

PERFORMANCE AUDIT

General McLane School District Erie County, Pennsylvania

September 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
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EUGENE A. DePASQUALE
AUDITOR GENERAL

Mr. Richard Scaletta, Superintendent
General McLane School District
11771 Edinboro Road
Edinboro, Pennsylvania 16412

Mrs. Carrie Crow, Board President
General McLane School District
11771 Edinboro Road
Edinboro, Pennsylvania 16412

Dear Mr. Scaletta and Mrs. Crow:

We have conducted a performance audit of the General McLane School District (District) for the period July 1, 2012 through June 30, 2015, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in the appendix of this report:

- Bus Driver Requirements
- Contracting
- Hiring Practices
- School Safety

The audit was conducted pursuant to Section 403 of The Fiscal Code (72 P.S. § 403), and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit found that the District performed adequately in the areas listed above, except as noted in the following finding:

- District Failed to Ensure School Bus Drivers and Other Staff Met All Employment Requirements

Mr. Richard Scaletta
Mrs. Carrie Crow

We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

September 8, 2016

cc: **GENERAL MCLANE SCHOOL DISTRICT** Board of School Directors

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Background Information

| School Characteristics 2015-16 School Year ^A | |
|--|-------------|
| County | Erie |
| Total Square Miles | 114 |
| Resident Population^B | 17,300 |
| Number of School Buildings | 4 |
| Total Teachers | 190 |
| Total Full or Part-Time Support Staff | 155 |
| Total Administrators | 16 |
| Total Enrollment for Most Recent School Year | 2,167 |
| Intermediate Unit Number | 5 |
| District Vo-Tech School | Erie County |

A - Source: Information provided by the District administration and is unaudited.

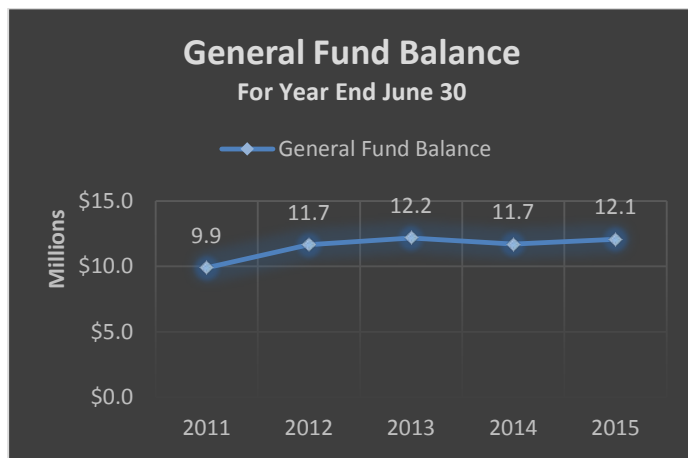
B - Source: United States Census
<http://www.census.gov/2010census>

Mission Statement^A

“Meet students where they are to empower them to become all they are capable of being.”

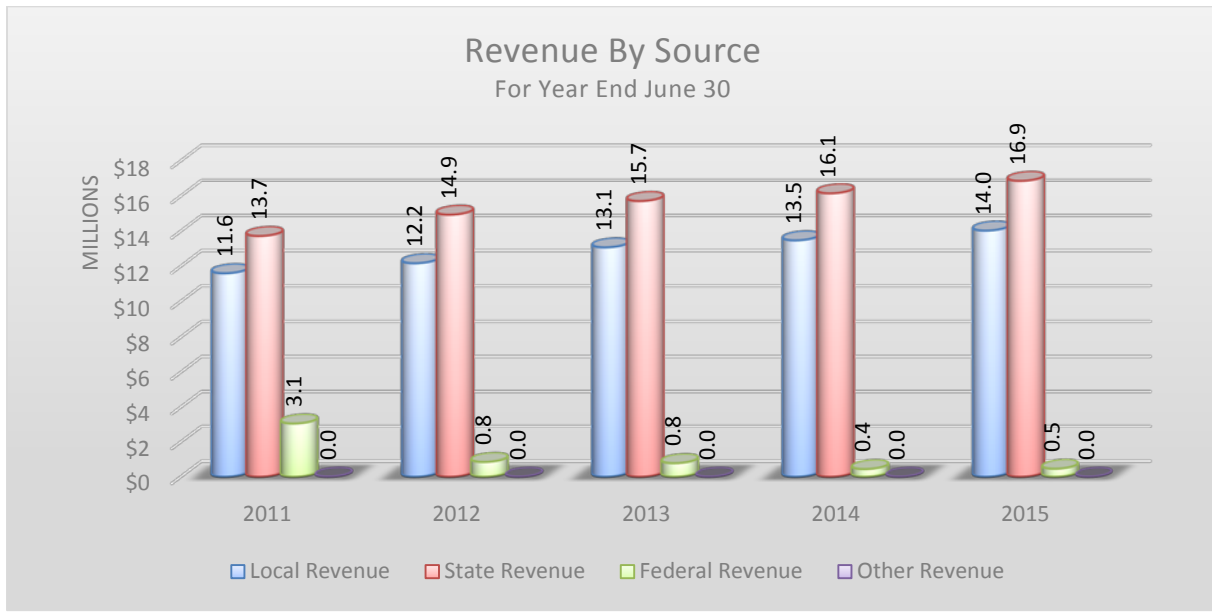
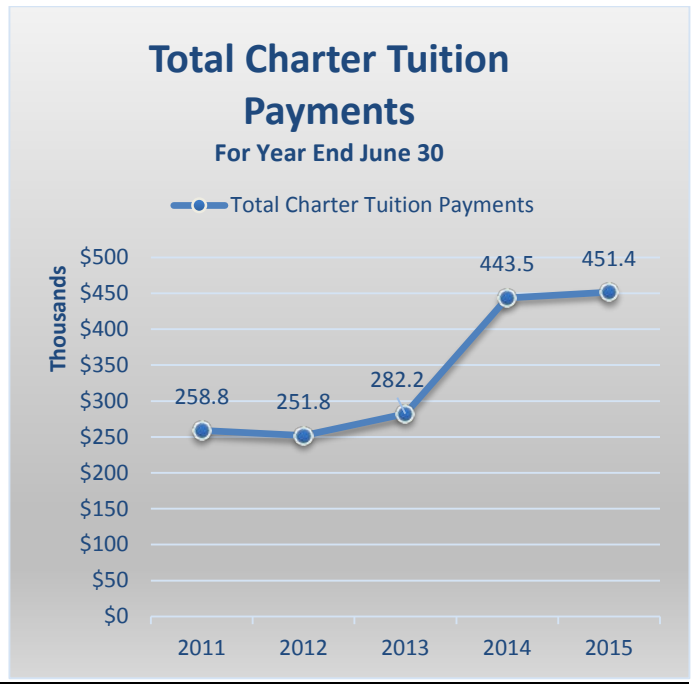
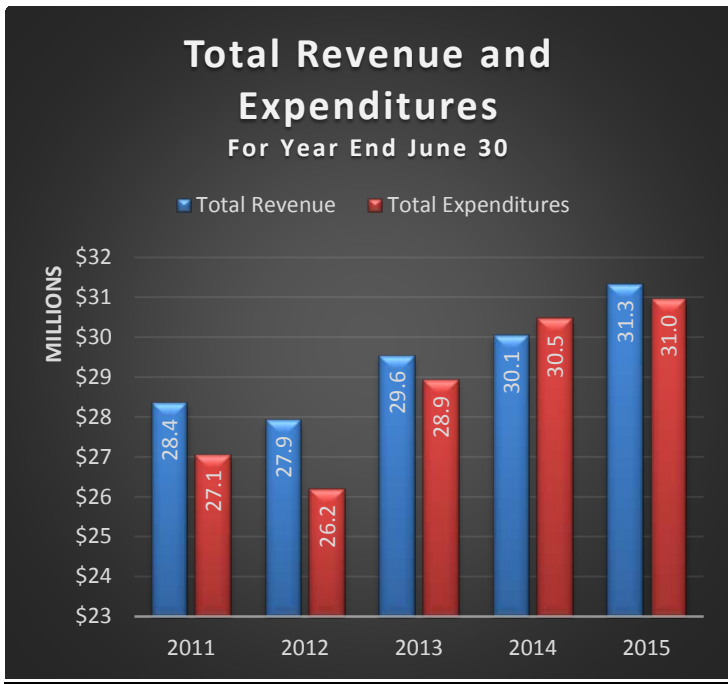
Financial Information

The following pages contain financial information about the District obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE’s public website. This information was not audited and is presented for **informational purposes only**.



¹ Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits and Compensated Absences.

Financial Information Continued



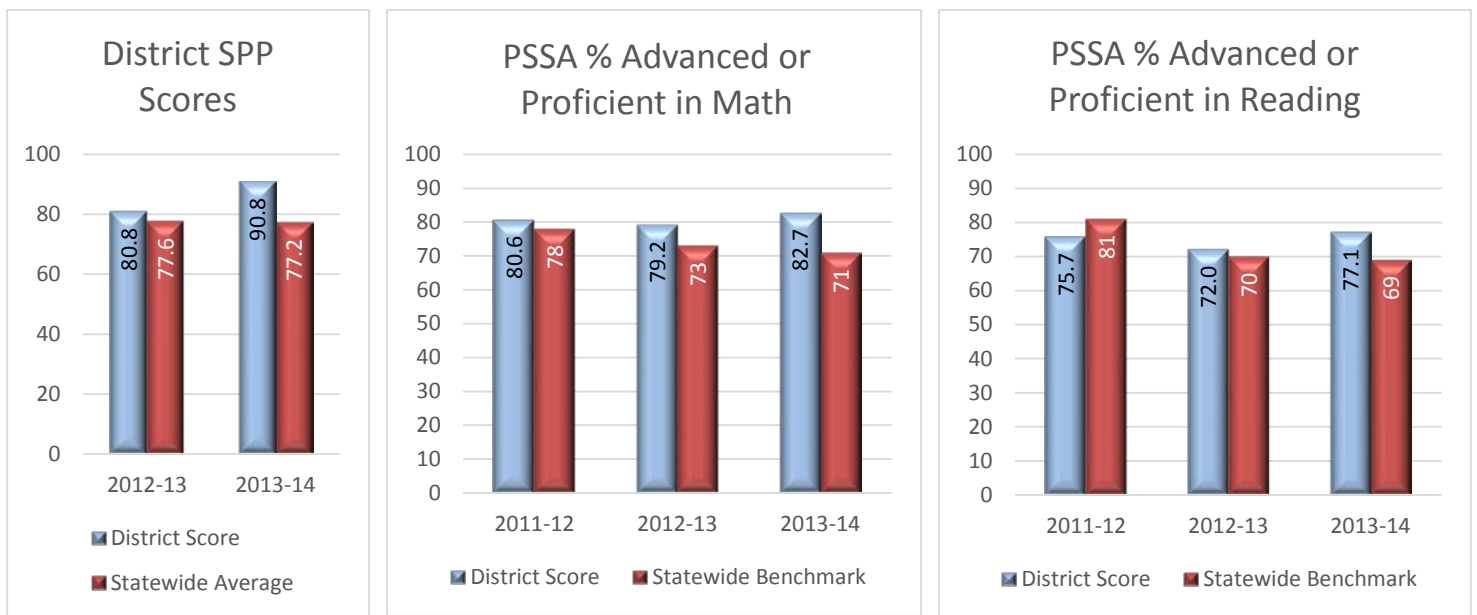
Academic Information

The following table and charts consist of School Performance Profile (SPP) scores and Pennsylvania System of School Assessment (PSSA) results for the entire District obtained from PDE’s data files.² These scores are presented in the District’s audit report for **informational purposes only**, and they were not audited by our Department.

SPP benchmarks represent the statewide average of all district school buildings in the Commonwealth.³ PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.⁴ District SPP and PSSA scores were calculated using an average of all of the individual school buildings within the District. Scores below SPP statewide averages and PSSA benchmarks/goals are presented in red.

Districtwide SPP and PSSA Scores

| District | SPP Scores | | PSSA % Advanced or Proficient in Math | | | PSSA % Advanced or Proficient in Reading | | |
|------------------------------|------------|----------|---------------------------------------|---------|---------|--|---------|---------|
| | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 |
| <i>Statewide Benchmark</i> | 77.6 | 77.2 | 78 | 73 | 71 | 81 | 70 | 69 |
| <i>General McLane SD</i> | 80.8 | 90.8 | 80.6 | 79.2 | 82.7 | 75.7 | 72.0 | 77.1 |
| <i>SPP Grade⁵</i> | B | A | | | | | | |



² PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE’s publicly available website.

³ Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

⁴ PSSA benchmarks apply to all district school buildings, charters, and cyber charters. In the 2011-12 school year, the state benchmarks reflect the Adequate Yearly Progress targets established under No Child Left Behind. In the 2012-13 and 2013-14 school years, the state benchmarks reflect the statewide goals based on annual measurable objectives established by PDE.

⁵ The following letter grades are based on a 0-100 point system: A (90-100), B (80-89), C (70-79), D (60-69), F (59 or below).

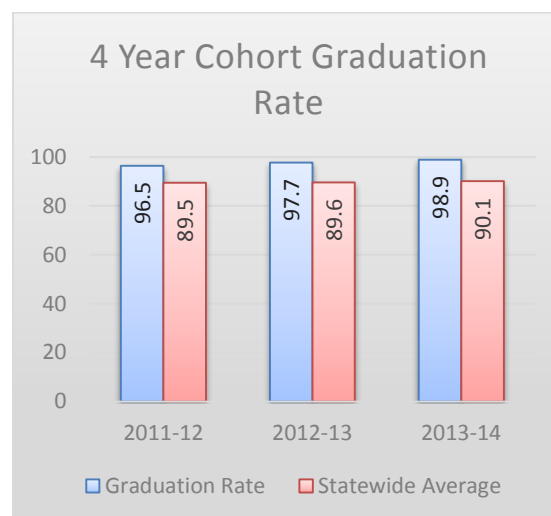
Individual School Building SPP and PSSA Scores

The following table consists of SPP scores and PSSA results for each of the District's school buildings. Any blanks in PSSA data means that PDE did not publish a score for that school for that particular year.⁶

| School Name | SPP Scores | | PSSA % Advanced or Proficient in Math | | | PSSA % Advanced or Proficient in Reading | | |
|-------------------------------------|------------|---------|---------------------------------------|---------|---------|--|---------|---------|
| | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 |
| <i>Statewide Benchmark</i> | 77.6 | 77.2 | 78 | 73 | 71 | 81 | 70 | 69 |
| <i>Edinboro Elementary School</i> | 79.8 | 94.7 | 87.7 | 85.4 | 88.0 | 84.9 | 79.8 | 80.4 |
| <i>General McLane High School</i> | 90.4 | 90.6 | 67.9 | 74.2 | 68.2 | 73.8 | 80.4 | 79.1 |
| <i>James W Parker Middle School</i> | 83.4 | 83.2 | 83.4 | 81.7 | 83.9 | 76.3 | 73.7 | 73.5 |
| <i>McKean Elementary School</i> | 69.5 | 94.7 | 83.3 | 75.4 | 90.9 | 67.7 | 54.4 | 75.4 |

4 Year Cohort Graduation Rates

The cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year.⁷



⁶ PDE's data does not provide any further information regarding the reason a score was not published.

⁷ <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx#.V1BFCDTD-JA>.

Finding

Finding

District Failed to Ensure School Bus Drivers and Other Staff Met All Employment Requirements

Criteria relevant to the finding:

Act 24 of 2011, effective September 28, 2011, added Section 111(j)(1) to the PSC to provide for the following: “The...[PDE] shall develop a standardized form [i.e., *Arrest/Conviction Report and Certification Form*] to be used by current and **prospective employees** of public and private schools, intermediate units and area vocational-technical schools for the written reporting by current and prospective employees of any arrest or conviction for an offense enumerated under subsection (e). The form shall provide a space in which a current or **prospective employee** who has not been convicted of or arrested for any such offense will respond ‘no conviction’ and ‘no arrest.’ The form also shall provide that failure to accurately report any arrest or conviction for an offense enumerated under subsection (e) shall subject the current or **prospective employee** to criminal prosecution under 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities). The department shall publish the form on its publicly accessible Internet website and in the Pennsylvania Bulletin.” [Emphasis added.] See 24 P.S. § 1-111(j)(1).

Our audit of the District’s school bus driver qualifications for the 2015-16 school year found that the District did not require new bus driver applicants to complete the PDE *Arrest/Conviction Report and Certification Form*, as required by Section 111(j)(2) of the Public School Code (PSC).⁸ The District’s failure to require this form as part of its employment process resulted in 180 new staff members, including 27 bus drivers, being hired between December 28, 2011 and March 13, 2016, without completing this form. One of the purposes of this form is to indicate whether or not a prospective employee was arrested or convicted of a criminal offense⁹ and/or named as a perpetrator of a founded report of child abuse within the past five years as defined by the Child Protective Services Law¹⁰ (CPSL) that would disqualify the individual from employment for positions which have direct contact with children.

Several state statutes and regulations establish the minimum required qualifications for school bus drivers and the required background clearances for all staff

⁸ 24 P.S. § 1-111(j)(1) and (2), effective September 28, 2011, as further clarified by Act 82 of 2012 effective July 1, 2012, as well as the addition of 24 P.S. § 1-111(c.4) added by Act 4 of 2016, retroactively effective December 31, 2015. See also PDE’s Basic Education Circular (BEC), *Background Checks of Prospective Employees; Conviction of Employees of Certain Offenses, Act 24 of 2011 Changes to 24 P.S. § 1-111*, issued December 12, 2011, p. 3. The BEC states, in part: “In accordance with the requirements of Act 24, the Department developed and on September 24, 2011, published in the *Pennsylvania Bulletin* the Arrest/Conviction Report and Certification Form, known as the PDE-6004.”

<http://www.education.pa.gov/Documents/Codes%20and%20Regulations/Basic%20Education%20Circulars/Purdons%20Statutes/Background%20Checks.pdf> Accessed July 25, 2016.

⁹ Under Act 24 of 2011, effective September 28, 2011, and Act 82 of 2012, effective July 1, 2012, this form included the identification of offenses enumerated under 24 P.S. §§ 1-111(e) or (f.1) (“Reportable Offense(s)”).

¹⁰ Under Act 4 of 2016, this form was amended to add the identification of any individual named as a perpetrator of a founded report of child abuse within the past five years as defined by the CPSL.

*Criteria relevant to the finding
(continued):*

Act 82 of 2012, effective July 1, 2012, clarified Section 111(j)(2) of the PSC to provide for the following: “(2) **All current and prospective employees of a public or private school, intermediate unit or area vocational-technical school shall complete the form described in clause (1), indicating whether or not they have been arrested for or convicted of an offense enumerated under subsections (e) and (f.1),** provided that any current employee who completed the form on or before December 27, 2011, in compliance with clauses (1) and (2) on that date and who has not been arrested for or convicted of an offense enumerated under subsections (e) and (f.1) shall not be required to complete an additional form under this subsection.” [Emphasis added.] See 24 P.S. § 1-111(j)(2).

Act 4 of 2016, retroactively effective December 31, 2015, provided for further clarification on the usage of the form. Section 111(c.4) of the PSC states, in relevant part: “. . . the applicant provides the administrator with the report described in subsection (j)(1) indicating that the individual has not been disqualified from employment pursuant to subsection (e) or (f.1). The applicant shall also provide an attestation that the applicant has not been disqualified for employment under 23 Pa.C.S. § 6344(c)(1). . . .” See 24 P.S. § 1-111(c.4).

having direct contact with children.¹¹ The ultimate purpose of these requirements is to ensure the safety and welfare of students. The failure to collect any required employment documentation could result in the hiring of persons who should not be permitted to have direct contact with children.

Bus Driver Review

We initially reviewed bus driver qualifications for the 2015-16 school year. While our review found that the District did review and maintain the required Pennsylvania Vehicle Code¹² and related Pennsylvania Department of Transportation documentation as well as the three required background clearances, we determined that it was not requiring new applicants to provide PDE’s *Arrest/Conviction Report and Certification Form* as part of its employment process to verify that the prospective employee had not been arrested or convicted of a disqualifying offense or child abuse incident in between the date that the background clearances were obtained and the date of hire. Therefore, we expanded the time period of our review and found that 27 new bus drivers were hired between December 28, 2011 and March 13, 2016 without being required by the District to complete this form, in violation of the PSC.

Policy Review

During our bus driver review, we learned that it was the District’s policy not to require the *Arrest/Conviction Report and Certification Form* of any new applicants seeking employment with the District. Consequently, we found that 153 school employees, in addition to the 27 bus drivers, were hired during the above stated time frame without providing this form prior to employment.

According to the District, it did not think the form was required as pre-employment documentation for prospective employees, but rather just as a one-time filing requirement that had to be met by December 27, 2011, for all current

¹¹ See PDE’s BEC, *Background Checks of Prospective Employees; Conviction of Employees of Certain Offenses, Act 24 of 2011 Changes to 24 P.S. § 1-111*, issued December 12, 2011, pp. 1-2. <http://www.education.pa.gov/Documents/Codes%20and%20Regulations/Basic%20Education%20Circulars/Purdons%20Statutes/Background%20Checks.pdf> Accessed July 25, 2016.

¹² 75 Pa.C.S. §§ 1508.1 and 1509.

and prospective employees, which the District did comply with. The District indicated that it was relying on guidance from PDE’s website which stated, “Although not specifically required by Act 24, the Department **strongly recommends** that the school administrators require prospective school employees to submit the [Arrest/Conviction Report and Certification Form] as part of an employment application.”¹³ However, due to the passage of Act 4 of 2016, PDE instructed the District in March 2016 that the form is mandatory for all new hires. As of March 14, 2016, the District indicated that it changed its policy to begin requiring the form of all new applicants.

Contrary to PDE’s original guidance, we believe the form clearly has been required to be submitted by all prospective employees under Section 111(j)(2) of the PSC since the passage of Act 82 of 2012, effective July 1, 2012.¹⁴ However, we agree that Act 4 of 2016 further clarifies this pre-employment filing requirement for all new applicants¹⁵ to ensure that they have not been disqualified from employment.

Pre-Employment Importance of the Form

It is important to note that background clearances have historically been valid for one year after being obtained. However, recent amendments to the PSC¹⁶ and CPSL extend this time frame from one year to five years. As such, the importance of the *Arrest/Conviction Report and Certification Form* is now **greatly heightened** because the form provides self-attestation by the prospective employee that no new, disqualifying incidents have occurred from the date the background clearances were obtained through the date of hire. Without the submission of the pre-employment form, disqualifying offenses may have occurred after the background clearance was obtained that could go undetected.

Summary

In conclusion, we determined that the District did not have all new employees, including school bus drivers, complete

¹³ Emphasis added. Please note that identical language can be found in the BEC on p. 4.

¹⁴ 24 P.S. § 1-111(j)(2).

¹⁵ 24 P.S. § 1-111(c.4).

¹⁶ 24 P.S. §§ 1-111(b), (c.1), and (c.4).

an *Arrest/Conviction Report and Certification Form* self-certifying that they have not been arrested or convicted of a Section 111(e) or (f.1) criminal offense if hired after July 1, 2012, and that they have not been named as a perpetrator of a founded report of child abuse within the past five years as defined by the CPSL if hired after December 31, 2015, pursuant to Section 111 of the PSC.

By not adhering to the PSC, the District opened itself to the risk that a criminal arrest or offense or a child abuse incident could have occurred after background clearances were obtained that may have disqualified an individual from employment having direct contact with children. If a new offense or incident goes undetected, there is an increased risk to the safety and welfare of students, especially given the fact that five years can elapse from the time of a clean background check and child abuse clearance.

Recommendations

The *General McLane School District* should:

1. Require, review, and maintain an *Arrest/Conviction Report and Certification Form* for all new applicants as required by Section 111(j)(2) of the PSC.
2. Require all employees, including bus drivers, hired between July 1, 2012 and March 13, 2016, to complete and file with the District the *Arrest/Conviction Report and Certification Form* required by Section 111 of the PSC since the passage of Act 82 of 2011.

Management Response

District management provided the following response:

“We disagree that the District failed to ensure bus drivers and other staff met all requirements, emphasis on requirements. As stated in the report, Act 24 did not specifically require the Arrest/Conviction Report and Certification Form. When Act 4 of 2016 was enacted and required the form, we began to meet the requirement.”

During the period of the audit review, the existing time requirement was that all clearances be completed within the

past year. Given that these clearances were within a year and that any transgressions by an applicant within a year would likely be known in our small community, we find it highly unlikely that ‘disqualifying offenses may have occurred after the background clearances were obtained.’ While it is possible a transgression may have occurred, it is not likely and indeed, did not occur as history now tells us. The five year limitation on clearances was not in place until February of 2016 in which case the Arrest/Conviction form makes sense given that five years may have passed since the clearances were obtained.

In regard to recommendation #1, as stated above, we have been in compliance with Act 4 of 2016 since its enactment.

In regard to recommendation #2, we feel that complying with it is a procedural preoccupation that will not benefit students in any way. However, we will comply and do it.”

Auditor Conclusion

As stated previously in our finding, we believe that, contrary to PDE’s original guidance, the PSC, under Section 111(j)(2), *did* require an *Arrest/Conviction Report and Certification Form* to be submitted by all prospective employees since the passage of Act 82 of 2012, effective July 1, 2012.

We are gratified that the District has determined that it will comply with our recommendations.

Status of Prior Audit Findings and Observations

Our prior audit of the District resulted in no findings or observations.

Appendix: Audit Scope, Objectives, and Methodology

School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with LEA management, the Governor, PDE, and other concerned entities.

Our audit, conducted under authority of Section 403 of The Fiscal Code,¹⁷ is not a substitute for the local annual financial audit required by the PSC of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Scope

Overall, our audit covered the period July 1, 2012 through June 30, 2015. In addition, the scope of each individual audit objective is detailed on the next page.

The District's management is responsible for establishing and maintaining effective internal controls¹⁸ to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls that we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

¹⁷ 72 P.S. § 403.

¹⁸ Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, academic performance data, financial reports, annual budgets, and new or amended policies and procedures. We also determined if the District had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the District's efficiency and effectiveness in the following areas:

- ✓ Bus Driver Requirements
- ✓ Contracting
- ✓ Hiring Practices
- ✓ School Safety

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- ✓ Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances as outlined in applicable laws?¹⁹ Also, did the District have adequate written policies and procedures governing the hiring of new bus drivers?
 - To address this objective, we selected all 27 bus drivers hired by the District between December 28, 2011 and March 13, 2016, and reviewed documentation to ensure the District complied with bus drivers' requirements. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures were sufficient to ensure compliance with bus driver hiring requirements. See the Finding in our report for the results of our review of this objective.
- ✓ Did the District ensure that its significant contracts were current and were properly obtained, approved, executed, and monitored?²⁰
 - To address this objective, we reviewed the District's procurement and contract monitoring policies and procedures. We obtained a vendor list for goods and services that were in effect for the 2014-15 school year that contained 200 vendors. From this vendor list, we selected the three largest vendors who had contracts with the District in the areas of goods, consulting services, and construction projects for detailed testing. Testing included a review of the procurement documents to determine if the contract was procured in accordance

¹⁹ 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 *Pa. Code Chapter 8*.

²⁰ See 24 P.S. §§ 5-508, 7-751; 65 Pa.C.S. § 1101 *et seq.*

with the PSC and District policies. We also reviewed documents to determine if the District properly monitored the selected contracts. Finally, we reviewed board meeting minutes and the Board of School Directors' Statements of Financial Interest to determine if any board member had a conflict of interest in approving the selected contracts. Our review of this objective did not disclose any reportable issues.

- ✓ Did the LEA follow the PSC²¹ and best practices when hiring new staff?
 - To address this objective, we obtained and reviewed the District's hiring policies and procedures. We selected all 153 employees hired by the District during the period December 28, 2011 through March 13, 2016, and reviewed documentation to determine if the District complied with the PSC, District policies and procedures, and best practices in hiring new employees. Our review of this objective disclosed no reportable issues.

- ✓ Did the District take appropriate actions to ensure it provided a safe school environment?
 - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, and after action reports. In addition, we conducted on-site reviews at one out of the District's four school buildings to assess whether the District had implemented basic safety practices. Due to the sensitive nature of school safety, the results of our review of this objective area are not described in our audit report. The results of our review of school safety are shared with District officials and, if deemed necessary, PDE.

²¹ See 24 P.S. § 5-508, 24 P.S. § 11-1106, and 24 P.S. § 11-1111.

Distribution List

This report was initially distributed to the Superintendent of the District, the Board of School Directors, and the following stakeholders:

The Honorable Tom W. Wolf

Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Pedro A. Rivera

Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Timothy Reese

State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mrs. Danielle Mariano

Director
Bureau of Budget and Fiscal Management
Pennsylvania Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter

Research Manager
Pennsylvania State Education Association
400 North Third Street - Box 1724
Harrisburg, PA 17105

Mr. Nathan Mains

Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

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