



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 118

PRINTERS NO. 3864

PRIME SPONSOR: Ellis

### COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	See "Fiscal Impact"
Political Subdivision Funds	\$0	See "Fiscal Impact"

**SUMMARY:** Extends protections of the Pennsylvania Whistleblower Law (Act 169 of 1986) to employees of nonprofits/private sector companies who report waste of public monies obtained by their employer for services or work. This legislation would take effect in 60 days.

**ANALYSIS:** This legislation amends the Whistleblower Law (Act 169 of 1986) as follows:

**Expansion of Coverage:** The definitions "employee" and "employer" are amended, extending the law's protections to employees of:

- A public body; or
- Any individual, partnership, association, for-profit corporation, or non-profit corporation which receives money from a public body to perform services for the public body

The aforementioned employers will be prohibited from discharging, threatening, discriminating, or retaliating against an employee if he/she makes a good faith report to the employer, or an appropriate authority, about waste or wrongdoing.

**Disciplinary Action for Bad Faith Reports:** The definition of "good faith report" is expanded, allowing employers to take disciplinary action against employees who submit a whistleblower complaint in bad faith.

**Office of the Inspector General:** The definition of "appropriate authority" is expanded to recognize the Office of the Inspector General as an entity to which a whistleblower can report wrongdoing or waste.

**Whistleblower Identity Protection:** This legislation includes a provision prohibiting any appropriate authority to which a violation has been reported from disclosing the identity of a whistleblower without his or her consent, unless disclosure is unavoidable in the investigation of an alleged violation.

**Penalty Provisions:** This legislation makes a technical change, stating that a court shall (instead of “may”) award complainants all, or a portion of, litigation costs, including reasonable attorney fees and witness fees, should they prevail in a civil action.

The maximum civil fine for individuals who violate the Whistleblower Law is increased from \$500 to \$10,000.

The maximum amount of time that a person (other than an elected official) can be suspended from public office for attempting to prevent disclosure of criminal activity is increased from six months to seven years.

**FISCAL IMPACT:** The legislation could add some minimal costs to Commonwealth agencies or political subdivisions due to changing the word “may” to “shall” in Section 5 of the Law as it relates to a court awarding a complainant all or a portion of the costs of litigation, including reasonable attorney fees and witness fees, if the court determines that the award is appropriate. Any new costs associated with this change would be indeterminable at this point and could be offset by the increase in civil fines submitted to the General Fund also in the legislation.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** June 28, 2014

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