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## News for Immediate Release

Feb. 27, 2019

### **Auditor General DePasquale Says Risky Tax Collection Deal at Wilkinsburg School District Should Never Have Happened**

***PA Dept. of Education must do a better job of monitoring struggling districts***

**PITTSBURGH** – Auditor General Eugene DePasquale today said his new audit of the Wilkinsburg Borough School District found the chronically struggling district entered into a risky tax collection deal while operating under the Pennsylvania Department of Education’s financial watch status.

“My audit found the school district bundled its delinquent real estate taxes into a payday-type loan, which is akin to gambling with public money,” DePasquale said. “That deal should never have happened.”

Since the majority of delinquent taxes proved uncollectable, the district ultimately paid out more than \$1.2 million to satisfy the debt. The district did this using state subsidies received through a separate agreement where the Pittsburgh Public School system began educating Wilkinsburg’s high school students.

“I am stunned that Wilkinsburg district officials made this risky bet while operating under financial watch status,” DePasquale said. “The Department of Education really needs to make sure school districts that are already in bad financial condition have appropriate guidance that will prevent them from making matters worse.”

As part of the agreement with Pittsburgh Public Schools, Wilkinsburg began receiving \$3 million per year in state subsidies to partially pay for transition-related expenses. This agreement also allowed the district to save money by selling an elementary school building, eliminating 21 teaching positions, and reducing maintenance costs.

“I applaud the cooperative agreement worked out with Pittsburgh Public Schools to take on the education of Wilkinsburg’s high school students,” DePasquale said. “This could be a model for districts across Pennsylvania to explore creative ways to share and combine resources to make sure students are getting the best education possible.”

### ***Other Audit Findings***

The audit, which covered July 1, 2013 through June 30, 2017, also found the district did not maintain a required safety plan and did not comply with bullying prevention requirements under the public school code.

In their response included in the audit report, district officials stated they are implementing the audit’s recommendations, including the creation of a school safety plan and anti-bullying programs.

“Until my audit, the district was not aware that Pennsylvania State Police offers a free risk and vulnerability assessment to school districts,” DePasquale said. “This is why it is so important that we continue to monitor safety and bullying plans and continue to follow-up on the results of the School Safety Task Force that I co-chaired with Gov. Wolf.”

The [School Safety Task Force final report](#) offers 32 recommendations for a variety of local and state officials, as well as community members, to help keep students safer in school.

“I will continue to focus on making our schools safer and more secure for students, teachers and staff,” DePasquale said.

Auditors also found the district failed to maintain documentation for more than \$1.5 million in transportation reimbursement costs and documentation for over \$173,000 in commonwealth-paid tuition for educating nonresident students.

“Since my audit concluded, the district is reporting its first positive fund balance in years,” DePasquale said. “The district has a long way to go, but Superintendent Iverson seems to be off to a good start and is already working to implement my audit recommendations.

“It also helps to have the support of local elected officials like Mayor Marita Garrett. It is this type of community approach combined with following my audit recommendations that I saw turn around the Reading School District. I want to see similar results here for the students in Wilkinsburg.”

The Wilkinsburg Borough School District audit is available online at [www.paauditor.gov/WilkinsburgBoroughSchoolDistrict.pdf](http://www.paauditor.gov/WilkinsburgBoroughSchoolDistrict.pdf).

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