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News for Immediate Release

May 12, 2016

Auditor General DePasquale Calls on General Assembly to Require All School Districts to Bid Student Transportation Services

Says his audits found 19 districts spent \$54.8 million more than state reimbursement provided

HARRISBURG – Pointing out that school districts spent \$54.8 million in excess of the Pennsylvania Department of Education reimbursement, Auditor General Eugene DePasquale today called on the General Assembly to require all school districts to seek competitive bids for student transportation services.

“I want to put more education dollars in our classrooms, not our school buses,” DePasquale said during a news conference at the state capitol.

“Since 2013, our audits have identified 19 school districts in 11 counties that paid \$54.8 million more than the state transportation reimbursement.

“To get the best possible price and ensure transparency for taxpayers, student transportation contracts should be re-bid every time they are up for renewal,” DePasquale said, noting that the Public School Code does not currently require school districts to bid-out busing services.

“I’m calling on the General Assembly to enact legislation to ensure school districts are getting the best possible price by requiring them to seek competitive bids for transportation services.”

Last week, DePasquale released the latest audit for the Altoona Area School District in Blair County that showed the district exceeded the Pennsylvania Department of Education’s (PDE) reimbursement by more than \$3.3 million during the 2012-13 and 2013-14 school years.

The Altoona Area School District originally sought bids for the transportation contract, but that was in 2006, and the contract is now extended through June 2018.

“By the end of the current term, the Altoona district will have been in a contract with the same transportation provider for 12 years,” DePasquale said.

“Because of our audit, Altoona officials said they plan to renegotiate with the current contractor and seek bids for transportation services when the current contract expires,” he said, noting, “That decision to renegotiate and then rebid the transportation contract is great news for students and taxpayers.”

Despite being called out in its last audit for not bidding-out transportation services and paying \$4.2 million above the PDE reimbursement, in March the Scranton City School District voted to extend its existing, no-bid busing contract for another four years.

“In some cases school districts might be getting the best deal available for transportation services, but it is hard to prove that to taxpayers unless you make the effort to solicit bids,” DePasquale said.

“Competitive bidding is a good business practice that provides for more transparency and could result in lower costs to the district — that could mean more money for classroom education.”

For example, the December 2013 audit of the Riverview School District showed the district sought bids for transportation services and still paid \$1.1 million more than the PDE reimbursement. In its response to the audit at the time, Riverview officials said they planned to rebid the contract next time it expired.

Under the Public School Code, PDE is to reimburse school districts for student transportation costs using a complex formula based on a number of factors, including the number of students, daily miles traveled, and contractor costs. However, the PSC does not require districts to competitively bid for transportation services.

“Amending the Public School Code to require schools to competitively bid transportation services will improve transparency and could put more money in our classrooms,” DePasquale said.

19 School Districts Paid \$54.8 million Over PDE Transportation Reimbursement			
School District	County	Amount Paid Over PDE Transportation Formula	Years Audited
Allegheny Valley School District	Allegheny	\$2.3 million	2007-08 to 2010-11
Deer Lakes School District	Allegheny	\$871,137	2010-11 to 2011-12
* Highlands School District	Allegheny	\$3.4 million	2008-09 to 2011-12
** Riverview School District	Allegheny	\$1.1 million	2008-09 to 2011-12
Woodland Hills School District	Allegheny	\$4.9 million	2008-09 to 2009-10
West Jefferson School District	Allegheny	\$1.6 million	2008-09 to 2009-10
Armstrong School District	Armstrong	\$7.8 million	2006-07 to 2009-10
Altoona Area School District	Blair	\$3.3 million	2012-13 to 2013-14
* Crawford Central School District	Crawford	\$4.1 million	2008-09 to 2011-12
Carmichaels Area School District	Greene	\$2.9 million	2004-05 to 2009-10
Dunmore School District	Lackawanna	\$256,978	2010-11 to 2011-12
* Scranton City School District	Lackawanna	\$4.2 million	2008-09 to 2009-10
Valley View School District	Lackawanna	\$1.3 million	2010-11 to 2011-12
Salisbury Township School District	Lehigh	\$1.2 million	2008-09 to 2009-10
Smethport Area School District	McKean	\$1.8 million	2008-09 to 2011-12
* Souderton Area School District	Montgomery	\$5.7 million	2008-09 to 2009-10
Bethlehem-Center School District	Washington	\$6.3 million	2005-06 to 2009-10
* Chartiers-Houston School District	Washington	\$1.0 million	2010-11 to 2012-13
* Monessen School District	Westmoreland	\$730,987	2008-09 to 2011-12
Total		\$54.8 million	

* Indicated no intention of competitively bidding transportation services

** Competitively bid transportation services during audit period

All school district audit reports are available online at: www.PaAuditor.gov.

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