



## Administrator Ethics Training Issue Brief

### **Background**

North Carolina school board members and other locally elected officials are required to receive ethics training within 12 months of each election or appointment. However, ethics training for school administrators is currently not required under State or federal law. In recent years there have been instances of ethics concerns and/or violations among school district administrators in North Carolina.

- In 2019, a NC school administrator allegedly made a deal with a vendor without school board approval, even though the total cost of the project was significantly above the administrator's signing authority. Based on email correspondence obtained by local media, the administrator and vendor agreed to write multiple contracts for the same project, including eight payments that were each less than the amount required to gain school board approval. By the time the school board voted to void the contract, three payments totaling \$259,470 had been made. Additionally, the district paid the vendor a \$82,200 settlement.<sup>1</sup>
- In 2019, a NC superintendent resigned not long after the local school board was notified about a potential conflict of interest. A vendor that the superintendent strongly encouraged the school board to sign an agreement with employed the superintendent's son and a longtime business associate.<sup>2</sup>
- In 2016, a State audit<sup>3</sup> found that a former NC superintendent spent thousands of dollars in federal money allocated for at-risk students on personal expenses including meals, hotels, flights, and entertainment.<sup>4</sup>
- In 2013, a local school board terminated the superintendent's district-issued credit card after records showed a variety of personal charges ranging from a couple hundred dollars to almost \$2,000 from June 2012 to June 2013. The superintendent had also used a school bus to transport friends and family to private events.<sup>5</sup>

State law prohibits school system employees involved in the making or administering of contracts on behalf of the local school board from deriving a direct benefit from the contract unless there is a clear exception. Yet, there is no required ethics training to inform and educate school administrators of these important laws. There are laws in place that require school board members and other locally elected officials to have two hours of ethics training within 12 months of being elected or appointed to the board on which they serve and within 12 months after each subsequent election or appointment. Similar training for school administrators is especially

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<sup>1</sup> Emails Show Effort from CHCCS Leadership to Keep \$767k Contract from School Board, Chapelboro

<sup>2</sup> Did people close to Clayton Wilcox benefit from CMS deals he helped broker?, The Charlotte Observer

<sup>3</sup> Washington County Schools Investigative Report, January 2016, State of North Carolina Office of the State Auditor

<sup>4</sup> Audit: Former NC Superintendent spent thousands on bounce houses, food, travel, WRAL News

<sup>5</sup> Durham Public Schools revokes district credit cards, WRAL News

important given that nearly half of NC's school districts are led by a superintendent with less than three years of experience in that position.

Many superintendents are hired from other states, and because ethics laws vary from state to state, many are unaware of the laws pertaining to their new role in North Carolina. Additionally, federal ethics laws differ from State ethics laws and are often stricter. School administrators are often not educated on the complexities of these various laws, even though their job responsibilities often consist of handling State and federal contracts simultaneously.

### **NCSBA Position**

School administrators are hard workers valued by their schools and communities. To ensure preservation of the public trust and protection of administrators from ethics violations, NCSBA believes that all school administrators involved in the creation or administration of contracts should be required to have at least two hours of ethics training upon such employment and in odd-numbered years thereafter. It is critical to inform and re-educate school administrators on both State and federal ethics laws to ensure that the trust of the local school board, community, and taxpayers is honored. Additionally, the continuation of this training in odd-numbered years is pertinent as laws change, new contractual relationships are established, and new examples of ethics violations emerge.