



Federal Update & Hot Topics

South Carolina ESSA
Academy

Introductions

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The Bruman Group

- What we cover:
 - EDGAR, UGG, GEPA, etc.
 - Education Programs, including ESEA, IDEA, Perkins, School Nutrition, Head Start, Federal Financial Aid, Higher Ed Act, AEFLA, etc.
- How we can help:
 - General Consulting Services and Support
 - Develop/Review Grants Policies and Procedures
 - Internal Control Testing / Mock Audits
 - Training and Workshops (in person or virtually)
 - Audit Resolution and Defense
 - Administrative Appeals
 - Legislative Services

Agenda

- Updates from the Hill
- Administration Priorities
- FERPA Updates
- Waivers
- Recent Investigations

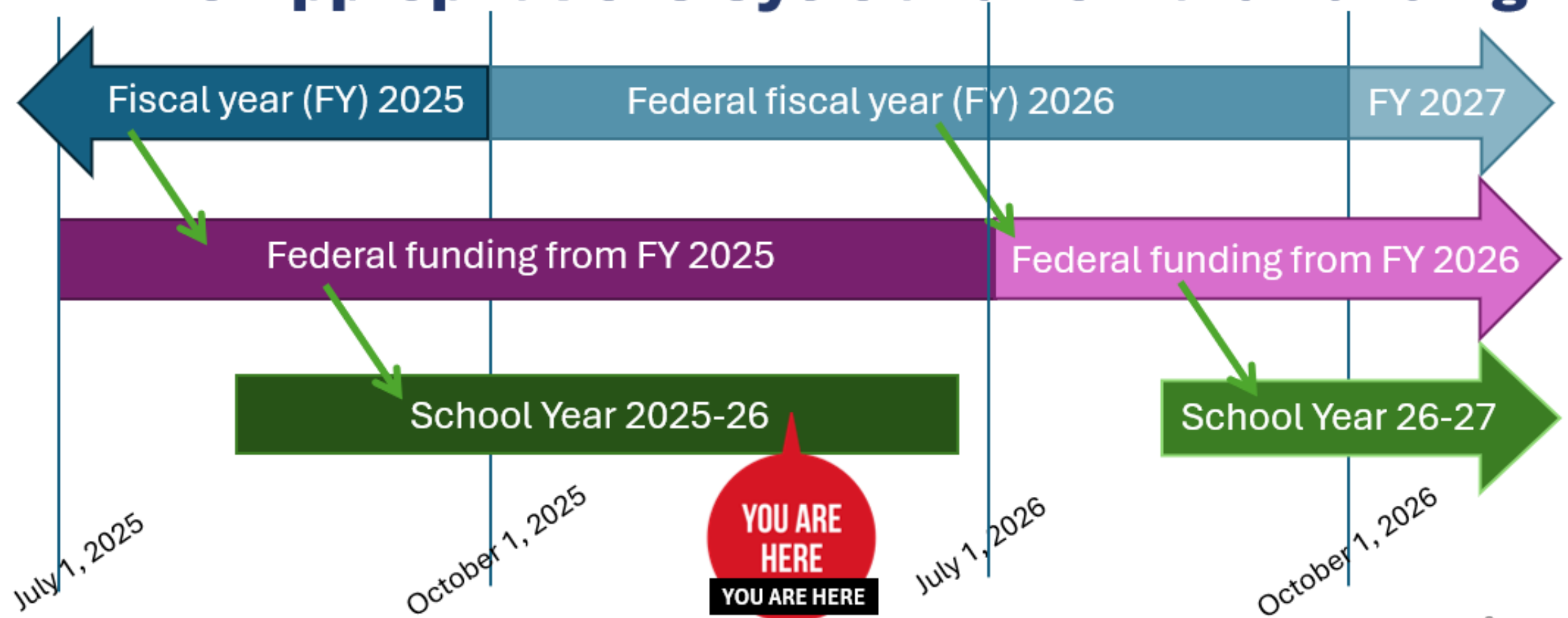
FY 2026 Appropriations Recap

- Things we were watching for:
 - How much money each program got (what)
 - How specific Congress was with program-level funding (how)
 - How specific they were on timing of allocations (when)
 - How they treated inter-agency agreements (who)

Funding — Wrapping up FY 2026

- After a 43-day government shutdown, Congress pass a temporary spending measure providing funding through January 30th
 - This bill also contained full-year funding for Agriculture-FDA and 2 other accounts
- Congress passed small “bite-sized” appropriations minibuses for most of the rest of the 12 appropriations accounts
- Finally, Congress released a Labor-HHS-ED and DHS appropriations bill on 1/20 to fund programs through FY 2026
 - Level funds or increases funding for major formula programs
- Late-breaking dissent over ICE funding threatens bill and forces short-term shutdown
- After two-day shutdown, full-year funding for ED passed 2/3

The Appropriations Cycle and Forward Funding



Program	FY 2025 Final	FY 2026 President’s Proposal	FY 2026 Final	Difference FY 2025 to FY 2026
ESEA Title I-A	\$18,407	\$18,407	\$18,426	+\$20
ESEA Title I-C, Migrant Education	\$376	\$0	\$376	--
ESEA Title II-A, Supporting Effective Instruction	(not specified), previously \$2,190	\$0	\$2,190	--
ESEA Title III-A, English Language Acquisition	\$890	\$0	\$890	--
Title IV-A, SSAE	\$1,380	\$0	\$1,380	--
ESEA Title IV-B, 21 st CCLC	\$1,330	\$0	\$1,330	--
IDEA Part B State Grants	\$14,214	\$14,891 (as consolidated with other programs)	\$14,234	+\$20
Perkins State Grants	\$1,440	\$1,440	\$1,440	--
Charter School Grants	\$440	\$500	\$500	+\$60

What about those block grants?

- Presidents *frequently* include policy/ reauthorization proposals in budget/spending documents, as in FY 2026 proposal
 - May come back around again!
- Congress traditionally does not include those proposals in appropriations bills because:
 - They add to the number of potential objections that could slow or halt progress of a bill
 - The structure of the appropriations bills only allows for changing policy one year at a time
 - Places conditions on that year's funding
 - Per House and Senate rules, cannot amend underlying statute

Funding Specificity

- For FY 2026, Congress has:
 - Added more program-specific spending levels within the legislative text
 - Reiterated program-specific spending levels in Joint Explanatory Statement, saying these spending levels represent the intent of Congress
 - Incorporated spending tables by reference into legislative text
 - Explicitly listed levels for some postsecondary programs ED declined to fund
 - Page 1 of the explanatory statement says agencies “shall not reallocate resources or reorganize activities except as provided herein...Any action to eliminate or consolidate programs, projects, or activities should be pursued through a proposal in the President’s Budget so it can be considered by the Committees”



Timing of Funding

- In 2025, OMB withheld funds for unspecified investigations
- FY 2026 legislative text says funds "shall be available for the period July 1, 2026 through June 30, 2027."
 - Does this mean made available to grantees, or available to the federal agency following apportionment by OMB???
- "The Department of Education shall support staffing levels necessary to fulfill its statutory responsibilities including carrying out programs, projects, and activities funded in this title of this Act in a timely manner."



Pushback on Interagency Agreements?

- Not really!
- ED “shall support staffing levels necessary to fulfill its statutory responsibilities including carrying out programs, projects, and activities ...in a timely manner.”
- Joint Explanatory Statement expresses “concern” about IAAs, requests biweekly briefings from ED
 - Offers tacit permission to conduct IAAs
 - Implies the only issue is Congress being out of the loop
 - JES is *not binding*

Congress Weighing ED Actions

- Some members:
 - Don't like IAAs
 - Want to enforce limitations on movement of funds/programs (these members are in the minority)
- Other members:
 - Are open to IAAs because they either
 - Think it's a good idea *or*
 - Are willing to test it out for a bit *or*
 - Are confident in administration's deferral to Congress for real action *or*
 - Simply aren't that invested
 - Don't want to push back against administration
 - Biggest concern is feeling like they're left out of the discussion

Result: a not-very-cohesive chiding without any teeth

Administration Activities and Priorities

Top Administration Priorities

- School choice
 - Through waivers, promotion of tax credits, charters, etc..
- Title IX/Title VI Enforcement
 - Including investigations on FERPA, Title IX, etc.
 - Related to overall OMB investigations into spending
- Continued transition of programs to DOL in an attempt to show “proof of concept” for closing ED

ED's New Final Priorities

- Provides for priorities for competitive grants
- [Final Priorities](#) (Released September 9, 2025):
 - Promoting Evidence-Based Literacy
 - **Expanding Education Choice**
 - Returning Education to the States
 - Meaningful Learning
- Won't apply to formula grants, but prioritize states that have school choice programs and incentivize others to adopt them

School Choice Guidance from ED

- Series of guidance documents designed to promote *existing* flexibilities in law/regulations, e.g.:
 - [Direct Student Services](#) (March 31, 2025)
 - [Unsafe School Choice](#) (May 7, 2025)
 - [School Choice and TSI/CSI](#) (June 26, 2025)
 - [Equitable Services](#) (August 21, 2025)
 - [Ed-Flex](#) (September 17, 2025)
 - [Schoolwide Consolidation](#) (January 21, 2026)
 - [Title II](#) (February 9, 2026)
- This is not new information! But serve to:
 - (1) follow executive order in promoting school choice,
 - (2) let parents, districts, and schools know these are options under federal law, and
 - (3) pressure States to open up flexibility if there are State law/policy restrictions that prevent them from doing so

The First IAAs

- **Treasury – Signed April 10, 2025**

- Detailee agreement “temporary Detail of employees”
- April 8, 2025 start date
- 8-10 staff “FSA Expert” with expertise in federal contracting, SFA, DOGE
- Reasons not specified in agreement but declaration says for purpose of student loan management

- **Labor – Signed May 21, 2025**

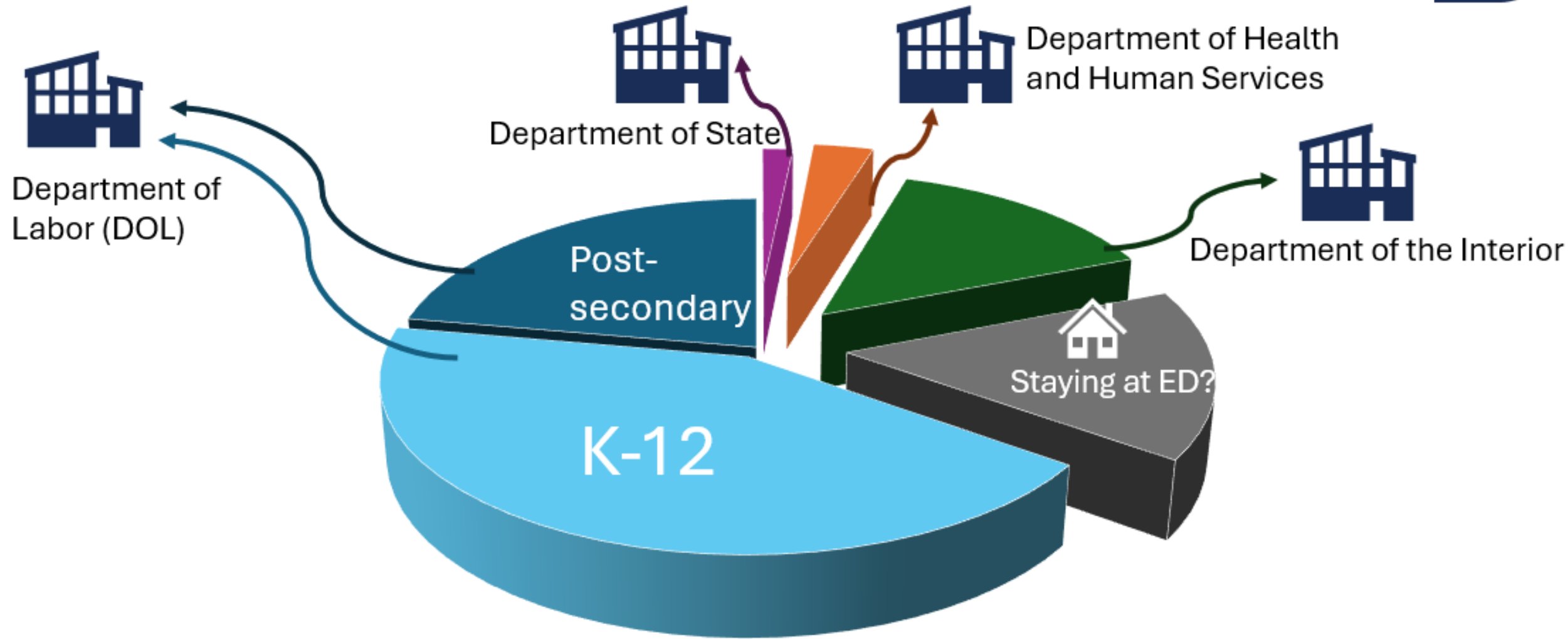
- Joint management agreement for Perkins, AEFLA
- DOL takes over day to day operations of programs and grantee relations, with ED managing oversight
- Move to new “GrantSolutions” system
- Starting with October 2025 funds
- But! Still technically ED grants

New November Agreements

- ED announced on 11/18 that it was moving more programs out of the agency following OCTAE model:
 - OESE/Postsecondary institutional programs → Department of Labor (DOL)
 - Indian Education → Interior
 - CCAMPIS, foreign medical accreditation → HHS
 - International foreign language education → State
- “ED will transfer funds as necessary to cover the costs of the activities described in this agreement related to the administration of OCTAE/ESEA programs.”
- Agreements signed in September

New(er) February Agreements

- 2/23 ED announced moving additional responsibilities:
 - Section 117 → State
 - Section 117 of the Higher Education Act requires foreign gift and contract reporting for certain IHEs
 - Family Engagement and School Support → HHS
 - Project SERV
 - School Safety National Activities
 - Ready to Learn Programming
 - Full-Service Community Schools
 - Promise Neighborhoods
 - Statewide Family Engagement Centers



What does this mean for federal funding?

- Does **NOT** mean that federal funds are going away
 - That is a choice for *Congress*
- *Does* mean that guidance, funding will come from new agencies
- Disbursements will follow new processes using manual approval so will likely be slower
- Less support from federal-level agency for States and districts





Best



7 min



12 min



14 min



7 min



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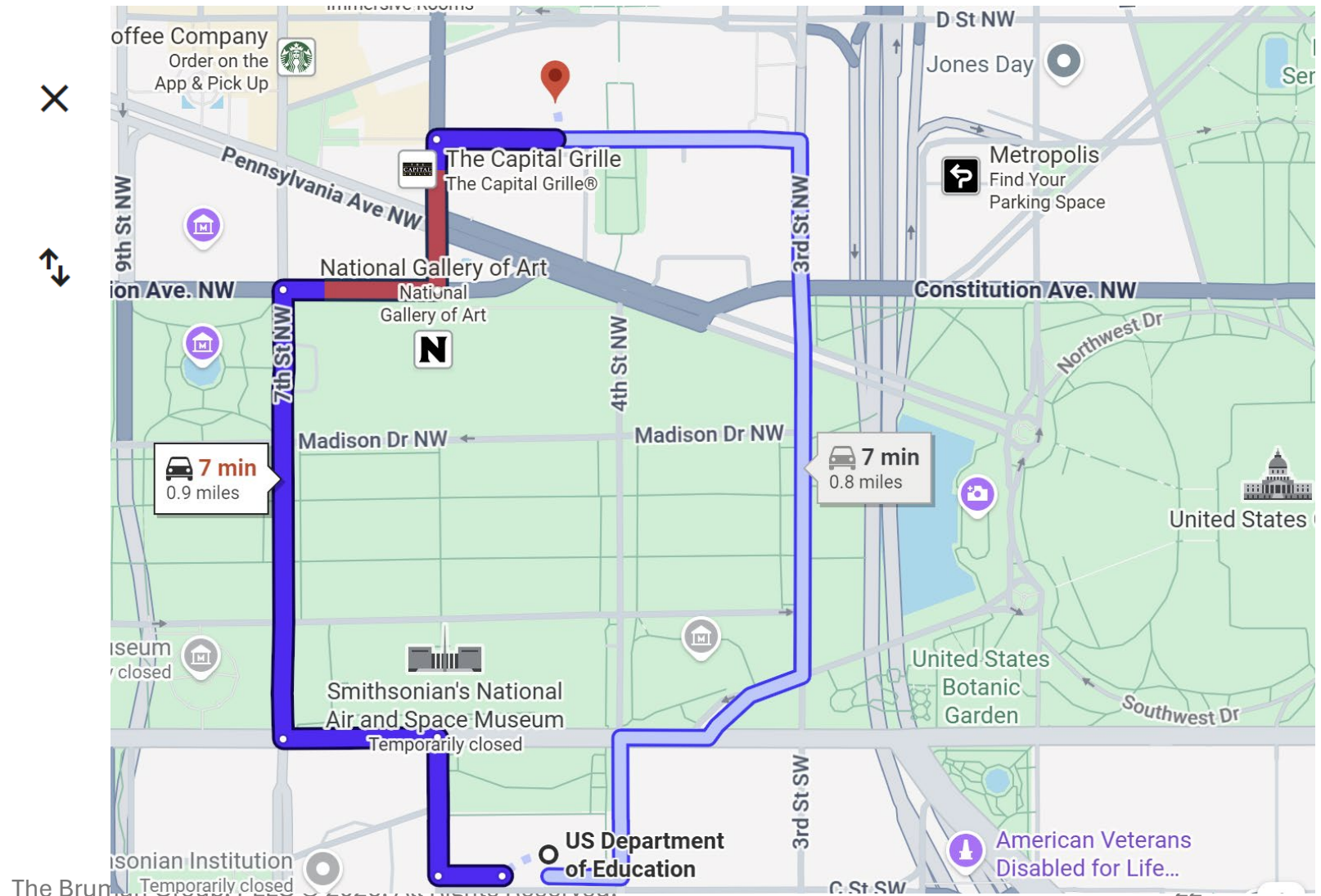


U.S. Department of Education, 400 Mary

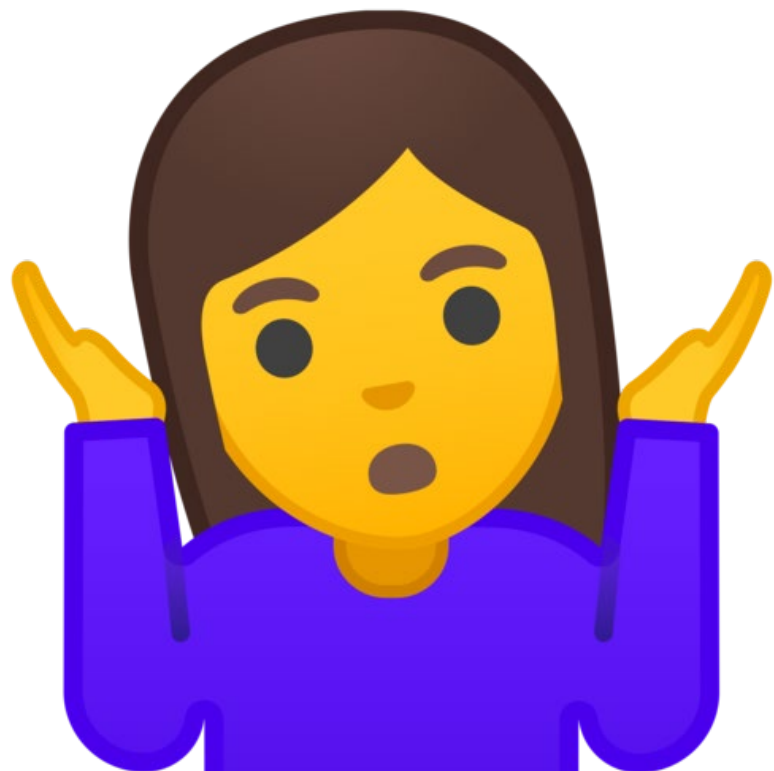
United States Department of Labor, 500



Add destination



When will K-12 Programs move?



- TBD!
- ED is reportedly still working out details of which staff are moving, when, and how programs will be managed
- ED is not considering themselves bound by the program year or grant cycle

Details of Agreements

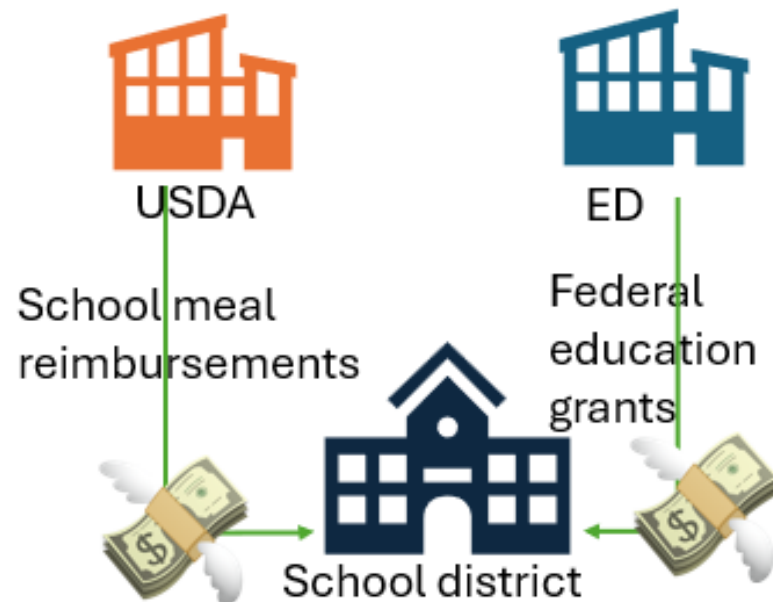
- What will ED do?
 - “Management and leadership”
 - Coordination of projects
 - Monitoring of internal controls and risk assessments
 - Review of annual performance reports submitted by States
 - Coordination of guidance, federal register notices, budget justifications, and legislation
 - Issue GANs per EDGAR, grant competitions, and announcements
 - Information collection
 - Audit resolution
 - Appeals to the Secretary
 - “succession planning” and employee engagement
 - Other activities ED “is statutorily required to perform that are not otherwise identified”

Details of Agreements (cont.)

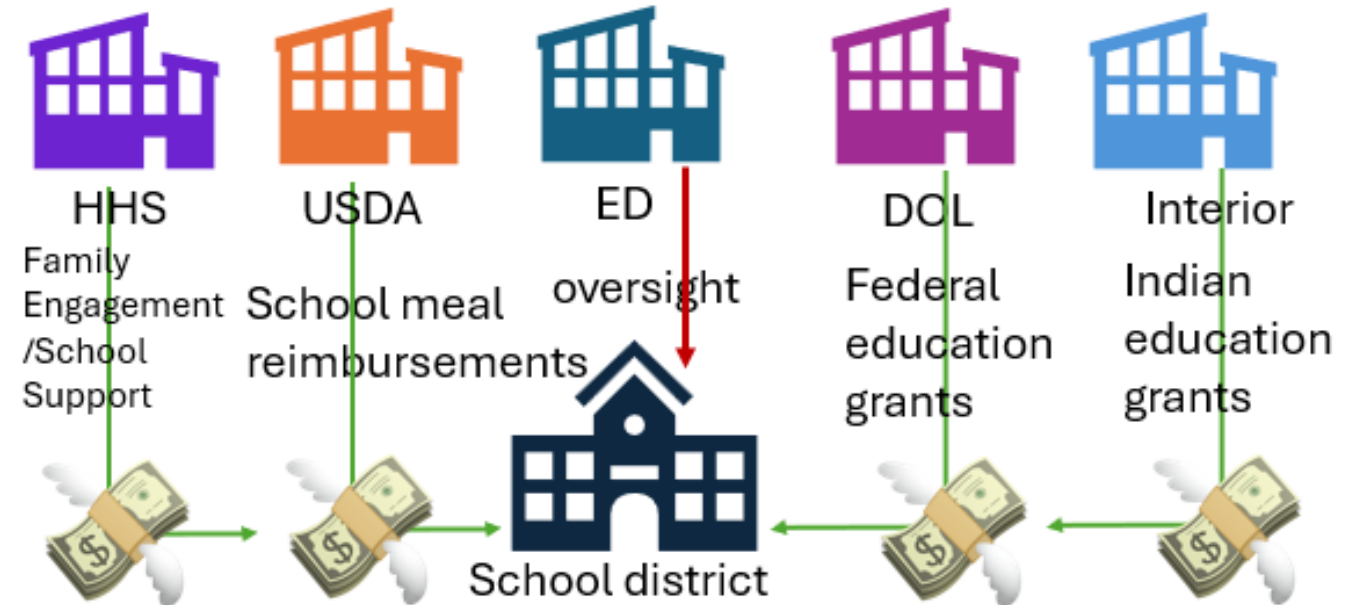
- What will other agencies take over?
 - “provision of services” for grants
 - Program monitoring
 - Program improvement with “data and accountability systems and assurance measures”
 - Technical assistance on interagency grant policy
 - Managing and coordinating contract, procurement, grants, and program administration
 - Management of IT
 - Monitoring drawdowns and appropriate uses of funds
 - “other services” including “provision of technical and program improvement assistance to National, State, and local education systems, programs, and organizations and on the execution of national leadership functions in elementary and secondary education.”

What does this mean for school districts?

The current system



The New System



IDEA?

What does the law say?

- Department of Education Organization Act (1979)
 - Outlines the purpose of the education department
 - Equal educational opportunity, suppliant efforts, encourage enrollment, improvement coordination in Federal education programs, etc.
 - Outlines which Departments and staff are required by law, e.g.:
 - There shall be in the Department:
 - An Assistant Secretary for Elementary and Secondary Education; Postsecondary Education; Career, Technical, and Adult Education; Special Education and Rehabilitative Services; and Civil Rights;
 - A Special Assistant for Gender Equity, a Director of the Institute of Education Sciences, an Inspector General, and a General Counsel;
 - An Office of Elementary and Secondary Education, Migrant Education, Postsecondary Education, CTE, OSERS, English Language Acquisition, General Counsel, Inspector General, Indian Education, etc.
 - Sec. 3472: “Except as otherwise provided in this chapter, the Secretary may delegate any function to such officers and employees of the Department as the Secretary may designate”

Why?

- Shift in career tech to DOL might make sense
 - Perkins and AEFLA are both One-Stop Partner Programs under WIOA
 - Similar program goals
 - Even then there were delays in accessing funds!
 - ...but doesn't seem to make sense for OESE, postsecondary programs
- Likely won't save the federal government money
 - Moving programs and firing staff costs money
 - Not changing the number of programs or their funding
- Won't save States/local governments money
 - Cost of setting up, acclimating to new systems
 - Working with multiple new agencies

ED RIFs Add Fuel to the Fire

- ED announced a significant Reduction in Force (RIF) in March 2025
 - States and organizations sued, arguing this was a way to quietly close the agency and prevented ED from fulfilling its statutory responsibilities
 - A court issued an injunction, but the Supreme Court overturned injunction and permitted RIF to proceed during litigation
 - Between firings and voluntary retirements, ED lost about 40% of staff
- Additional RIFs announced during shutdown in October 2025, totaling 20% of remaining workforce
 - Temporarily halted by a judge in the 9th circuit in case brought by AFGE
 - Congress in CR required ED to bring back staff, prohibited more RIFs during CR

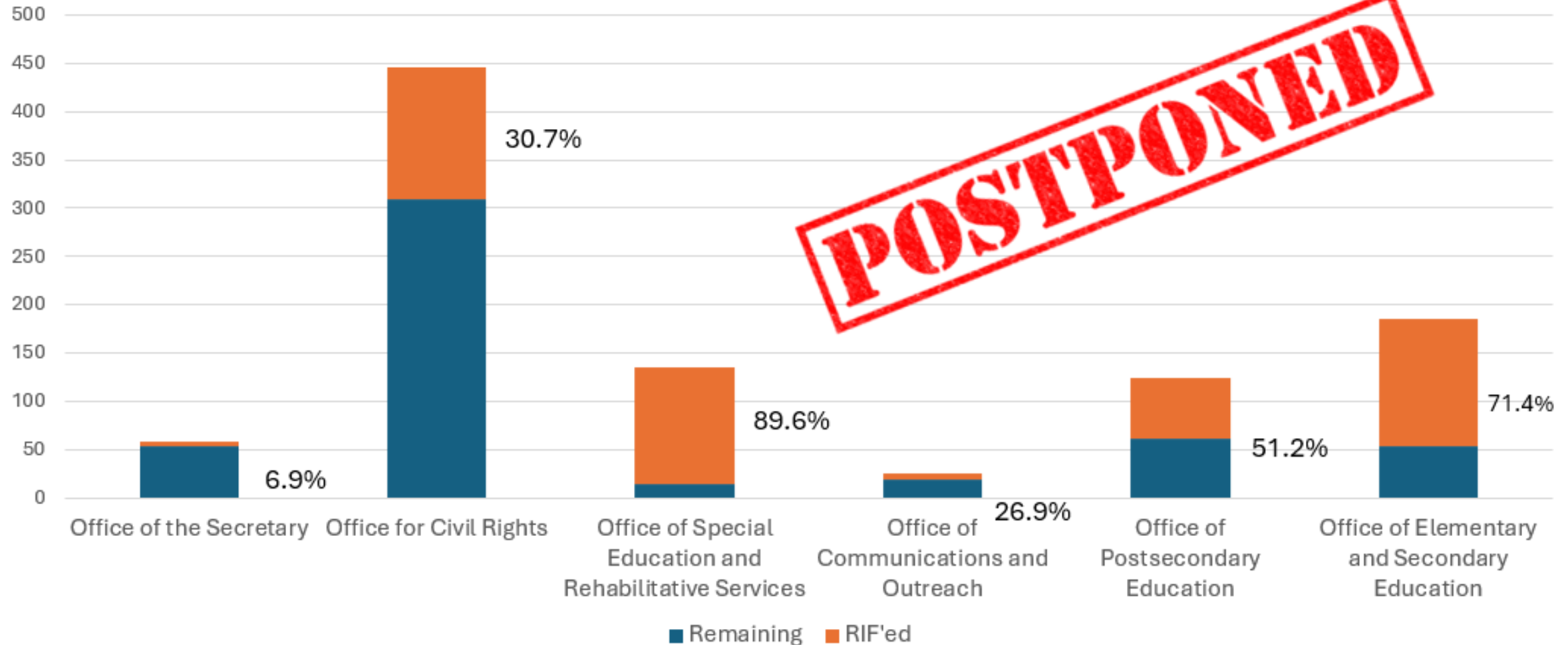
ED Layoffs May be Indicative of Future Plans



“Listen, we KNOW your dream is to be a federal government employee, we’re just asking you to consider a career with more job security, like a street performer, or a poet.”

- Secretary McMahon says current IAAs are “proof of concept” and a “pilot program”
- October RIFs were temporarily halted
- ...but that doesn’t mean they won’t happen later!

October RIFs Indicate What's Next?



To the Batmobile! Federal Court System!

- Lots of conflicts between States/districts and federal government are going to courts
 - Includes:
 - Grant termination
 - Grant non-continuation
 - RIFs at ED and other federal agencies
 - Tariffs on imported goods
 - Deployment of National Guard
- ...ultimately some, but not all cases are appealed to U.S. Supreme Court, so decisions and temporary injunctions/halts have the potential to *change* until the high court rules.



FERPA Updates

FERPA Updates

- Family Educational Rights & Privacy Act
 - Signed into law in 1974
 - Amended multiple times over the last 40 years
- Regulations in 34 CFR Part 99
 - Amended as recently as 2011
 - New updates coming...?



FERPA Basics

1. Prohibition on Disclosure

- 20 U.S.C. § 1232g(b): An educational agency or institution may not disclose *personally identifiable information* (PII) within *education records* to third parties without prior written consent of the parent or eligible student. (Exceptions to follow!)

2. Right of Access

- 20 U.S.C. § 1232g(a): An educational agency or institution must permit the parent or eligible student to inspect and review all education records unless such a right has been waived. (Exceptions to follow!)

3. Transfer

- 34 C.F.R. § 99.5(a)(1): Occurs at 18 or as soon as the student attends a postsecondary institution

Educational Records (99.3)

- The term does NOT include
 - Records that are kept in the sole possession of the maker, are used only as a personal memory aid, and are not accessible or revealed to any other person except a temporary substitute for the maker of the record.
 - FAQs: FERPA does not prohibit a school official from releasing information about a student that was obtained through the school official's personal knowledge or observation UNLESS that knowledge is obtained through his or her official role in making a determination maintained in an education records about the student.

Inspection Rights — 34 CFR 99.10

Parents and Eligible Students have the right to “inspect and review the student's education records.”

- Schools/agencies must respond to request “within a reasonable period of time, but not more than 45 days after it has received the request.”
- Schools/agencies, if necessary, must provide the parent or eligible student with a copy of the records requested or make other arrangements.

Limits on Inspections – 34 CFR 99.12

- If the education records of a student contain information on more than one student, the parent or eligible student may inspect and review or be informed of only the specific information about that student.
 - FAQs: For example, a surveillance video that shows two students fighting on a school bus that the school uses and maintains to discipline the two students, would be “directly related to” and, therefore, the education record of both students.

FERPA Enforcement

- ED conducts its own investigation to determine whether a recipient of Department funds has failed to comply with FERPA. 34 CFR § 99.64(b).
- ED notifies in writing the complainant, if any, and the recipient of Department funds, or the third party if it initiates an investigation under § 99.64(b).
- The written notification includes the substance of the allegations against the recipient, or third party; and directs that entity to submit a written response and other relevant information, as set forth in § 99.62, within a specified period of time, including information about its policies and practices regarding education records.

Other Changes to FERPA Policies?

- In March 2025, ED announced it was investigating states for violations of FERPA
- [Subsequent guidance](#) raises several issues:
 - Argues that any records or discussion related to gender identity are part of a student's "educational record" and must be disclosed to parents, States can't prohibit disclosure
 - Concerns about withholding disciplinary outcomes from other students involved based on FERPA
 - Annual notification of rights
 - Access for military recruiters

ESEA Waivers

What Are ESEA Waivers?

PART D—WAIVERS

SEC. 8401. [20 U.S.C. 7861] WAIVERS OF STATUTORY AND REGULATORY REQUIREMENTS.

(a) IN GENERAL.—

(1) REQUEST FOR WAIVER BY STATE OR INDIAN TRIBE.—A State educational agency or Indian tribe that receives funds under a program authorized under this Act may submit a request to the Secretary to waive any statutory or regulatory requirement of this Act.

ESEA Waiver Process

- Who can submit an ESEA waiver?
 - State educational agencies
 - Indian tribes
 - Local educational agencies
 - Schools
- For schools, the request must be submitted to the LEA, then the SEA
- For LEAs, the request must be submitted to the SEA
- SEA or LEA (for schools) may reject the request if it determines that the waiver is not “appropriate”

What requirements can be waived?

(3) RECEIPT OF WAIVER.—Except as provided in subsection (b)(4) or (c), the Secretary may waive any statutory or regulatory requirement of this Act for which a waiver request is submitted to the Secretary pursuant to this subsection.

Restrictions On ESEA Waiver Authority — Secretary **CANNOT** Waive...

- Allocation or distribution of funds
- Maintenance of effort
- Comparability of services
- Supplement, not supplant
- Equitable services
- Parental participation and involvement
- Requirement for a charter school under Title IV, Part C
- Applicable civil rights requirements
- Title VIII, Subpart 2, Part F prohibitions
- Prohibitions regarding use of funds for religious worship or instruction under equitable services programs
- Activities in Sec. 8526 (prohibited uses of funds)
- The selection of a school attendance area or school under Title I-A (with one exception)

What must be included in a waiver request?

- A plan that:
 - Identifies the program(s) impacted by the request
 - Describes the statutory or regulatory requirements to be waived
 - Describes how the waiver will advance student academic achievement
 - Describes the method the recipient will use to monitor and regularly evaluate the effectiveness of the plan's implementation

What must be included in a waiver request?

- A plan that: (cont.)
 - Only includes information related to the request
 - Describes how schools will continue to provide assistance to the same populations served by the programs for which waivers are requested
 - And if request is related to Title I-A standards and assessment requirements or annual report cards, how the recipient will “maintain or improve transparency in reporting to parents and the public on student achievement and school performance, including the achievement of the subgroups of students identified in Title I-A”

Stakeholder Engagement Requirements

- SEAs (whether submitting on behalf of themselves or an LEA/school) must:
 - Provide the public and any interested LEA in the State with notice and reasonable opportunity to comment and provide input (to the extent that the request impacts the LEA)
 - In the same manner that the SEA usually provides notice and comment to the public
 - Submit the public comments/input to the Secretary and describe how State addressed the comments
 - If it is a waiver request on behalf of an LEA/school, the State should also include its own comments (if any)

How long are waivers applicable, if granted?

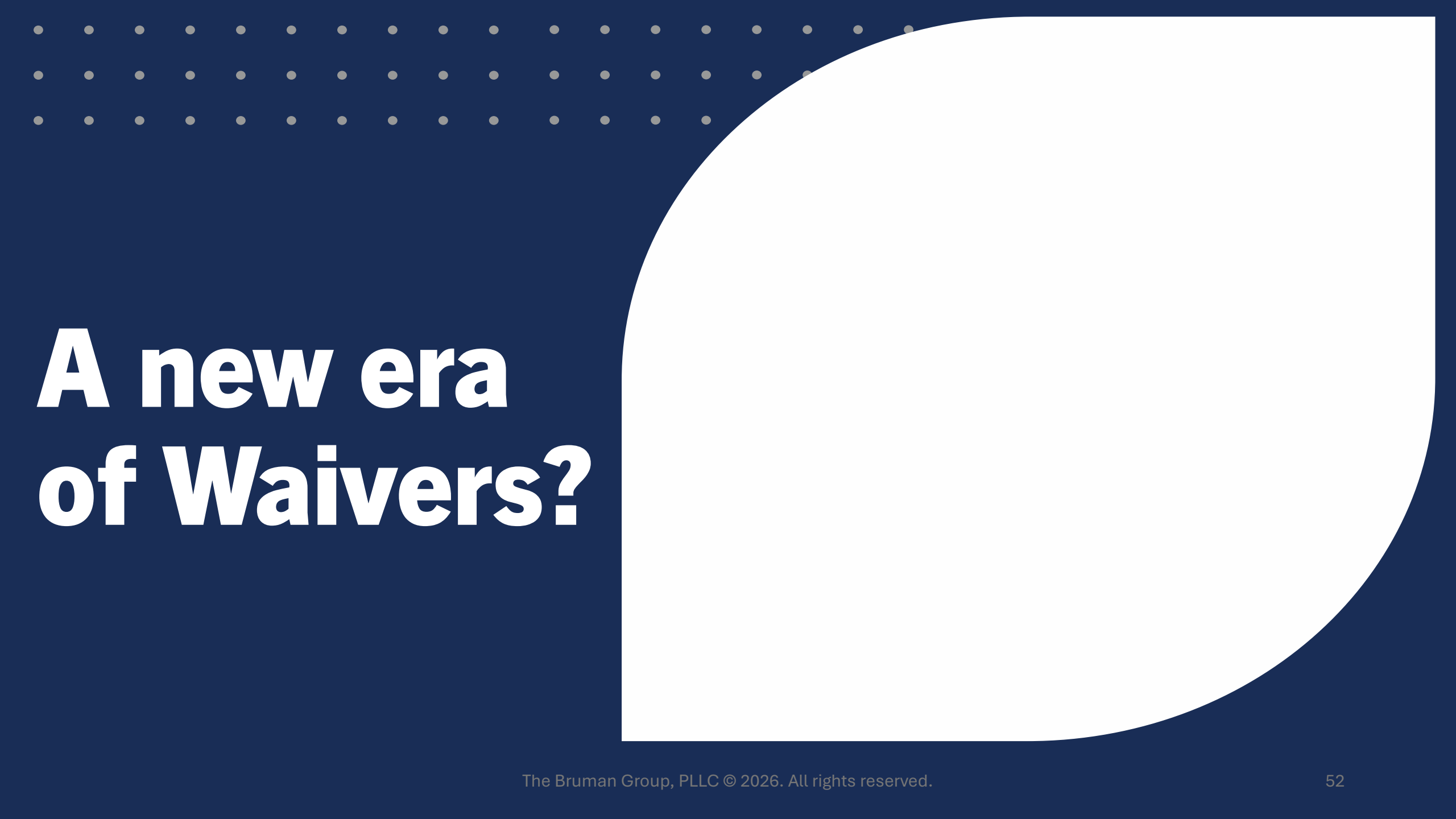
- Not to exceed four years
- BUT the Secretary can extend the period if:
 - The waiver has been effective in enabling the recipient to carry out the activities for which the waiver was granted AND it has contributed to improved student achievement; AND
 - The extension is in the public interest.

Approval/Denial of Waiver Requests

- Secretary must issue a written determination within 120 days of submission date
- If denied, it must be based on the fact that:
 - The request does not meet the requirements of Sec. 8401;
 - The waiver is not permitted under ESEA;
 - The request does not provide sufficient information regarding how it will advance student academic achievement; or
 - The request does not provide for adequate evaluation to ensure review and continuous improvement of the plan

Approval/Denial of Waiver Requests

- If initially denied, the Secretary must:
 - Provide detailed reasons for determination in writing to the public; and
 - Offer opportunity to revise and resubmit within 60 days after determination.
 - If denied after resubmission, State/LEA/school/Indian Tribe may request a hearing within 30 days after date of resubmission
- Secretary is permitted to terminate approved waivers under certain circumstances
 - If the Secretary presents a rationale and supporting information that demonstrates the waiver is not contributing to improved academic achievement; or
 - The Secretary determines the waiver is no longer necessary to achieve its original purpose.



A new era of Waivers?

A New Era Of Waivers?

- Several States in process of submitting waivers
 - Iowa (Approved (kind of))
 - Indiana (public comment ended 8/25; submitted to ED 10/17...recently withdrawn, presumably being adjusted)
 - Kansas (public comment through 11/27)

Iowa Request

- Allow state administrative and state activities set-aside funds to be consolidated based on existing statutory formulas.
- Allow school district formula and competitive funds to be consolidated based on existing statutory formulas utilizing expanded transferability flexibilities.
- Allow the IDOE to calculate and retain the equitable participation proportionate share in all relevant ESEA programs for school districts and nonpublic schools that opt in through meaningful consultation to provide equitable services to nonpublic school students and teachers through a third-party provider(s).
- Explore opportunities to best support school districts in prioritizing schools most in need of support through revised USED administrative interpretations. (Appears to request a waiver of “rank and serve”).
- Use TIA’s methodology supplement, not supplant implementation across multiple ESEA programs.

Iowa Request...Approved...ish

- Allow state administrative and state activities set-aside funds to be consolidated based on existing statutory formulas.
 - Only permitted state-level activities funds to be consolidated under II,A; III, A; IV,A and IV, B
 - State admin consolidated separately under Title VIII authority
- Allow the IDOE to calculate and retain the equitable participation proportionate share in all relevant ESEA programs for school districts and nonpublic schools that opt in through meaningful consultation to provide equitable services to nonpublic school students and teachers through a third-party provider(s).
 - In response to ED and stakeholder feedback... make this LEA-level opt-in
- Allow school district formula and competitive funds to be consolidated based on existing statutory formulas utilizing expanded transferability flexibilities.
 - In response to ED feedback, going to apply for ED Flex Waiver

Iowa Request...Approved...ish (cont'd)

- Explore opportunities to best support school districts in prioritizing schools most in need of support through revised USED administrative interpretations. (Appears to request a waiver of “rank and serve”).
- Use TIA’s methodology supplement, not supplant implementation across multiple ESEA programs.
 - “Based on USED’s feedback,... [these] will be pursued outside of Iowa’s Unified Allocation Plan.”
- Iowa also applied for ED Flex waiver so received the following flexibility:
 - Title I-A 15% carryover limitation (1/3 years)
 - Title IV-A required category spending
 - Title I,D 30% max for transition services (can be 15% or more)

Indiana Request

- Requests waiving allowable use provisions under:
 - Title I, Part B - State Assessment Grants
 - Title I, Part C - Education of Migratory Children
 - Title I, Part D - Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent or at Risk
 - Title II, Part A - Supporting Effective Instruction
 - Title III, Part A - English Language Acquisition, Language Enhancement, and Academic Achievement Act
 - Title IV, Part A - Student Support and Academic Enrichment Grants
 - Title IV, Part B - 21st Century Community Learning Centers

Indiana Request (cont.)

- Does not request a waiver of funding formulas / allocations, only allowable uses, to provide flexibility to treat funding more as a block grant
- Requests a waiver on federal accountability requirements in favor of a unified school grading system
- Requests waiving school improvement and support requirements to facilitate school choice by redirecting funds from schools identified for support, and instead, using the funds to allow students zoned in those schools to access other choice options

Kansas Request

Requests:

- Waiving the identification of CSI, TSI, and ATSI schools until no later than the 2028–2029 school year;
- Waiving the required exit of currently identified schools until no later than the 2027–2028 school year; and
- Waiving the four-year period of availability limit for 1003(a) school improvement funds to currently identified schools, through the 2027–2028 school year.
- Goal is to align state and federal accountability systems to “create a single model of support that is clear, efficient, and focused on proven strategies for improving student outcomes.”

Waiver Takeaways:

- Current administration is encouraging and will entertain more and broader requests
- Some States pushing for more flexibility than previously granted
- Iowa (kind of) approved...waiting on others
- ED responses will tell us more about what they are willing to approve



Investigations



Hulbert Public Schools



Hulbert Public Schools

- Two former finance officials for the District embezzled federal program funds (Treasurer and encumbrance clerk)
 - Encumbrance clerk was recently sentenced to twelve months in prison & ordered to pay \$178,758.19 in restitution
 - Treasurer was sentenced in '24 to 12 months & had to pay \$372,808.09
- They had issued excess payroll payments to their personal bank accounts

Hulbert Public Schools

- Hulbert's '20 audit finding:

Condition: During our estimate of needs and final audit work, we observed that the bank balances were not properly reconciled to the accounting records each month, and the “Summary of Financial Activities” (ADPC report) had cash/investments balances incorrectly assigned to prior fiscal years. Because of this, approximately \$16,270 of unidentified adjustments were made to the financial statements in order to reconcile, and incorrect OCAS financial information was submitted to the State Department of Education. We also noted several instances where the treasurer coded incoming revenue items to the incorrect revenue source code.

Hulbert Public Schools

- Hulbert's '20 audit finding:

Cause/Effect: The District did not have procedures in place to adequately review and reconcile revenues and expenditures. Failure to reconcile the bank statements to the accounting records in a timely manner increases the risk of error, fraud, and inaccurate financial information, which will not be detected in a timely manner. This also increases the risk of financial information not being coded to the proper OCAS code, therefore misreporting financial information to the Oklahoma State Department of Education. While preparing the District's estimate of needs and while reviewing the District's financial statements, we noted several OCAS discrepancies. These included errors in the codes used and in the amounts reported via OCAS. The fund balances reported did not match the amounts on the estimate of needs or in the financial statements. In addition, unidentified adjustments were made to the financial statements in order to reconcile to the bank balances.

Hulbert Public Schools

- Aaaand....Hulbert's '21 audit finding:

FINDING 2021-1 – Misappropriation of Assets

Condition: From information provided by the District, interviews performed, and software accounting reports obtained, it appears that the treasurer, Leslie Mack, and the encumbrance clerk, Becky Morehead, may have committed fraud by misappropriation of assets. This potential embezzlement of District funds appears to have been accomplished by issuing additional payroll payments in excess of their approved employment contract. These extra payments were occasionally made by check, but in most cases paid by direct deposit into their personal bank accounts on record. Further, there appears to have been two additional District employees, Charles York and Luke Morehead, who may have benefited from this payroll scheme. Leslie Mack was the District's payroll clerk and was in charge of all payroll accounting functions.

Mississippi Superintendents Plead Guilty to Embezzlement

NOW ACCEPTING APPLICATIONS

Superintendent **SEARCH**

POSITION DETAILS AND APPLICATION:

WWW.MSBAONLINE.ORG

2026-2027

At the request of the School District, the Mississippi School Boards Association (MSBA) Search Service is facilitating the search for this position.



The Hollandale School District logo is circular with a blue border. Inside, there is a large blue 'H' with a red outline. Below the 'H' is the year '1891'. The text 'HOLLANDALE SCHOOL DISTRICT' is written in a circle around the 'H', and 'DREAMS COME BLUE' is written at the bottom. The MSBA logo is a small square with the text 'MISSISSIPPI SCHOOL BOARDS ASSOCIATION' at the top, 'Superintendent Search Service' in the middle, and a circular icon with a house and a person at the bottom.

MS Superintendents: Embezzlement

- Two MS superintendents & a St. Louis teacher pled guilty to conspiracy to commit embezzlement
 - Entered into reciprocal consulting contracts for services at an inflated rate of payment & for services not actually provided
 - Many invoices were identical with only the names changed
 - Facing up to five years in prison

Boone County Schools



Boone County Schools

- Maintenance supervisor sentenced to 2 years, 9 months in prison & ordered to pay \$3.4M for fraud scheme
 - Custodial/janitorial supplies were ordered from the company of a co-conspirator who overbilled
 - Fraudulent invoices were submitted to the Board of education
 - Checks were mailed = mail fraud



Madera County Charter School



Madera County Charter School

- Former school executive charged with embezzlement
 - Allegedly used funds on improper personal expenses
 - Concealed the misused funds by mislabeling the expenses in school accounting records and misrepresenting the expenses when asked
 - An audit conducted for the Madera County Superintendent found a range of misuse of funds, including:
 - New Ford F-150 Raptor pickup trucks for the executive's sons
 - Relationship coach with whom the executive had a personal relationship was paid \$12K using school funds

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