



Syosset Central School District

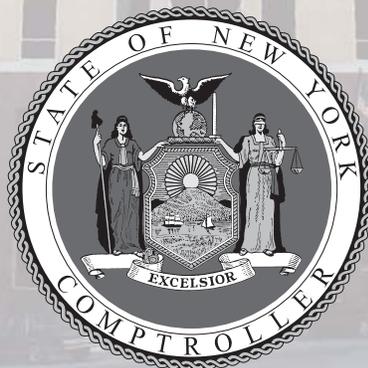
Administrative Costs

Report of Examination

Period Covered:

July 1, 2008 — June 30, 2010

2011M-108



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

February 2012

Dear School District Officials:

A top priority of the Office of the State Comptroller is to help school district officials manage their districts efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support district operations. The Comptroller oversees the fiscal affairs of districts statewide, as well as districts' compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving district operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard district assets.

Following is a report of our audit of the Syosset Central School District, entitled Administrative Costs. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's Authority as set forth in Article 3 of the General Municipal Law.

This audit's results and recommendations are resources for district officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

The Syosset Central School District (District) is located in the Town of Oyster Bay, Nassau County. The District is governed by the Board of Education (Board) which comprises nine elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the chief executive officer of the District and is responsible, along with other administrative staff, for the day-to-day management of the District under the direction of the Board.

There are 10 schools in operation within the District, with approximately 6,686 students and 1,594 employees. The District's budgeted expenditures of \$178 million for the 2008-09 fiscal year and \$185.6 million for the 2009-10 fiscal year were funded primarily with State aid, real property taxes, and grants.

As is the case in other districts, the District's payroll expenditures (salaries and benefits) represent the most significant operating cost. According to District reports,¹ salary and fringe benefits were approximately \$121.5 million in the 2008-09 fiscal year and \$124.3 million in the 2009-10 fiscal year, or about 71 percent of the District's general fund expenditures for both fiscal years.

One overall objective of our audits of school districts across the State is to help districts identify possible savings in non-classroom costs so that they can maintain core educational programs. As such, we have issued audits that identified cost savings in energy usage, transportation costs, contracting through the use of competitive procurements, and administrative costs. When our audits have periodically identified school districts whose administrative costs are higher than those of other nearby school districts, we have examined the causes of these extra costs. We have previously reported on the comparatively higher administrative costs in Katonah-Lewisboro Union Free School District, Lakeland Central School District, Hewlett-Woodmere Union Free School District and Ossining Union Free School District.

Salary and fringe benefits for District administrative staff represent 5 percent of the District's payroll expenditures. The District's administrators include the Superintendent, Deputy Superintendent, Assistant Superintendent for Business, Directors, Coordinators, Principals, and Assistant Principals.

¹ The Form ST-3 for fiscal year ended June 30, 2010 was used to determine actual salary and fringe benefit expenditures.

Objective

The objective of our audit was to assess the administrative costs that the District incurred for the period July 1, 2008 through June 30, 2010. Our audit addressed the following related question:

- How do the District's administrative expenses compare to those of other districts?

Scope and Methodology

We examined the District's administrative costs for the period July 1, 2008 to June 30, 2010.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix B of this report.

Comments of District Officials and Corrective Action

The results of our audit and recommendations have been discussed with District officials and their comments, which appear in Appendix A, have been considered in preparing this report. District officials generally agreed with our recommendation and indicated that they have already taken corrective action.

The Board has the responsibility to initiate corrective action. Pursuant to Section 35 of the General Municipal Law, Section 2116-a (3)(c) of the Education Law and Section 170.12 of the Regulations of the Commissioner of Education, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, with a copy forwarded to the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The Board should make the CAP available for public review in the District Clerk's office.

Administrative Costs

Board and school district officials are responsible for managing district operations as economically as possible. Because administrative costs comprise a significant portion of school districts' budgets, they need to be analyzed periodically to ensure they meet the educational needs of the district.

We found that for 2008-09 and 2009-10, the District's administrative salary costs were higher – by amounts ranging from \$1.2 million to \$2.7 million more - than the average costs of administrative salaries at comparable districts in four separate comparisons. We did multiple comparisons of the District's costs to other Long Island school districts. We did a comparison to districts with similar needs and resources that we selected and a separate comparison to a group of districts that the District selected. We also did separate comparisons to districts whose student enrollment numbers were similar to the District's, and to other districts whose budgets were similar in size to the District's budget. In all of these comparisons, the District had higher administrative costs. We found that the District's higher costs were sometimes due to the fact that the District pays higher salaries to its staff,² and sometimes the result of the District having more administrative staff than the other comparison districts. We also found that, during this two-year period, the District paid almost \$420,000 more for fringe benefits for its three top administrators than did the three comparison districts with similar needs and resources that we selected; further, the District paid about \$432,000 more for fringe benefits for its three top administrators than did the comparison districts selected by District officials.

District officials informed us that they believe their administrative costs are higher than those of the other districts used in our comparisons because of the length of time the District has employed its high-level administrators. According to District officials, because several top administrators have served the District for more than 20 years, their salaries and benefits would likely be higher than those of administrators in districts with higher turnover rates. District officials also believe that the longevity of administrators plays a positive role in the high level of performance achieved by District students.

² Generally, our previous audits of administrative costs have found that most administrative cost differences have been driven by differences in staffing levels, not salary differences.

Administrative Salary Comparison to Three Districts Selected by OSC - We compared the District's administrative salaries with those of three other school districts (East Meadow UFSD, Half Hollow Hills CSD, and West Islip UFSD) that the New York State Education Department (SED) has determined are comparable to the District since they have the same Need-to-Resource-Capacity (NRC) index. According to the SED website, the NRC index is a combination of "... demographic data for school districts that combines the best indicator of educational need (school district student poverty) with the financial resources of the school district, district enrollment, and district land area, to place districts into six distinctly different categories."³ The website also states that "Each district in a category faces similar challenges, and is able to draw on comparable levels of resources."

We found that, although the District's total number of administrators was comparable to the average of these three similar districts, the District's total salary costs for these administrators were higher. The District's total base salary paid to its administrators exceeded the average base salary paid by these comparable districts by \$827,693 in the 2008-09 fiscal year and by \$384,044 in the 2009-10 fiscal year, as shown in Table 1. On average, in 2008-09, the comparable districts paid an average salary of approximately \$130,000 while the District paid an average salary of \$159,000.

Looking at administrative salaries on a per student basis, if the District's administrative salary costs were in line with the average costs of these comparable districts, the District could have saved \$234 per student (35 percent) or a total of \$1,565,928⁴ in fiscal year 2008-09 and \$165 per student (more than 22 percent) or a total of \$1,103,190 in fiscal year 2009-10 – or almost \$2.7 million over this two-year period.

³ SED classifies school districts across the State as one of six types of districts: (1) New York City; (2) Large City (Buffalo, Rochester, Syracuse, or Yonkers); (3) High NRC, Urban or Suburban; (4) High NRC, Rural; (5) Average NRC; and (6) Low NRC.

⁴ We calculated these savings by multiplying the average cost per student by the District's enrollment.

Table 1: Administrative Salary Costs - 2008-09					
Districts	Number of Schools	Pupil Enrollment	Number of Administrators^a	Total Administrative Salary Costs	Cost per Pupil
Half Hollow Hills CSD	11	10,277	53	\$7,435,725	\$724
East Meadow UFSD	9	7,501	36 ^b	\$4,728,660	\$630
West Islip UFSD	9	5,600	30	\$3,479,946	\$621
Average	10	7,793	40	\$5,214,777	\$669
Syosset CSD	10	6,692	38	\$6,042,470	\$903
Administrative Salary Costs - 2009-10					
Districts	Number of Schools	Pupil Enrollment	Number of Administrators	Total Administrative Salary Costs	Cost per Pupil
Half Hollow Hills CSD	11	10,116	53	\$7,659,777	\$757
East Meadow UFSD	9	7,368	38 ^c	\$5,175,325	\$702
West Islip UFSD	9	5,540	32	\$3,886,975	\$702
Average	10	7,675	41	\$5,574,026	\$726
Syosset CSD	10	6,686	35	\$5,958,070	\$891

^a Administrators include Superintendents, Assistant and Deputy Superintendents, Directors, Assistant Directors, Coordinators, Deans, Principals, and Assistant Principals in each district reviewed.

^b East Meadow UFSD had Chairpersons whom we did not include in our count of administrators because no other district had comparable positions. If we had included Chairpersons, this district would have had 56 administrators and total administrative salary costs of \$6,885,449 in the 2008-09 fiscal year. The average count for all districts then would have been 46 administrators, with total average administrative salary costs of \$5,933,707, and an average cost per student of \$761. The District's potential cost savings then would be \$946,863 rather than \$1,565,928.

^c Again, if Chairpersons were included, this district would have had 58 administrators, and total administrative salary costs of \$7,430,378 for the 2009-10 fiscal year. The average count for all districts then would have been 48 administrators, with total average administrative salary costs of \$6,325,710, and an average cost per student of \$824. The District's potential cost savings for 2009-10 then would be \$447,251 rather than \$1,103,190.

Administrative Salary Comparison to Three Districts Selected by District Officials⁵ - District officials disagreed that East Meadow UFSD, Half Hollow Hills CSD, and West Islip UFSD were comparable school districts and asserted that their District was more comparable to three other school districts: Great Neck UFSD, Port Washington UFSD, and Three Village CSD. However, when we did the same salary comparison, we found that the District had on average five more administrators, and paid salaries of \$7,134 more per administrator, than these comparison districts in 2008-09; the

⁵ Data is based on information self-reported by school districts to the New York State Education Department. This information has not been audited.

District had three more administrators, with salaries of \$11,897 more per administrator, in 2009-10. As a result, the District still spent \$890,169 more in 2008-09 and \$602,370 more in 2009-10 - about \$1.5 million over the two-year period – than it would have if its cost per student for administrative salaries had been equal to the average cost per student at these other districts.

Administrative Salary Comparisons Based on Enrollment and Budget Similarities⁶ - We also did a third comparison of the District's administrative salary costs with four other school districts whose enrollment (an average of 6,637 in 2008-09 and 6,646 in 2009-10) was similar to the District's enrollment: Central Islip UFSD, Commack UFSD, Freeport UFSD, and Uniondale UFSD. As we found in our comparison of the District's salary costs to those of its self-selected peer districts, the District had five more administrators and paid \$13,963 more per administrator than the comparison districts in 2008-09 and had three more administrators and paid \$19,100 more per administrator than the comparison districts in 2009-10. The District could have saved \$1.2 million in 2008-09 and \$1.1 million in 2009-10 – or about \$2.3 million over the two-year period – if its cost per student for administrative salaries had been equal to the average cost per student at these districts with similar enrollment numbers.

Lastly, we did a comparison of the District's administrative salary costs with those of three other districts that had similar budgets (an average of \$177 million in 2008-09 and \$181 million in 2009-10). The districts included in this comparison were Levittown UFSD, Massapequa UFSD, and William Floyd UFSD. The District had seven more administrators and paid \$12,592 more in salaries per administrator for the 2008-09 school year, and had six more administrators with costs of \$18,304 more per administrator in 2009-10. We found that the District could have saved \$823,239 in 2008-09 and \$989,528 in 2009-10 – about \$1.8 million over the two-year period – if its cost per student for administrative salaries had been equal to the average cost per student at these districts.

District officials pointed out that administrative staffing was reduced for the 2011-12 fiscal year. Officials told us that they reduced the number of administrative staff by five positions in an attempt to decrease costs. Our audit does not account for the effect of these actions because they occurred subsequent to our audit period.

Comparison of Administrative Fringe Benefit Costs – Another component of administrative costs, besides direct salaries, is the fringe benefits provided to these employees. We found that the

⁶ Data is based on information self-reported by school districts to the New York State Education Department. This information has not been audited.

District’s fringe benefit costs for its administrators were higher than the average costs of East Meadow UFSD, Half Hollow Hills CSD, and West Islip UFSD, three districts with similar needs and resources that we selected as comparison districts. As shown in Table 2, the District’s total fringe benefit costs for all administrators exceeded the average total administrative fringe benefits costs at the other three districts by \$61,148 in 2008-09 and by \$67,248 in 2009-10.

Table 2: Fringe Benefit Costs - 2008-09					
Item	Half Hollow Hills CSD	East Meadow UFSD	West Islip UFSD	Average	Syosset CSD
Fringe Benefits ^a	\$216,165	\$128,086	\$78,050	\$140,767	\$80,673
Unused Sick/vacation	\$160,931	\$13,382	\$9,229	\$61,181	\$123,090
Tax-Sheltered Annuity ^b /Deferred Compensation Plans		\$98,000		\$32,667	\$92,000
Total Benefits	\$377,096	\$239,468	\$87,279	\$234,615	\$295,763
Fringe Benefit Costs - 2009-10					
Item	Half Hollow Hills CSD	East Meadow UFSD	West Islip UFSD	Average	Syosset CSD
Fringe Benefits	\$212,249	\$143,145	\$72,447	\$142,614	\$75,784
Unused sick/vacation	\$184,631	\$31,076	\$102	\$71,936	\$130,014
Tax Sheltered Annuity ^b /Deferred Compensation Plans		\$48,000		\$16,000	\$92,000
Total Benefits	\$396,880	\$222,221	\$72,549	\$230,550	\$297,798
^a Excludes pensions, health insurance, unused sick/vacation pay, and tax-sheltered annuity ^b Includes tax-sheltered annuities and Economic Growth and Tax Relief Reconciliation Act (EGTRRA) 401(a) is a form of tax-sheltered annuity used by East Meadow UFSD to make payments for employees who have irrevocably agreed to resign and have only three to five years to put their accumulated sick days in a 403(b).					

However, we found that the District’s fringe benefit package for most of its administrators generally costs much less, per administrator, than the packages provided by the other three districts – except for the packages provided to the District’s Superintendent, Deputy Superintendent, and Assistant Superintendent for Business (See Table 3). Fringe benefits for these three employees included contributions to tax-sheltered annuities,⁷ the value of the use of a

⁷ A tax-sheltered annuity is a type of annuity that allows an employee to make contributions to his or her retirement plan. It also allows the employer to make direct contributions to the plan. As authorized in the employment contracts for the Superintendent and Deputy Superintendent, the District makes an annual contribution (of \$40,000 each) to a tax-sheltered annuity plan on their behalf.

District-provided vehicle or car allowances provided in lieu of a vehicle, premiums for life and disability insurance, health insurance buyouts, payments for unused sick/vacation days, professional development stipends, and others. Total fringe benefits for these three administrators accounted for 89 percent of the District's total administrative fringe benefit costs in the 2008-09 fiscal year and 91 percent of these costs in 2009-10.

Table 3: Fringe Benefit Costs - 2008-09					
Item	Half Hollow Hills CSD	East Meadow UFSD	West Islip UFSD	Average	Syosset CSD
Fringe Benefits ^a	\$38,401	\$19,702	\$19,881	\$25,995	\$ 48,674
Unused Sick/vacation	\$38,888	\$ 8,580	\$ -	\$15,823	\$123,090
Tax-Sheltered Annuity ^b /Deferred Compensation Plans	\$ -	\$50,000	\$ -	\$16,667	\$ 92,000
Total Benefits	\$77,289	\$78,282	\$19,881	\$58,484	\$263,764
Fringe Benefit Costs - 2009-10					
Item	Half Hollow Hills CSD	East Meadow UFSD	West Islip UFSD	Average	Syosset CSD
Fringe Benefits	\$43,584	\$20,061	\$22,239	\$28,628	\$ 48,964
Unused sick/vacation	\$42,143	\$26,275	\$ -	\$22,806	\$130,014
Tax-Sheltered Annuity ^b /Deferred Compensation Plans	\$ -	\$15,000	\$ -	\$ 5,000	\$ 92,000
Total Benefits	\$85,727	\$61,336	\$22,239	\$56,434	\$270,978
^a Excludes pensions, health insurance, unused sick/vacation pay, and tax-sheltered annuity					
^b Includes tax-sheltered annuities and EGTRRA, 401(a)					

The District chose to pay these three administrators fringe benefits that cost almost five times more than the fringe benefits provided for the three top administrators in the comparison districts in both years: the District's costs were \$205,280 higher for these administrators in 2008-09, and \$214,544 higher in 2009-10.

Finally, we compared the fringe benefit packages the District provided to its top three administrators to the packages offered by the three districts that District officials selected as comparable districts, specifically, Great Neck UFSD, Port Washington UFSD, and Three Village CSD. As shown in Table 4, the District's total fringe benefit costs for the Superintendent, Deputy Superintendent,

and Assistant Superintendent for Business exceeded the average total administrative fringe benefits costs at the other three districts by \$201,322 in 2008-09 and by \$231,162 in 2009-10. Therefore, the District's total fringe benefit costs for these administrators were four times higher than the average cost paid by these districts in 2008-09, and nearly seven times higher in 2009-10.

Table 4: Fringe Benefit Costs - 2008-09					
Item	Great Neck UFSD	Port Washington UFSD	Three Village CSD	Average	Syosset CSD
Fringe Benefits ^a	\$29,847	\$18,602	\$22,056	\$23,502	\$48,674
Unused Sick/vacation		\$29,462	\$22,248	\$17,237	\$123,090
Tax-Sheltered Annuity ^b /Deferred Compensation Plans	\$48,613	\$16,500		\$21,704	\$92,000
Total Benefits	\$78,460	\$64,564	\$44,304	\$62,443	\$263,764
Fringe Benefit Costs - 2009-10					
Item	Great Neck UFSD	Port Washington UFSD	Three Village CSD	Average	Syosset CSD
Fringe Benefits	\$13,209	\$18,602	\$10,623	\$14,145	\$48,964
Unused sick/vacation		\$20,317	\$14,436	\$11,584	\$130,014
Tax-Sheltered Annuity ^b /Deferred Compensation Plans	\$23,761	\$18,500		\$14,087	\$92,000
Total Benefits	\$36,970	\$57,419	\$25,059	\$39,816	\$270,978
^a Excludes pensions, health insurance, unused sick/vacation pay, and tax-sheltered annuity					
^b Includes tax-sheltered annuities and 401(a)					

Although District officials indicated that they review other districts' administrative costs, they could not provide us with any evidence that they had actually done such reviews to evaluate the reasonableness of either administrative salaries or fringe benefits for its top administrators.

Recommendation

1. While it is the prerogative of each school district to make its own decisions on staffing and salary levels, the Board should explore administrative staffing alternatives to bring their administrative costs in line with those of comparable districts.

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following pages.

Syosset Central School District

Dr. Carole G. Hankin
Superintendent of Schools

Board of Education

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February 7, 2012

Mr. Ira McCracken, Chief Examiner
Office of the State Comptroller
Division of Local Government and School
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NYS Office Building
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Veterans Memorial Highway
Hauppauge, New York 11788-5533

Dear Mr. McCracken:

The District wishes to thank Comptroller Thomas DiNapoli. The one recommendation you sent has already been implemented. Since the 2008-2009 school year, the District has had an administrative reorganization plan resulting in savings of \$1.2 million. We anticipate making additional reductions for the 2012-13 budget.

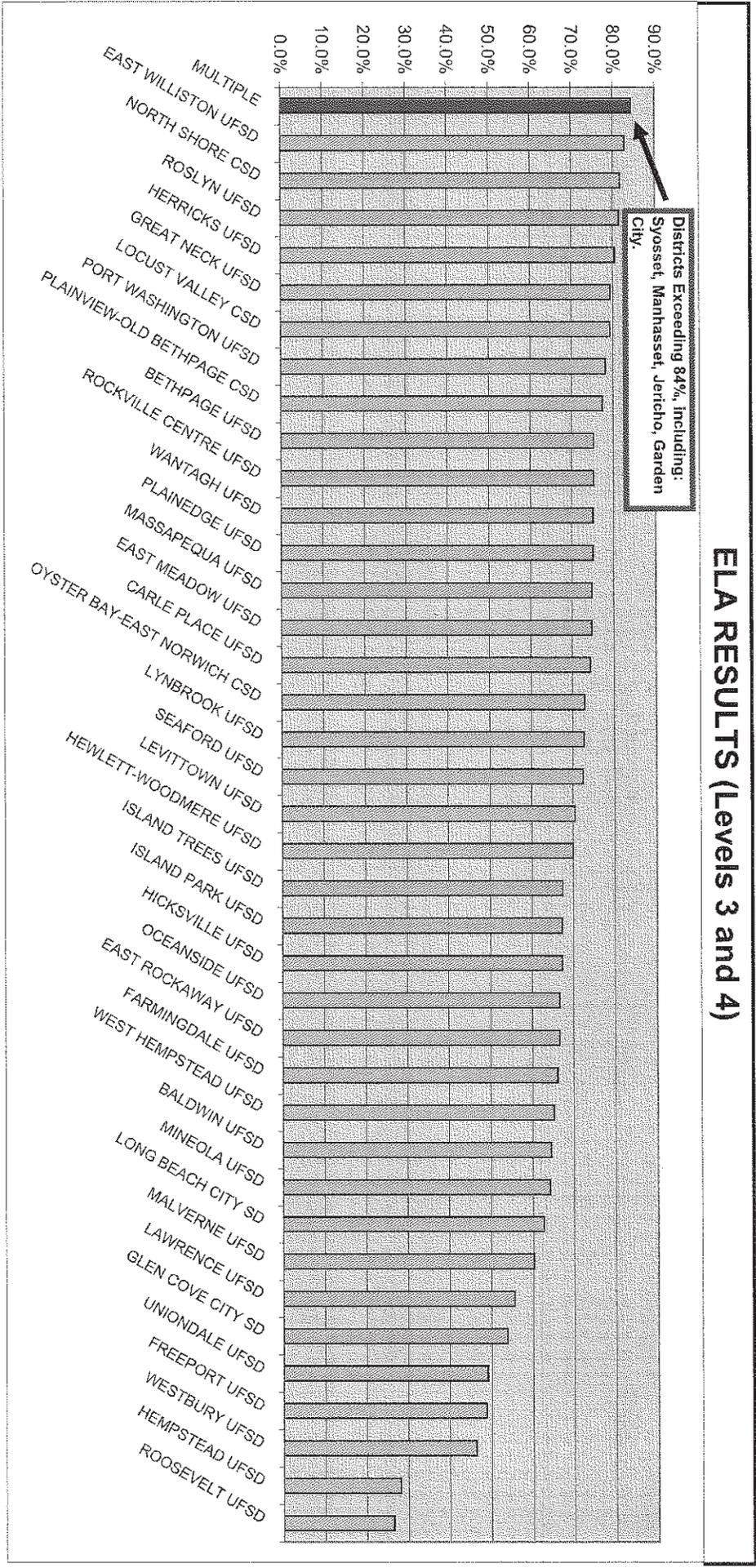
We have enclosed some background charts to show how proud we are of the school District.

Sincerely,

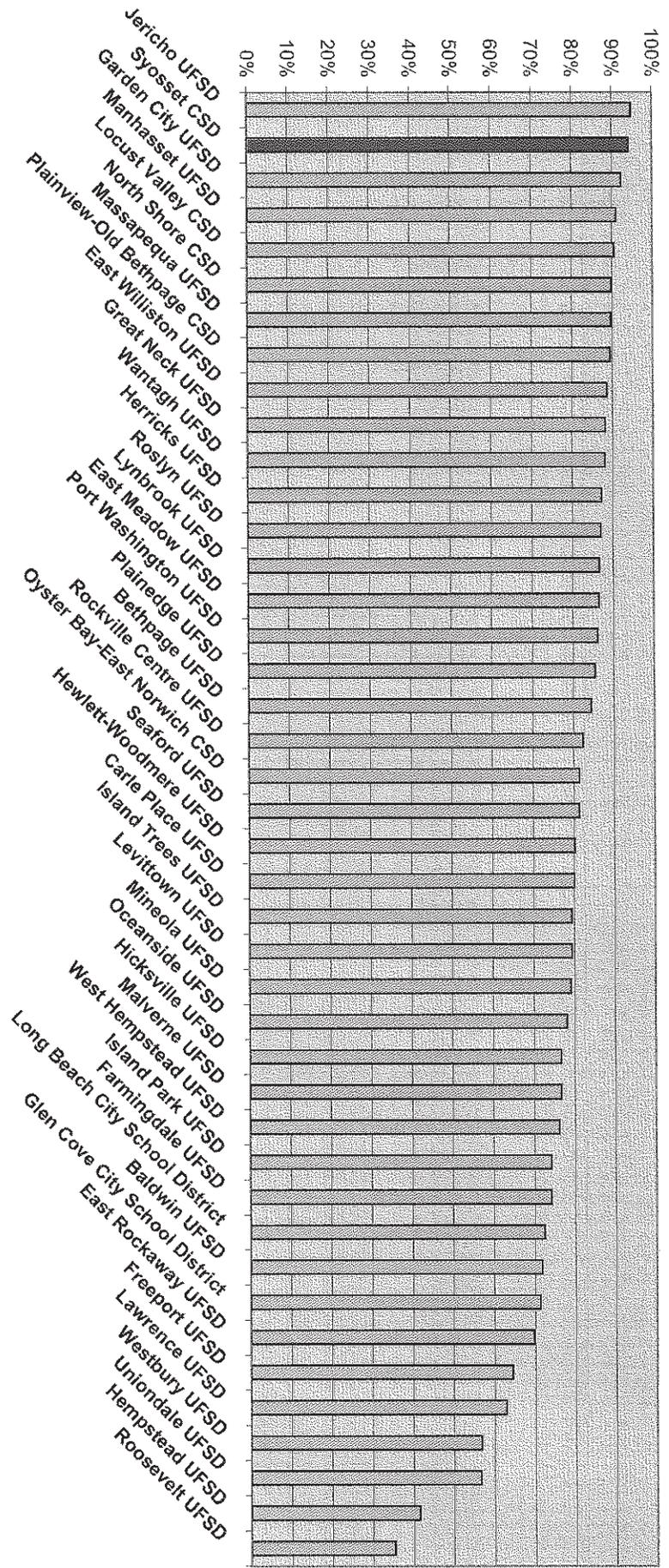


Dr. Marc Herman
Board of Education President

Enclosures



Math Results (Levels 3 and 4)



Number of Administrators Per Pupil

	Number of Administrators *	Enrollment **	Student/Admin. Ratio
OYSTER BAY-EAST NORWICH CSD	17	1,650	97.06
MALVERNE UFSD	18	1,760	97.78
LOCUST VALLEY CSD	18	2,120	117.78
NORTH SHORE CSD	24	2,850	118.75
MINEOLA UFSD	22	2,650	120.45
ROSLYN UFSD	26	3,294	126.69
JERICO UFSD	23	3,010	130.87
HEWLETT-WOODMERE UFSD	23	3,034	131.91
EAST ROCKAWAY UFSD	10	1,326	132.60
LONG BEACH CITY SD	29	3,850	132.76
CARLE PLACE UFSD	10	1,410	141.00
SEWANHAKA CENTRAL HS DISTRICT	59	8,427	142.83
PLAINVIEW-OLD BETHPAGE CSD	34	4,902	144.18
HERRICKS UFSD	27	4,010	148.52
MASSAPEQUA UFSD	54	8,054	149.15
MANHASSET UFSD	21	3,226	153.62
GARDEN CITY UFSD	26	4,072	156.62
LYNBROOK UFSD	18	2,880	160.00
ROCKVILLE CENTRE UFSD	22	3,550	161.36
GREAT NECK UFSD	38	6,362	167.42
BETHPAGE UFSD	18	3,044	169.11
ISLAND PARK UFSD	6	1,025	170.83
BALDWIN UFSD	31	5,300	170.97
GLEN COVE CITY SD	18	3,127	173.72
HICKSVILLE UFSD	30	5,307	176.90
NEW HYDE PARK-GARDEN CITY PARK	9	1,610	178.89
VALLEY STREAM 24 UFSD	6	1,075	179.17
SYOSSET CSD	37	6,630	179.19
ROOSEVELT UFSD	15	2,725	181.67
FARMINGDALE UFSD	33	6,013	182.21
OCEANSIDE UFSD	32	5,913	184.78
NORTH MERRICK UFSD	7	1,313	187.57
BELLMORE UFSD	6	1,135	189.17
UNIONDALE UFSD	34	6,444	189.53
WESTBURY UFSD	24	4,591	191.29
PLAINEDGE UFSD	18	3,474	193.00
HEMPSTEAD UFSD	33	6,437	195.06
WEST HEMPSTEAD UFSD	11	2,169	197.18
FREEPORT UFSD	33	6,508	197.21
EAST WILLISTON UFSD	9	1,803	200.33
WANTAGH UFSD	17	3,446	202.71
PORT WASHINGTON UFSD	25	5,175	207.00
LAWRENCE UFSD	15	3,159	210.60
ISLAND TREES UFSD	12	2,601	216.75
EAST MEADOW UFSD	33	7,215	218.64
MERRICK UFSD	7	1,574	224.86
SEAFORD UFSD	11	2,568	233.45
VALLEY STREAM 30 UFSD	6	1,449	241.50
FRANKLIN SQUARE UFSD	8	1,950	243.75
BELLMORE-MERRICK HS DISTRICT	23	5,902	256.61
FLORAL PARK-BELLEROSE UFSD	6	1,634	272.33
VALLEY STREAM HS DISTRICT	17	4,687	275.71
LEVITTOWN UFSD	24	7,442	310.08
ELMONT UFSD	11	3,975	361.36

The chart ranks the student/administrator ratio for Nassau County districts from lowest to highest. A higher student/admin. ratio indicates more students for each administrator. Syosset is ranked 28th out of the 54 districts. For every administrator in the Syosset school district there are 179 students.

* Source: NYSED Website: Administrative Salary Disclosure 11-12

** Source: NYSED Website: Property Tax Report Card - Enrollment 11-12

Administrative Salaries Per Pupil

	Admin Salaries (\$) *	Enrollment **	Admin. Salary Per Pupil (\$)
OYSTER BAY-EAST NORWICH CSD	2,552,088	1,650	1,547
MALVERNE UFSD	2,636,550	1,760	1,498
NORTH SHORE CSD	4,049,843	2,850	1,421
JERICO UFSD	4,261,051	3,010	1,416
MINEOLA UFSD	3,591,994	2,650	1,355
LOCUST VALLEY CSD	2,834,201	2,120	1,337
ROSLYN UFSD	4,375,941	3,294	1,328
HEWLETT-WOODMERE UFSD	3,929,040	3,034	1,295
EAST ROCKAWAY UFSD	1,616,239	1,326	1,219
CARLE PLACE UFSD	1,687,636	1,410	1,197
LONG BEACH CITY SD	4,295,791	3,850	1,116
ROCKVILLE CENTRE UFSD	3,741,575	3,550	1,054
PLAINVIEW-OLD BETHPAGE CSD	5,124,787	4,902	1,045
HERRICKS UFSD	4,157,261	4,010	1,037
MASSAPEQUA UFSD	8,308,797	8,054	1,032
MANHASSET UFSD	3,323,396	3,226	1,030
GREAT NECK UFSD	6,548,027	6,362	1,029
SEWANHAKA CENTRAL HS DISTRICT	8,495,857	8,427	1,008
LYNBROOK UFSD	2,867,539	2,880	996
BETHPAGE UFSD	2,977,644	3,044	978
GARDEN CITY UFSD	3,973,265	4,072	976
GLEN COVE CITY SD	3,017,654	3,127	965
SYOSSET CSD	6,295,223	6,630	950
BALDWIN UFSD	4,756,493	5,300	897
WESTBURY UFSD	4,109,858	4,591	895
ISLAND PARK UFSD	915,015	1,025	893
NORTH MERRICK UFSD	1,168,536	1,313	890
HICKSVILLE UFSD	4,712,806	5,307	888
OCEANSIDE UFSD	5,206,204	5,913	880
VALLEY STREAM 24 UFSD	924,534	1,075	860
BELLMORE UFSD	954,070	1,135	841
NEW HYDE PARK-GARDEN CITY PARK	1,344,424	1,610	835
PLAINEDGE UFSD	2,881,442	3,474	829
FARMINGDALE UFSD	4,954,597	6,013	824
ROOSEVELT UFSD	2,227,093	2,725	817
MERRICK UFSD	1,282,403	1,574	815
EAST WILLISTON UFSD	1,433,348	1,803	795
HEMPSTEAD UFSD	4,966,660	6,437	772
FREEPORT UFSD	5,013,393	6,508	770
UNIONDALE UFSD	4,866,584	6,444	755
WEST HEMPSTEAD UFSD	1,611,877	2,169	743
PORT WASHINGTON UFSD	3,828,721	5,175	740
WANTAGH UFSD	2,450,044	3,446	711
ISLAND TREES UFSD	1,802,905	2,601	693
EAST MEADOW UFSD	4,780,535	7,215	663
FRANKLIN SQUARE UFSD	1,282,100	1,950	657
SEAFORD UFSD	1,647,552	2,568	642
VALLEY STREAM 30 UFSD	883,525	1,449	610
BELLMORE-MERRICK HS DISTRICT	3,543,685	5,902	600
VALLEY STREAM HS DISTRICT	2,580,961	4,687	551
FLORAL PARK-BELLEROSE UFSD	887,206	1,634	543
LEVITTOWN UFSD	3,973,642	7,442	534
ELMONT UFSD	1,599,098	3,975	402

**On a per-pupil basis
the chart ranks
administrative salary
data from Nassau
County districts from
highest to lowest.
Syosset is ranked
23rd out of the 53
districts.**

* **Source: NYSED Website: Administrative Salary Disclosure 11-12**

** **Source: NYSED Website: Property Tax Report Card - Enrollment 11-12**

Administrative Salaries as a Percent of Budget

	Admin. Salaries (\$) *	Total Budget 11/12 **	Admin. Salaries as % of Budget
MALVERNE UFSD	2,636,550	47,512,111	5.55%
SEWANHAKA CENTRAL HS DISTRICT	8,495,857	162,257,344	5.24%
OYSTER BAY-EAST NORWICH CSD	2,552,088	50,657,664	5.04%
EAST ROCKAWAY UFSD	1,616,239	34,317,959	4.71%
MASSAPEQUA UFSD	8,308,797	179,209,899	4.64%
NORTH SHORE CSD	4,049,843	88,861,064	4.56%
ROSLYN UFSD	4,375,941	97,634,983	4.48%
NORTH MERRICK UFSD	1,168,536	26,813,000	4.36%
MINEOLA UFSD	3,591,994	84,221,638	4.26%
HERRICKS UFSD	4,157,261	98,997,770	4.20%
GLEN COVE CITY SD	3,017,654	72,052,501	4.19%
HICKSVILLE UFSD	4,712,806	117,178,303	4.02%
NEW HYDE PARK-GARDEN CITY PARK UFSD	1,344,424	33,527,125	4.01%
BETHPAGE UFSD	2,977,644	74,583,334	3.99%
OCEANSIDE UFSD	5,206,204	131,126,733	3.97%
BALDWIN UFSD	4,756,493	119,977,586	3.96%
LYNBROOK UFSD	2,867,539	72,896,885	3.93%
GARDEN CITY UFSD	3,973,265	101,117,058	3.93%
ROCKVILLE CENTRE UFSD	3,741,575	95,665,184	3.91%
MANHASSET UFSD	3,323,396	85,592,098	3.88%
LOCUST VALLEY CSD	2,834,201	73,921,062	3.83%
PLAINVIEW-OLD BETHPAGE CSD	5,124,787	134,193,688	3.82%
HEWLETT-WOODMERE UFSD	3,929,040	103,238,325	3.81%
JERICO UFSD	4,261,051	111,962,251	3.81%
FRANKLIN SQUARE UFSD	1,282,100	33,926,720	3.78%
WESTBURY UFSD	4,109,858	109,707,104	3.75%
CARLE PLACE UFSD	1,687,636	45,526,824	3.71%
LONG BEACH CITY SD	4,295,791	118,641,564	3.62%
PLAINEDGE UFSD	2,881,442	79,715,961	3.61%
WANTAGH UFSD	2,450,044	70,194,507	3.49%
VALLEY STREAM 24 UFSD	924,534	27,218,846	3.40%
GREAT NECK UFSD	6,548,027	193,324,596	3.39%
FARMINGDALE UFSD	4,954,597	146,957,711	3.37%
FLORAL PARK-BELLEROSE UFSD	887,206	26,385,163	3.36%
FREEMPORT UFSD	5,013,393	149,477,547	3.35%
SYOSSET CSD	6,295,223	192,353,912	3.27%
ISLAND TREES UFSD	1,802,905	57,315,640	3.15%
UNIONDALE UFSD	4,866,584	159,081,672	3.06%
MERRICK UFSD	1,282,403	42,341,991	3.03%
BELLMORE UFSD	954,070	31,503,146	3.03%
SEAFORD UFSD	1,647,552	55,181,680	2.99%
HEMPSTEAD UFSD	4,966,660	167,087,335	2.97%
WEST HEMPSTEAD UFSD	1,611,877	54,397,183	2.96%
PORT WASHINGTON UFSD	3,828,721	130,861,023	2.93%
EAST WILLISTON UFSD	1,433,348	51,445,099	2.79%
ISLAND PARK UFSD	915,015	33,495,632	2.73%
VALLEY STREAM 30 UFSD	883,525	32,409,760	2.73%
BELLMORE-MERRICK CENTRAL HS DISTRICT	3,543,685	131,355,672	2.70%
ROOSEVELT UFSD	2,227,093	84,384,818	2.64%
EAST MEADOW UFSD	4,780,535	181,275,239	2.64%
VALLEY STREAM CENTRAL HS DISTRICT	2,580,961	101,983,619	2.53%
ELMONT UFSD	1,599,098	76,448,247	2.09%
LEVITTOWN UFSD	3,973,642	197,907,475	2.01%

The chart ranks from highest to lowest, administrative salaries as a percent of the total budget for Nassau County Districts. Syosset is ranked 36th out of the 53 districts.

* Source: NYSED Website: Administrative Salary Disclosure 11-12

** Source: NYSED Website: Property Tax Report Card - Budget 11-12

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to assess the adequacy of the internal controls put in place by officials to safeguard District assets. To accomplish this, we performed an initial assessment of the internal controls so that we could design our audit to focus on those areas most at risk.

During the initial assessment, we interviewed appropriate District officials, and reviewed pertinent documents, such as District policies and procedures manuals, Board resolutions, transportation records and employment agreements. We also performed limited tests of administrative costs by comparing student population size, District wealth, and administrator information for school districts on Long Island. After reviewing the information gathered during our initial assessment, we determined where weaknesses existed, and decided on the reported objective and scope by selecting for audit those areas most at risk. We selected administrative costs for further audit testing.

We reviewed data for the District and other districts on Long Island to determine if the District had higher-than-average administrative costs per student. We obtained Long Island school district administrative and enrollment information from the Property Tax Report Card data and School Administrator Salary Disclosure on the New York State Education Department's (SED) website and refined the population of school districts by their Needs Resource Capacity (NRC) and student populations. Since Syosset school district has an NRC indicator of six, we specifically identified districts with NRC six and student enrollment above 5,000. We reviewed the budgeted spending and student enrollment (as reported on SED's website), and number of schools in each district. We then selected the district with the highest budgeted spending (Half Hollow Hills), the district with the lowest budgeted spending (West Islip) and a district with budgeted spending and geographic location similar to Syosset (East Meadow). We also obtained the following information from the District and the comparable districts for the 2008-09 and 2009-10 fiscal years:

- Number of schools and student enrollment
- List of Administrators and key personnel, including Superintendent, Assistant Superintendents, Deputy Superintendents, Directors, Assistant Directors, Coordinators, Deans, Principals, Assistant Principals, and Department Chairpersons
- Employment contracts for key personnel
- Collective bargaining agreements for principals and department chairpersons
- Payroll records from July 1, 2008 - June 30, 2010
- Benefits schedule for key personnel.

For the additional comparisons, we obtained the school districts' administrative information from the School Administrator Salary Disclosure, the information about total budgeted expenditures from the Property Tax Report Card data on SED's website, and student enrollment information from the New

York State Testing – Accountability Reporting Tool (NYStart). We provided District officials with the names of all Long Island school districts with the same NRC index as their district. District officials selected three districts (Great Neck UFSD, Port Washington UFSD, and Three Village CSD) for comparison because they believed these districts were more comparable to their district than the ones we had selected. We later selected four other school districts (Central Islip UFSD, Commack UFSD, Freeport UFSD, and Uniondale UFSD) that had pupil enrollment that was within 500 students of Syosset’s enrollment for the 2008-09 and 2009-10 fiscal years. We also selected three school districts (Levittown UFSD, Massapequa UFSD, and William Floyd UFSD) whose total budgeted expenditures for the 2008-09 and 2009-10 fiscal years were roughly within \$10 million of Syosset’s budgeted expenditures for those years.

We computed total administrative costs and cost per pupil for each district, calculated the average administrative cost and cost per pupil for the three comparable districts, and compared the District’s costs to the groups’ averages. We calculated cost savings based on administrative costs per student and student enrollment.

We computed total fringe benefit costs (excluding health insurance) for all administrators in each district. We calculated the average fringe benefits costs for the three comparable districts and compared Syosset’s fringe benefits costs to the comparable district’s average. The excess of the District’s benefit costs over the average of the group’s costs was determined to be the cost savings total.

We computed total fringe benefit costs (excluding health insurance) for the three highest paid officials in each district. We calculated the average fringe benefits costs for the three comparable districts and compared Syosset’s fringe benefits costs to the comparable district’s average. The excess of the District’s benefit costs over the average of the group’s costs was determined to be the cost savings total. We then did the same comparison to the three districts that District officials selected as comparable districts.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX C

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