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Auditor General DePasquale Says State Must Do More to Help Keep People Warm, Safer through Winter

Says 527 families potentially missed out on services during four-year audit period

HARRISBURG – Auditor General Eugene DePasquale today said his recent performance audits of two programs designed to keep low-income Pennsylvanians warm and safer through winter found the state failed to spend \$5.4 million of federal funding that potentially could have helped 527 families.

DCED administers the federal Weatherization Assistance Program (WAP) which helps low-income families reduce energy costs by increasing the energy efficiency of their homes. DHS administers the federal Low-Income Home Energy Assistance Program (LIHEAP) that helps low-income families pay their heating bills.

Results of the two audits are combined in a 90-page report that includes one finding and three recommendations for LIHEAP along with three findings and 20 recommendations to improve the weatherization assistance program.

“What we found are two state agencies with very different approaches to administering these vital federal programs designed to help low-income families survive Pennsylvania winters,” DePasquale said. “While DHS made significant improvements in LIHEAP based on previous audits, we found continued problems with DCED’s weatherization service waiting list dating back to 2001 that were called out in previous audits as far back as 2007.”

Weatherization Assistance

“My auditors found that DCED failed to spend \$5,449,093 of U.S. Department of Energy funds over four years due to the 2015-2016 state budget impasse and newly implemented federal weatherization quality standards,” DePasquale said.

“That money could have helped weatherize 527 homes for at-risk individuals and their families who needed assistance when the average winter temperatures ranged from 12 to 40 degrees.”

The 2015-2016 budget impasse that began July 1, 2015 resulted in funds not being released to local agencies until February of

527 Families could have been helped by \$5.4 million in weatherization funding PA failed to spend

WAP Program Year	Total Program Funds Available	Amount of Program Funds Not Expended	No. of Statewide Units Completed	Statewide Average Cost Per Unit	Estimated No. of Units with Unexpended Funds
2013-2014	\$2,333,175	\$110,545	369	\$6,023	18
2014-2015	\$7,799,031	\$331,547	1,054	\$7,084	46
2015-2016	\$12,609,238	\$329,363	1,444	\$8,504	38
2016-2017	\$12,149,847	\$3,967,374	877	\$9,330	425
Total	\$34,891,291	\$4,738,829*	3,744	-	527

Source: Compiled by Department of the Auditor General staff from DCED’s Production and Expenditure Reports for the four consecutive fiscal years ending June 30, 2017.
**Total of \$5,449,093 was returned to U.S. DOE; the remaining \$710,000 of unspent funds was allocated for state and local administrative purposes, i.e. personnel and legal costs.*

2016. This led to local agencies needing to spend two years' worth of funding in 17 months.

"While it is clear those funds cannot legally be spent during a budget impasse, that is not an excuse for poor planning," DePasquale said. "DCED should have spent that time preparing to help the largest number of vulnerable residents. Instead, DCED had to give \$5.4 million back to the federal government. That is unacceptable."

Auditors found that DCED offered additional funding to only three of the 37 local agencies and did not have a documented decision-making process to back up its selection of the agencies. Meanwhile, 11 additional agencies spent all of their funding. It is possible more of the money could have been spent weatherizing at-risk citizens' homes had those agencies been offered additional funding.

"I am calling on Gov. Tom Wolf and the General Assembly to pass a law that requires all available federal funding that promotes the safety and welfare of at-risk Pennsylvanians to be released to state agencies as of July 1 of each year," DePasquale said. "In the event of a budget impasse, our most vulnerable residents would not have to risk harm while elected officials are sitting in air-conditioned, heated state office buildings."

Flawed Waiting List Process

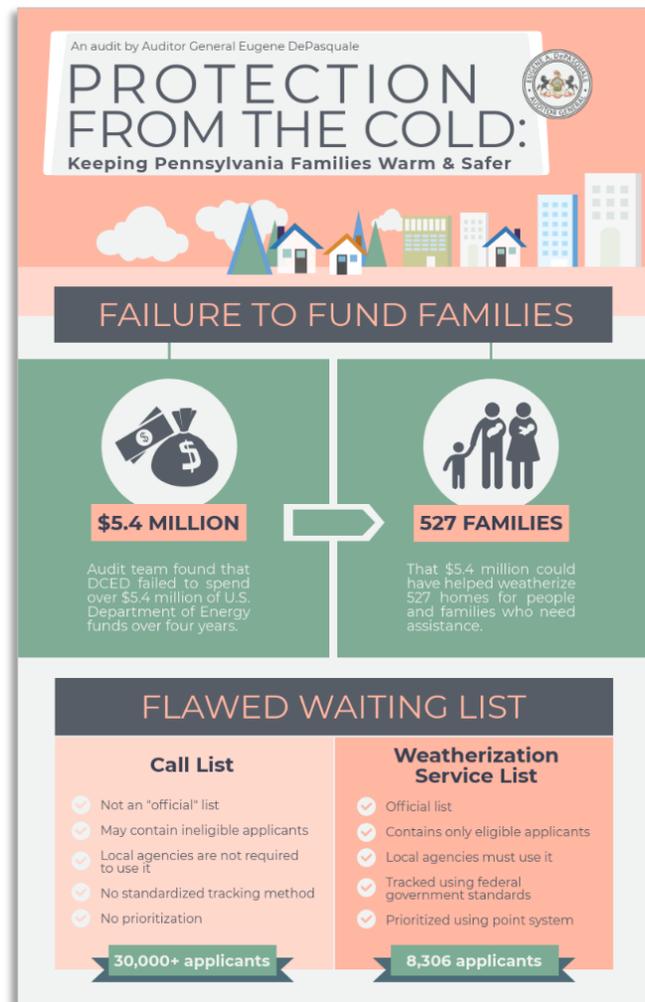
The audit also found that DCED's process to prioritize weatherization services to at-risk citizens is flawed, poorly administered, and creates an opportunity for local agencies to abuse the process. For example, DCED has no way to track the number of eligible applicants waiting for weatherization services or to know how long they have been on the list.

In its written response, which is included in the audit report, DCED said, "Weatherization is not an emergency program, therefore, there are no at-risk issues that are being addressed."

"I am shocked and appalled that a state agency charged with helping keep people warm and safer in winter approaches their work with this attitude," DePasquale said. "That is not acceptable."

"In addition to changing how it approaches this program, DCED needs more information about the people on the waiting lists. Without that information it is impossible to know if the system is working or if it is broken. Real people on these lists are being affected by the decisions — or lack of decisions — by DCED managers."

Currently, local agencies first prioritize clients on a "Weatherization Service List," then place the remaining clients on a secondary "Call List." Local agencies provide weatherization services to the client at the top of the service list and then work down the list in order until the funds are exhausted or all clients have been served. During the audit there were more than 8,300 applicants on the service list and more than 30,000 on the call list.



Auditors found that local agencies could place anyone of their choosing on the service list as long as they are eligible. This could lead local agencies to take advantage of the lack of DCED oversight by potentially placing neighbors, friends, or family directly on the service list.

“It is clear that DCED needs better oversight of consistent and standardized methods to maintain and track waiting lists,” DePasquale said. “This would help to determine if funds could be better distributed on a statewide level to help our most at-risk citizens.”

DHS Making LIHEAP Improvements

The audit also covered the Low-Income Home Energy Assistance Program administered by the Department of Human Services to help low-income families pay heating bills and resolve household energy-related emergencies.

The audit includes one finding concerning benefit payments that were inaccurately calculated and some households improperly receiving two cash payments. The benefit overpayments amounted to \$6,200 in the high-risk areas that were examined. DHS said the errors were most likely due to staff not noticing or investigating matching address alerts in the system. The agency is evaluating the best way to prevent overpayments in the future.

“The goal is to run these programs with zero errors,” DePasquale said. “While DHS must continuously improve its application and benefit determination process overall, LIHEAP is an example of how a program should be run. DHS has gone the extra mile to make improvements to LIHEAP so it can serve our most vulnerable citizens.”

Audit Recommendations

To improve the weatherization program, the audit includes one recommendation for the governor and General Assembly and 19 recommendations for DCED. In its written response, included in the audit report, the agency appears to be in general agreement with two of the three findings and agrees with approximately half of the recommendations.

DHS is in agreement with the finding applicable to LIHEAP and is committed to implementing the recommendations.

“We will follow up at the appropriate time to determine whether and to what extent all recommendations have been implemented by DHS and DCED,” DePasquale said.

The Energy Conservation and Assistance Programs (LIHEAP and Weatherization) audit report is available online at: www.PaAuditor.gov.

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