



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1991

PRINTERS NO. 4174

PRIME SPONSOR: Cutler

COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	\$0

SUMMARY: Amends the Energy Conservation and Assistance Act providing for verification of income eligibility for recipients receiving energy assistance and weatherization services; for fraudulent activities to be reported to the Office of Inspector General; for a conflict of interest policy in DCED and for performance audits by the Auditor General. Effective date is immediate.

ANALYSIS: The legislation would require the Department of Public Welfare (DPW) to verify the income eligibility of recipients receiving energy assistance and the Department of Community and Economic Development (DCED) to verify same for recipients receiving weatherization services and no later than 6 months after the effective date and every 6 months thereafter, DCED and DPW would be required to provide a written report detailing the progress of implementation.

An energy conservation and assistance program employee, subgrantee or a contractor would be required to make a fraud report directly to the Office of Inspector General if there is a belief that a recipient of or applicant for weatherization services or energy assistance is committing fraud or providing false information. A recipient or applicant is not required but may make a fraud report directly to the Office of Inspector General if there is a belief that an employee, subgrantee or contractor is committing fraud. The employee, subgrantee, contractor, applicant or recipient would not be subject to any sanctions for making a fraud report in good faith. DECD and DPW would be required to implement a conflict of interest policy.

The statewide weatherization and energy conservation policy council would be required to review the statewide plan each year and advise DCED on suggested changes prior to expenditure of any funds. The legislation would allow a portion (rather than current up to 5%) of the allocation to each subgrantee may be used for energy education; eliminates the provision for program support cost, for advance payment and for inventory. DCED would be required to evaluate subgrantee performance.

The Auditor General is required to conduct a performance audit which is to be completed within 5 years after the effective date; and thereafter at intervals not greater than 5 years from the date of the preceding performance audit; the departments and individuals administering the programs being audited are required to make all records, documents, information available for the Auditor General's inspection. The legislation provides for transmission of the audit reports and for publication in the PA Bulletin as well as transmission of fraudulent activity uncovered during the performance audit to DPW, DCED, the Attorney General and the Office of Inspector General. The legislation also replaces the references to Governor's Energy Council with Department of Environmental Protection.

FISCAL IMPACT: Enactment of this legislation would result in no adverse fiscal impact on Commonwealth funds. The Departments of Public Welfare and Community and Economic Development verify income eligibility. DCED is currently in the process of developing a conflict of interest policy at no cost to the Commonwealth. It is also assumed that there would be no fiscal impact for the performance audits; the Auditor General will charge the programs for the cost to conduct the performance audits.

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House Appropriations Committee (R)

DATE: October 16, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.