



Pa. Auditor General: State failed to spend federal energy assistance funds meant to aid poor



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The state failed to spend more than \$5.4 million of federal weatherization funds intended to help low-income households due to the 2015-16 state budget impasse and changes in federal standards, [an audit released Tuesday](#) found.

The unspent funds could have helped more than 500 homes become more energy efficient and reduce their heating bills.

“That’s Pennsylvania dollars that were sent back to the federal government,” Pennsylvania Auditor General Eugene DePasquale said Tuesday at a Harrisburg press conference.

The audit covered the Weatherization Assistance Program, administered by the state's Department of Community and Economic Development and the Low Income Home Energy Assistance Program, known as LIHEAP, which helps families pay their utility bills and is run by the state's Department of Human Services.



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Survey: More than 18,000 Pa. households lack heat or use unsafe heating sources

Both programs are federally funded.

Mr. DePasquale said Tuesday his audit showed the LIHEAP program is well-run overall and is helping the people it is intended to serve.

The audit faulted DCED, however, for failing to spend millions in federal funds, as well as for what it called a “flawed” and “poorly administered” process to prioritize weatherization services.

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Weatherization funds can pay for improvements like installation of insulation, replacement of heating systems with more energy-efficient ones, and other home repairs and education measures to help people reduce energy waste. Households must have a total income below 200 percent of the federal poverty income guidelines, or \$40,840 for a family of three, to take part in the program.

DCED said in a statement it dispensed more than \$30 million that was used to weatherize more than 3,700 homes within the period of the audit, July 1, 2013 through June 30, 2017.

The audit was conducted “at a time when federally mandated changes, including drastically higher work standards,” were being implemented to weatherization programs nationally.

“These changes caused a downward ripple effect that hurt local agencies and caused subcontractors that do weatherization work to no longer participate in the weatherization program,” Michael Gerber, a spokesman for the department, said in a statement. “With fewer subcontractors participating in the program, less actual weatherization work could be done, and the ability for local agencies to work through their waiting lists was diminished. The federal changes forced major challenges on programs in every state, not just Pennsylvania, and the changes were given almost no consideration by this audit.”



Energy drain. Low-income households typically pay a higher percentage of income for utilities

While the auditor general didn't fault the agency for the lengthy budget standoff in 2015-16 between Democratic Gov. Tom Wolf and the Republican-controlled General Assembly, he said the agency failed to proactively plan during this budget impasse period. When weatherization funds weren't released to local agencies until February 2016, local agencies then had to spend roughly two years' worth of funding in a 17-month period.

“While it is clear those funds cannot legally be spent during a budget impasse, that is not an excuse for poor planning,” Mr. DePasquale said in a statement. “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.”

The audit also recommended that legislation be enacted “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” in the event of a future impasse, Mr. DePasquale said.

Problems with the weatherization program have been noted in prior audits.

The auditor said the governor should consider moving the program to the Department of Human Services and out of DCED, which is primarily an economic development agency.

DCED said it “will continue to address deficiencies with all of our programs to improve the services offered to Pennsylvania businesses and residents.”

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