

News for Immediate Release

Oct. 24, 2018

Auditor General DePasquale Concerned School Transportation Funding Mistakes are Hurting Classrooms; Urges Action, Launches Training

Department Teams with School Business Officials to Train District Staff

HARRISBURG – Auditor General Eugene DePasquale today said poor record-keeping by school districts stymies his efforts to make sure districts receive accurate transportation reimbursements from the state, citing audits that found more than \$8.4 million in incorrect payments. To address these problems, DePasquale announced new training available to all districts.

In the 2016-17 school year, the state issued \$522.5 million in transportation reimbursements toward a total cost of more than \$1.56 billion. Local school taxpayers are responsible for the difference.

Recent audit results for a number of school districts indicate “a troubling trend,” DePasquale noted.

“Some districts could not provide documentation to our auditors, which thwarts our ability to determine if a district is receiving the correct amount of money,” DePasquale said. “Local school taxpayers pay costs not reimbursed by the state, meaning this problem can affect how much money makes its way to the classroom – where it is needed to help develop Pennsylvania’s future workforce.

Since May, six school district audits have been released covering the 2012-13 to 2015-16 school years with findings involving a lack of documentation for transportation reimbursements: [Springfield Township](#), Montgomery County; [Steelton-Highspire](#), Dauphin County; [Garnet Valley](#), Delaware County; [East Allegheny](#), Allegheny County; and [Jeannette City](#) and [Monessen City](#), Westmoreland County.

Together, these six districts received \$10,008,833 in reimbursements, but a lack of documentation prevented auditors from determining if that total was exactly what the districts were owed.

“While I do not believe districts are doing this on purpose, I want all districts to keep better records moving forward. Should we find any evidence of districts ‘padding’ their numbers, we will refer such cases to local prosecutors,” he added.

DePasquale also released a list of 42 school district audits completed since July 1, 2015 for which documentation was available that identified more than \$8.4 million in incorrect reimbursements. Some districts were overpaid by a total of \$4,778,656; others were underpaid by \$3,678,717.

The errors involved districts incorrectly reporting the number of students transported; the number of days transporting students; mileage; and/or the amount paid to transportation contractors.

Among those districts receiving overpayments, auditors determined:

- The [Allentown School District](#) in Lehigh County was overpaid by more than \$1.7 million.
- The [Reading School District](#) in Berks County was overpaid by \$127,261.

On the other end of the scale, audits also found:

- The [Red Lion School District](#) in York County was underpaid by \$456,211.
- The [Erie City School District](#) in Erie County was underpaid by nearly \$275,000.

- The [Sharon City School District](#) in Mercer County received \$187,261 less than it was owed.

The public school code requires school districts to report student transportation data to the Pennsylvania Department of Education (PDE) annually. The department is able to withhold a reimbursement for cause, but it does not verify that reimbursement requests are accurate at the time of submission.

“The Department of Education can adjust future reimbursements to correct any discrepancies, but only in cases where my office is able to prove the math does not add up,” DePasquale said. “I’m working to make sure that schools districts get every last dollar they’re due under the law.”

In the future, the Department of the Auditor General will:

- Notify PDE when an audit finds a lack of documentation;
- Ask PDE to work with the district to ensure that it maintains the needed records; and
- Recommend that PDE withhold future reimbursement if future audits find the same problem.

DePasquale noted that a primary reason school districts have given for the lack of documentation is staff turnover. In addition, errors in the data submitted to PDE was primarily due to new staff members not being trained in the reporting process.

“To address that challenge, my office is working with the Pennsylvania Association of School Business Officials to develop training focused on teaching districts to better document and report their transportation expenses,” he said. “By helping school districts make sure they receive the correct amount of funding, we’re helping to ensure Pennsylvania’s children receive the quality education that they deserve.”

A list of audits performed since July 2015 that identified over- or under-payments is available [here](#). A summary of school transportation reimbursement totals for 2016-17, including by-district and regional data, is available [here](#). Audit reports for school districts are routinely released online at www.PaAuditor.gov.

###

Media contact: Gary Miller, 717-787-1381