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Auditor General DePasquale Says Retired Superintendent's Healthcare Could Cost Western Wayne School District \$86,000 plus

HARRISBURG – Auditor General Eugene DePasquale today said that the Western Wayne School District's latest audit found that a retired superintendent's healthcare could cost the school more than \$86,000 over the next eight years.

Auditors found that a post-employment amendment to the contract added health benefits for the former superintendent's spouse, costing the district at least \$86,000 over eight years.

"The estimated cost of the health benefits assumes that the cost of healthcare won't go up, and that is just incredibly wishful thinking," DePasquale said. "I want to make sure that every available dollar is going into classroom education."

The audit of the district covers July 1, 2012, through June 30, 2016. The 18-page audit report includes one finding and three recommendations.

In February 2017, the district's board approved a contract amendment for the former superintendent. According to district officials and board meeting minutes, the spousal health benefits were authorized in exchange for consulting services to be provided by the former superintendent.

However, the board never authorized a separate written contract for consulting services. The contract amendment also did not reference the appointment of the former superintendent as a consultant.

"Having a former superintendent act as a consultant in exchange for under-the-table health benefits without a legitimate contract is not the proper way a school district should conduct business," he said.

As a result, the added health benefits may have constituted a severance or buyout option that is prohibited by the Public School Code, and the agreed-upon consulting services were not properly added to an official contract, which therefore reduces public accountability.

The school code does not specifically prohibit amendments to retirement clauses in superintendent employment contracts. However, it clearly prohibits them during the course of the contract period or in the event of a contract termination.

The former superintendent separated from the district effective Feb. 1, 2017, only 17 months into the contracted five-year employment term. The amendment to the employment contract was approved five days after the separation from the district.

The Western Wayne School District audit report is available online www.PaAuditor.gov.

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