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News for Immediate Release

March 14, 2019

Auditor General DePasquale Calls for Scranton School District to Cancel its Busing Contract Among Other Financial Recovery Steps

SCRANTON – Auditor General Eugene DePasquale today released his recommendations for the Scranton School District’s financial recovery plan, including a recommendation to cancel the district’s busing contract – a no-bid deal he previously called “the worst in the state.”

The district, currently facing more than \$200 million in debt, was placed into financial recovery status in January by the state. DePasquale said the crisis worsened when the district entered into a busing contract without first seeking competitive bids, wasting millions of taxpayer dollars.

“Now that the district is in financial recovery status, it has the legal ability to cancel its expensive busing contract and put those services out for competitive bid – as it really should have done in the first place,” DePasquale said. “The potential cost savings could help to speed the district’s return to solid financial ground.”

DePasquale said the potential cost savings of a new busing contract, an estimated \$1,393,479, would be enough money to put 21 teachers back into the district’s classrooms so students can benefit from art, music and language programs again.

Another key recommendation DePasquale offered is to allow the district’s new Chief Recovery Officer to do the job she was brought in to do.

“The Scranton School Board should be placed on notice: financial recovery is your last chance to get it right,” DePasquale said. “If recovery fails, a state takeover will occur – and the local board will find itself completely on the sidelines.”

Some of DePasquale’s other recommendations include:

- Implementing better governance, accountability and transparency;
- Establishing clearer lines of responsibility and accountability among district leaders;
- Acknowledging/answering members of the public who comment during school board meetings;
- More accurate reporting of transportation data to the state to ensure correct reimbursement;
- Stronger oversight and inventory control in its IT department, including a thorough audit; and
- Ending the district’s practice of borrowing large sums of money.

DePasquale’s [full list of recommendations](http://www.PaAuditor.gov) may be viewed online at www.PaAuditor.gov.

“As we’ve seen elsewhere, districts can turn things around when they listen to my suggestions,” DePasquale added, noting how the Reading School District in Berks County – the focus of a critical audit in 2013 – heeded his recommendations. Today, the district is on a much better path.

DePasquale urged the Scranton School Board to learn from Reading and follow its example, starting by listening to teachers and parents.

“Reading officials are now able to focus on their main mission: educating kids,” he said. “If the Scranton School Board can manage to finally change its culture, it could accomplish the same goal and direct more dollars back to the classroom – where they do the most good.”

DePasquale said his recommendations are based in part on public input he received during a Scranton town hall meeting in January.

“I’m extremely grateful for the helpful input we received from the greater Scranton community, and especially the students who bravely spoke up,” DePasquale said. “It showed that residents are anxious to put the past behind them and help move the district forward.”

DePasquale has long sought to improve financial management of Pennsylvania’s struggling school districts. His October 2017 audit report on the Scranton School District found “serious financial instability and an extreme level of board and administrative staff dysfunction” at a level rarely seen in school district audits. The 107-page audit report, which covered July 2012 through June 2016, contained nine findings and 38 recommendations for improvement.

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