

November 15, 2019

**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA17120-0018
Crestwood School District Response to Performance Audit**

On March 20, 2019, representatives from the Commonwealth of Pennsylvania Department of the Auditor General met with officials from the Crestwood School District including the Acting Superintendent, Solicitor, Business Manager, and members of the board of education to: 1.) Review the audit objectives and results; 2.) Review the findings and recommendations contained within the Department of the Auditor General Bureau of School Audits' final report; 3.) Review the status of any applicable prior findings in a previous Department report; and 4.) Review the Act 44 guidelines and requirements as they pertain to the requirement that the district submit a response to the Department of Auditor General within specific timelines which details the adoption of all Auditor General's recommendations, or provides reason(s) as to why recommendations afforded to the district were not adopted.

For the purposes of the Final Performance Audit for the Crestwood School District: July 1, 2013 through June 30, 2017 which was published and disseminated in May 2019, the Office of the Auditor General had undertaken a comprehensive analysis of district practices as they relate to transportation services; compliance with relevant state laws, regulations, statutes, contracts, and administrative procedures; and safe and supportive school practices. The performance audit undertaken demonstrates that the Crestwood School District has complied in most of the aforementioned target areas and had applied best practice with the exception of two specific areas for which the Auditor General has recommended that the district undertake corrective and actionable measures for improvement.

Within the final Performance Audit published in May 2019, the Department of the Auditor General communicated the following two findings: 1.) "The District Failed in Its Legal Duty to Ensure its Contracted Bus Drivers Were Qualified and Cleared to Transport Students, Putting Them at Risk of Harm and Costing Them Lost School Days" and 2.) "The Board Executed a Transportation Agreement with Automatic Renewals, Resulting in a 20 Year Contract and a Base Rate with Annual Fixed Increases." Committed to continuous school improvement, the Crestwood School District and its designees have identified and implemented corrective action steps to address the aforementioned areas of concern. The narrative that follows will specifically identify the action steps which have been previously undertaken as well as those which will be addressed in the future. Moreover, the district provides contextual information and rationale for the selection of actionable steps and a description of how those steps improve district conditions.

1.) *The District Failed in Its Legal Duty to Ensure its Contracted Bus Drivers Were Qualified and Cleared to Transport Students, Putting Them at Risk of Harm and Costing Them Lost School Days:*

- The administration of the Crestwood School District acknowledges that the district did not meet the following expectations: 1.) To ensure the required credentials including driver licenses and annual physical examinations for all contracted bus operators; 2.) To ensure criminal history reports and PDE mandated clearances for all contracted bus operators were up to date; 3.) Moreover, the district recognizes that at the time of the audit, CSD Board Policy 810 had not been updated since 2009; 4.) Furthermore, the district recognizes that the practices and procedures maintained with regards to the oversight of bus operation was inconsistent with district policy, PA School Code, Child Protected Services Law, PA Vehicle Code, State Board of Education regulations, and PDE guidance documents as well.
- In order to address these deficiencies: The Crestwood School District had identified immediate corrective action steps which were to be undertaken. These responses are conveyed in the district managerial response supplanted within the Performance Audit - July 1, 2013 through June 30, 2017 which include:
 - 1.) The Crestwood Policy Committee has reviewed and updated Board Policies: 810 Volume III, 810.1, and 810.3 to ensure that all transportation policies are consistent with current laws and regulations and has recommended that Board of Education review and adopt the said policies on March 21, 2019;
 - 2.) The Crestwood Board of Education placed both the (previous) Superintendent of Schools and (previous) Chief of District Operations on administrative leave while conducting an internal investigation;
 - 3.) Subsequent to an internal investigation, the Superintendent and the Chief of District Operations who were responsible to supervise and oversee district transportation at the onset of the 2018-19 school year are no longer employed by the Crestwood School District;
 - 4.) On November 20, 2018, the Crestwood School District Board of Education (BOE) terminated the transportation contract with its primary busing contractor with an effective date of February 1, 2019. On January 17, 2019, the CSD BOE amended previous board action to terminate their respective primary transportation contractor and extend the date of termination to June 30, 2019;

5.) The CSD is currently reviewing proposals from numerous prospective transportation contractors in an effort to identify a transportation contractor for the 2019-20 school year;

6.) The CSD BOE is developing written procedures which specifically outline the processes undertaken with regards to the submission of current clearances and credentials for prospective district employees at the time of hire and throughout their employment within the district;

7.) The CSD will develop a professional development schedule which outlines ongoing and regular training of all district employees responsible for updating personnel files for contracted transportation operators. The district will train the aforementioned staff on Section 111 of the PA School Code, the relevant provisions of the CPSL, the state vehicle code, state board of regulations, and the PDE guidance document in order to ensure that the district procedures and practices are not only in compliance with prerequisite laws, statutes, and regulations, but also maintain the safety and welfare for all Crestwood students.

• **The Crestwood School District has undertaken the following:**

- Implemented **Comply** by **EduLink** which is PA Clearance and Compliance Management System. Within the web-based platform, the CSD has supplanted clearance data for all district employees, contractors, and volunteers which includes, but is not limited to Act 114 – Federal Background Check, Act 151 – PA Child Abuse History, Act 34 – PA Criminal History, Act 24 Reporting Arrest and Convictions, All Transportation Credentials (Driver Licenses with S-endorsements, physical examination records.) Also within Comply, the CSD is supplanting mandated training certifications for Child Abuse Recognition and Reporting (Act 126), Suicide Awareness and Prevention (Act 71), CPR, Safe Crisis Management, and PIMs?Act 44-Related data. EduLink tracks and monitors when employee credentials are about to expire and provides formal electronic communication to employees and the administrators who provide oversight. This functionality of the platform ensures the fidelity with timelines and record-keeping.
- Created a new secretarial position: **District Transportation Coordinator** who serves as the liaison between the district and its transportation contractors to ensure: Efficiency of transportation routes, Fidelity of transportation data, Accurate fiscal reporting, and Oversight bus operator credentials and documentation in order to be in compliance with PA School Code, the Child Protected Law, the PA Vehicle Code, the state Board of Education regulations,

and PDE guidance documents. This is a new role within the district that was not previously in place. This individual will work interdependently and collaboratively with District Human Resources. The Coordinator will be supervised directly by the recently-appointed District Superintendent.

- The district implemented a districtwide academic calendar which includes three additional Act 80 days in order to provide district stakeholders including bus operators with increased opportunities for professional development. The ongoing professional development focuses upon compliance and student safety and welfare.
- The Board of Education has implemented a new operating practice whereby candidates for district appointments may not be included upon district board meeting agendas unless the district is in possession of all prerequisite credentials, clearances, and requirements.
 - Over the course of the 2019-2020 school year, the superintendent and his designees will continue to collaborate with newly appointed business office employees to create written procedures and guidelines which delineate the handling of clearances and credentials at both the onset and throughout an individual's employment within the district.

2.) The Board Executed a Transportation Agreement with Automatic Renewals, Resulting in a 20 Year Contract and a Base Rate with Annual Fixed Increases.

- The administration of the Crestwood School District acknowledges that the district did not meet the following expectations: 1.) Negotiate a transportation contract that ensures the best combination of pricing and quality of services; 2.) Identify contract terms that fully accounts for long-term potential financial impact; and 3.) Identify contract terms that do not limit the district's ability to align itself with competitive transportation vendors in the marketplace. More specifically, district administration recognizes that due to extraordinary circumstances, in August 2016, the district executed a contract with their previous bus contractor that possessed terms identified as being "undesirable" by the Department of the Auditor General such as: "Three automatic five year extensions; First right of refusal to enter into a contract with CSD at the terms and conditions set forth in a contract with any proposed contractor; and a base rate that exceeds 2 million dollars + charter fees and fuel surcharges." The CSD

recognizes the aforementioned terms limit the district's ability to ascertain the most competitive pricing and sustain high quality transportation services.

- In order to address these deficiencies: The Crestwood School District had identified corrective action steps which were to be undertaken. These responses are conveyed in the district managerial response supplanted within the Performance Audit - July 1, 2013 through June 30, 2017 which include:

- 1.) Request proposals from various transportation vendors with the intent of identifying a new transportation contractor to provide busing for the 2019-20 school year;
- 2.) Establish contract terms which include but are not limited to providing updated clearances and credentials for all bus operators prior to the start of every school year;
- 3.) Establish contract terms which include, but are not limited to enabling the Crestwood School District to determine all bus routes and control efficiency planning;
- 4.) Establish contract terms which include, but are not limited to prohibiting automatic contract renewals and automatic price increases without specified basis;
- 5.) Establish contract terms which include, but are not limited to the transportation contractor submitting all transportation data necessary to maintain regular and up-to-date calculations for reimbursement and district accounting;
- 6.) Identify a transportation contractor who will utilize a district-approved transportation management platform to ensure the highest standard of student safety.

- **The Crestwood School District has undertaken the following:**

- Through the Spring of 2019, the Crestwood Board of Education engaged in competitive process to identify a new primary transportation contractor with whom to partner.
- The district appointed a committee comprised of administration and members of the Board of Education to identify a transportation contractor that would be receptive to a fair and appropriate contract; provide transportation services to the students of the district at a fee schedule that is aligned to the current fiscal climate of the district; engage in efficiency planning and economization of bus routes; provide on-going and robust professional development for bus

operators; implement innovative safety practices and measures to improve the safety of all students; and collaborate with the district administration to ensure that needs of all students are well met.

- The CSD Board of Education appointed a new primary transportation contractor in the late Spring, 2019.
 - In collaboration with the new transportation contractor, the district revised ALL bus routes for public, non-public, private, and charter school students in order to promote increased safety and fiscal efficiency.
 - The district implemented a transportation management system in order to computerize all transportation data, archive all student information, and facilitate efficiency planning
 - On August 23, 2019, the new bus contractor communicated to the district that it was unable to fulfill its contract for it did not possess the number of bus operators necessary to transport all district students K-12 public, non-public, charter, and private.
 - Despite efforts which included, but were not limited to forestalling the start of school for one week, the district was compelled to sever its relationship and contract with the new vendor due to breach of contract. The contractor was not able to fulfill its contractual obligation.
- The new transportation contract that was agreed upon between the district and the long-standing transportation contractor specifically addresses the contractor's responsibility to provide the district with updated clearances and credentials for all bus operators prior to the start of every school year; prior to their first day of service, and throughout the tenure of the employee as they expire and need to be updated.
 - The new transportation contract that was agreed upon between the district and the long-standing transportation contractor specifically articulates that the district determines bus routes. Additionally, the contract specifies that in collaboration with the transportation contractor, the district will engage in efficiency planning to ensure that transportation routes provide students with the most efficient and safest transportation experience.
 - The new transportation contract that was agreed upon between the district and the long-standing transportation contractor possesses specific guidelines that situate clear expectations regarding the manner with which the contractor will provide the district with the transportation data needed to maintain regular and up-to-date calculations for state reimbursement and district accounting.

- The district has implemented monthly transportation meetings whereby representatives of the transportation contractor, district administration, and business office engage in an open dialogue regarding transportation issues and concerns.
- The district has hired a District Transportation Coordinator who will receive training and consultation regarding the Transfinder management system with the transportation coordinator from the transportation contractor.
- Despite the extraordinary circumstances whereby the newly appointed transportation contractor breached their respective contract with the district due to their inability to secure credentialed drivers, the district was able to foster a contract with the long-standing, previous contractor that addressed several of the shortcomings in the previous contract identified by the Department of the Auditor General.
- The new contract with the transportation contractor continues to maintain the following: 1.) Automatic renewals, 2.) Last right of refusal, and 3.) Non-merit-based increases. Due to the timing when the other contractor breached their contract with the district, the district ability to negotiate a contract was limited.