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May 21, 2010

Mr. Daniel Lowengard
Superintendent of Schools
Syracuse City School District
725 Harrison Street
Syracuse, New York
13210

Dear Superintendent Lowengard:

I am writing to transmit the draft results of our recently completed monitoring of the Syracuse City School District's use of American Reinvestment and Recovery Act (ARRA) funds awarded for the July 1, 2009 – June 30, 2010 school year. The monitoring was conducted pursuant to the Commissioner of Education's authority under Section 305 of the Education Law. Our monitoring objectives were to ensure that ARRA Education Stabilization funds are being used as intended and to increase communication between the Department and school districts concerning the use of funds and reporting requirements.

Our monitoring scope was limited to the Education Stabilization Funds (ESF) for the period July 1, 2009 through June 30, 2010. To accomplish our objectives, we interviewed appropriate District officials, performed limited tests of transactions, and reviewed documents. In light of the district's focus on job retention, these documents included evidence of personnel paid with ARRA funds and payroll certifications thereto.

We conducted this performance monitoring in accordance with standards consistent with federal guidelines for monitoring Education Stabilization Funds. Those standards require that we plan and perform the monitoring to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

Monitoring Results

The following are our findings:

Reporting Compliance

1. The district has completed its quarterly reports in a timely manner.

Preparation of Documentation for Monitoring

2. The district completed requested expenditure schedules satisfactorily.
3. Documentation provided (payroll certifications) were satisfactory evidence that the funds were used as approved.

Calculation of Jobs Retained and Created

4. District officials clearly described the method used by the District to calculate jobs retained and created. Recovery Act Section 1512 requirements specify that ARRA fund recipients calculate these estimates each quarter based on what occurred during the reporting quarter in question.

Educational Reform Areas Supported by ESF

5. Our review found that school-level expenditures supported by the ESF dovetail with and support the Contract for Excellence (C4E) goals of targeting funding allocations to need. That is, using the C4E need algorithms we found that 65 percent of funds expended so far have been distributed to the top half of schools with the most pronounced achievement difficulties. Furthermore, the correlation between school level ESF expenditure shares and shares of pupils' achieving at a less than proficient level is .80. As such, in addition to supporting the program goal of retaining existing staff (as described in the worksheets provided), it appears that the district's ESF program is supporting struggling schools as well. While ESF is used to continue district efforts, as opposed to supplementing district programs, the district has used ESF to continue reform efforts that were already underway.

Recommendations

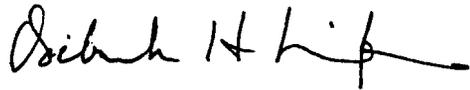
Based on the site visit, the Syracuse City School District demonstrated it is fully implementing the ARRA educational Stabilization Funding, verified by:

- Allowability of amounts expended in appropriate programs, and
- Sufficient and separate control systems in place.

This report includes no recommendations for changes to procedures for the use of ARRA ESF funds or reporting on their use. As a result this report will be considered the district's final monitoring report.

We appreciate the cooperation and courtesies extended to our office during the monitoring of ARRA Educational Stabilization Funds. If you have any questions or require additional information, please contact me at (518) 474-6541.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah H. Cunningham". The signature is fluid and cursive, with a long horizontal stroke at the end.

Deborah H. Cunningham

CC: C. Szuberla, M.Reilly, B. Porter, M. Lavare, M. Zollo, M. Gardy, S. Hubbard