, the inspection and examination of school districts, charter schools and boards of cooperative educational service accounts shall be conducted pursuant to provisions of this subdivision. Within such funds as are made available for such purpose, the comptroller shall cause the accounts of every school district, BOCES and charter school in the state to be examined pursuant to a plan developed by the comptroller. Such audits shall be conducted in a manner so as to provide, that every school district, BOCES and charter school shall be audited at least once by March thirty-first, two thousand ten. The priority and frequency of such audits, and any audits conducted thereafter, shall be based upon a risk assessment process conducted by the comptroller which may include investigations of alleged improprieties, previous audit findings and recommendations, or their financial performance indicators. The comptroller shall provide affected school districts, BOCES and charter schools reasonable prior notice before the commencement of any audit.
 - b. In undertaking such audits the comptroller's review shall include, but not be limited to:
 - (1) examining, auditing and evaluating financial documents and records of school district, BOCES and charter schools,
 - (2) assessing the current financial practices of school districts, BOCES and charter schools to ensure that they are consistent with established standards, and
 - (3) determining that school districts, BOCES and charter schools provide for adequate protections against any fraud, theft, or professional misconduct.
 - c. All audits shall include any appropriate findings and recommendations of the auditors, regarding the fiscal practices that the auditors believe to be in violation of , any state or federal law, rule or regulation, or demonstrate negligence or incompetence
 - d. The office of the state comptroller shall upon making a finding of misconduct refer any findings of fraud, abuse or other conduct constituting a crime that are uncovered during the course of an audit, as appropriate, to the commissioner of education, the charter entity, the attorney general, United States attorney or district attorney having jurisdiction for appropriate action, together with any documents supporting the auditors findings.
 - e. The final audit report resulting from audits performed pursuant to this section shall be made available to the public school districts, BOCES or charter schools upon request for a period of at least five years. Furthermore, the school district, BOCES or charter school shall be

- required to post the final audit report on their internet website, if available, or otherwise make available, for a period of five years.
- f. Upon the request of the comptroller, any state agency, board of cooperative educational services, school district or charter school, shall cooperate with and make its staff, facilities, and resources available to the comptroller for the purpose of assisting the comptroller in carrying out all actions taken pursuant to this section, and shall provide the comptroller upon request, with all data and records in its possession that relate to audits undertaken pursuant to this section.
 - g. The comptroller shall inform and advise the governor and the legislature in December of each year regarding a review of all school districts, BOCES, and charter schools audits conducted during the preceding twelve months and any other pertinent information the comptroller deems appropriate.

New York State Education Law §501 contains the following definitions:

- 1. “Retirement System “ shall mean the New York State teachers retirement system
- 2. “Employer” shall mean the state of New York, the city, the village, school district board or trustee, or other agency of and within the state by which a teacher is paid;
- 3. “Teacher” shall mean any regular teacher, special teacher, including any school librarian or physical training teacher, principal, vice-principal, supervisor, supervisory principal, director, superintendent, city superintendent, assistant city superintendent, district superintendent and other member of the teaching or professional staff of any class, public school, vocational school, truant reformatory school or parental school and of any or all classes of schools within the state of New York...conducted under the order and superintendence of and wholly or partly at the expense of the New York state education department or of a duly elected board of education, board of school directors or board of trustees of the state or of any city or school district thereof, provided that no person shall be deemed a teacher within the meaning of this article who is not so employed for full time outside vacation periods.
- 11a “Final average salary” shall mean the average annual compensation earnable as a teacher during the five years of service immediately preceding his date of retirement, or it shall mean the average annual compensation earnable as a teacher during any five consecutive years of state service, said five years to be selected by the applicant prior to date of retirement.
- 11b. Notwithstanding anything to the contrary in this article, commencing July 1st, nineteen hundred sixty-nine, “final average salary” shall mean the

average regular compensation earned as a teacher during the three years of actual service immediately preceding his date of retirement, or any other three years of consecutive service upon application of the member, exclusive of any lump sum payments for sick leave, annual leave or any other form of termination pay; provided, however if the compensation earned in any twelve months exceeds that of the previous twelve months by more than twenty per centum, the amount in excess of twenty per centum shall be excluded in the computation of final average salary. In the case of persons who last became members on or after July first, nineteen hundred seventy-three, the provisions of this paragraph b shall apply on to those retiring from service prior to July 1st, nineteen hundred seventy-four.

New York State Education Law §503(5) states in pertinent part:

A retired teacher receiving a retirement allowance for other than disability may return to active public service. Any such retired teacher returning to active service shall immediately notify the retirement board of his intention. Except as otherwise provided in sections two hundred eleven and two hundred twelve of the retirement and social security law and section one hundred fifty of the civil service law, his retirement allowance shall be suspended during the time he is in active service.

New York State Civil Service Law §150 states in pertinent part as follows:

If any person subsequent to his retirement from the civil service of the state or of any municipal corporation or political subdivision of the state, shall accept any office, position or employment in the civil service of the state or of any municipal corporation or political subdivision of the state to which any salary or emolument is attached, except jury duty or the office of the inspector of election, poll clerk or ballot clerk under the election law, or the office of notary public or commissioner of deeds, or an elective public office, any pension or annuity awarded or allotted to him upon retirement and payable by the state, by such municipal corporation or political subdivision, or out of any fund established by or pursuant to law, shall be suspended during such service or employment and while such person is receiving any salary or emolument therefore except reimbursement for traveling expenses.

New York State Retirement and Social Security Law §210 contains the following definitions:

- A. The term “retired person” means a retired member of a retirement system or pension plan administered by the state or any of its political subdivisions who is receiving a retirement allowance for other than physical disability.

- B. The term “retirement allowance” means the total amount payable to a retired person, whether in the form of pension or annuity, or both, from a retirement system or systems or pension plan or plans administered by the state or any of its political subdivisions.
- D. “Final salary” means the maximum salary or compensation that the retired person currently would be receiving in the position from which he last retired if he had not retired.
- E. The term “public service” means the service of the state or any political division thereof, including a special district, district corporation, school district, board of cooperative educational services or county vocational education and extension board, or the service of a public benefit corporation or public authority created by or pursuant to laws of the State of New York, or the service of any agency or organization which contributes as a participating employer in a retirement system or pension plan administered by the state or any of its political subdivisions.
- F. The term “former employer” means the state or a political subdivision, public corporation, school district, board of cooperative educational services, county vocational education and extension board or agency or organization which contributes as a participating employer in a retirement system or pension plan administered by the state or any of its civil divisions, which directly paid the salary or compensation of a retired person at any time during the two years immediately preceding his retirement and who paid the salary on which the retiree’s retirement allowance is based.

Retirement and Social Security Law §211 in pertinent part states:

- (1) A retired person may be employed and earn compensation in a position or positions in public service without any effect on his status as retired and without suspension or diminution of his retirement allowance subject to one of the following:
 - A. His total compensation in such position or position in any calendar year, shall not exceed the multiple of \$500 next higher than the difference between, (1) the sum of his annual retirement allowance computed without optional modification plus annual supplemental retirement payments, if any and (2) the salary on which his retirement allowance is based or his final salary, whichever is greater or;
 - B. The position in which he is employed is not in a position in the service of a former employer
- (2)(a)(2) No retired person may be employed in a position of public service except under the approval of the commissioner of education, if such person is to be employed in the unclassified service of a school district, other than the City of New York

(2)(b) Such approval may be granted only on the written request of the prospective employer of such retired person, which request shall state detailed reasons therefore related to the standards set forth herein and on a finding of evidence satisfactory to the appropriate officer or authority of the commissioner of education that

1. The retired person is duly qualified, competent and physically fit for performance of the duties of the position in which he is to be employed;
2. There is a need for his services in such position;
3. If he will earn more than \$1,000 in one year, including compensation earned in such position under other provisions of this article, that there are not readily available for recruitment persons qualified to perform the duties of such position and;
4. His employment is in the best interest of the government service. Such approvals may be granted for periods not exceeding two years each. The authority or officer of the commissioner of education, upon approving employment of a retired person under this section, shall certify such approval to the retirement system or pension plan from which such person is receiving a retirement allowance.

3. If a retired person employed under this section earns in such employment in any calendar year an amount in excess of the maximum earnings allowed under subdivision one of this section, his retirement allowance and supplemental retirement payments shall be suspended until the amount so suspended equals the amount of the excess

4. A retired person returns to public services on or after January 1, 1974 as a consultant shall be subject to the limitations applicable to a reemployed retiree as specified in this section.

New York State Retirement and Social Security Law §212, states in pertinent part:

1. Any retired person may continue as retired and, without loss, suspension or diminution of his retirement allowance, earn in a position or positions in public service in any calendar year an amount not exceeding the amount set forth in the table in subdivision two of this section, provided such retired person employed under this section duly executes and files with the retirement system from which he is receiving a retirement allowance a statement that he elects to have the provision of this section apply to him. However, there shall be no earning limitations under the provisions of this section on or after the calendar year in which any retired person attains age 65. The retirement board of the New York State Teachers Retirement System is authorized to adopt rules and regulations which would allow retired persons receiving a retirement allowance from such system to make such statements of earnings from a position or

positions in public serve as such board shall determine necessary to enforce the provisions of this section in lieu of the foregoing statement of election.

2. The earnings limitations for retired persons in positions of public service under this section shall be in accordance with the following table:

Year	Limitation
1996	\$12,500
1997	\$13,500
1998	\$14,500
1999	\$15,500
2000	\$17,000
2001	\$18,500
2002	\$20,000
2003	\$25,000
2004 and thereafter	\$27, 500

New York State Penal Law §10.00(15) defines a public servant as (a) any public officer or employee of the state or of any political subdivision thereof or of any governmental instrumentality within the state, or (b) any person exercising the functions of any such public officer or employee. The term public servant includes a person who has been elected or designated to become a public servant.

New York State Penal Law § 155.25, Petit Larceny states

A person is guilty of petit larceny when he steals property

New York State Penal Law § 155.30, Grand Larceny in the Fourth Degree states in pertinent part:

A person is guilty of grand larceny in the fourth degree when he steals property and when the value of the property exceeds one thousand dollars

New York State Penal Law§155.35, Grand Larceny in the Third Degree states:

A person is guilty of grand larceny in the third degree when he steals property and when the value of the property exceeds three thousand dollars

New York State Penal Law §155.40, Grand Larceny in the Second Degree, **states in pertinent part:**

A person is guilty of grand larceny in the second degree when he steals property and when the value of the property exceeds fifty thousand dollars

New York State Penal Law §155.42, Grand Larceny in the First Degree, states:

A person is guilty of grand larceny in the first degree when he steals property and the value of the property exceeds one million dollars.

New York State Penal Law §175.30, Offering a False Instrument for Filing in the First Degree states:

A person is guilty of offering a false instrument for filing in the first degree when, knowing that a written instrument contains a false statement or false information, and with intent to defraud the state or any political subdivision, public authority or public benefit corporation of the state, he offers or presents it to a public office, public servant, public authority or public benefit corporation with the knowledge or belief that it will be filed with, registered or recorded in or otherwise become a part of the records of such public office, public servant, public authority or public benefit corporation.

New York State Penal Law §195.20, Defrauding the Government, states:

A person is guilty of defrauding the government when, being a public servant or party officer, he

- (a) engages in a scheme constituting a systematic ongoing course of conduct with intent to defraud the state or a political subdivision of the state or a governmental instrumentality within the state or to obtain property from the state or a political subdivision of the state or a governmental instrumentality within the state by false or fraudulent pretenses, representations or promises and
- (b) so obtains property with a value in excess of one thousand dollars from such state, political subdivision or governmental instrumentality.

34 Code of Federal Regulations Part 80.20: Standards for Fiscal Management Systems states in pertinent part:

- (a) A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its sub grantees and cost-type contractors, must be sufficient to:
 - (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
 - (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.
- (b) The financial management systems of other grantees and sub grantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or sub grant.
 - (2) *Accounting records.* Grantees and sub grantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or sub grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures and income.
 - (3) *Internal controls.* Effective control and accountability must be maintained for all grant and sub grant cash, real and personal property, and other assets. Grantees and sub grantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
 - (4) *Budget control.* Actual expenditures or outlays must be compared with budgeted amounts for each grant or sub grant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or sub grant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.
 - (5) *Allowable cost.* Applicable OMB cost principles, agency program regulations, and the terms of grant and sub grant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.
 - (6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub grant award documents, etc.
- (c) An awarding agency may review the adequacy of the financial management system of any applicant for financial assistance as part of a preaward review or at any time subsequent to award.

34 Code of Federal Regulations Part 80.50(2) states in pertinent part:

The grantee must immediately refund to the federal agency any balance of unobligated (unencumbered) cash advance that is not authorized to be retained