

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 352 Session of
2007

INTRODUCED BY ROBBINS, SCARNATI, MELLOW, ERICKSON, ORIE, COSTA,
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RAFFERTY, FOLMER, BAKER AND PIPPY, MARCH 12, 2007

REFERRED TO PUBLIC HEALTH AND WELFARE, MARCH 12, 2007

AN ACT

1 Providing for Low-Income Home Energy Assistance Program
2 eligibility, allocation of funds and resources; imposing
3 duties on the Department of Public Welfare; and providing for
4 compliance and fraud prevention procedures.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Home Energy
9 Assistance in Time of Need (HEAT ON) Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Budget billing." The proration of an estimated 12-month
15 projection of the cost of household heating based on weather,
16 energy costs and occupancy adjusted over time as required for
17 changes in assumptions versus actual experience.

1 "Customer assistance program." A plan or program sponsored
2 by a public utility for the purpose of providing universal
3 service and energy conservation, as defined by 66 Pa.C.S. § 2202
4 (relating to definitions) or 2803 (relating to definitions), in
5 which customers make monthly payments based on household income
6 and household size and under which customers must comply with
7 certain responsibilities and restrictions in order to remain
8 eligible for the Low-Income Home Energy Assistance Program.

9 "Department." The Department of Public Welfare of the
10 Commonwealth.

11 "Hardship fund." A fund that provides cash assistance to
12 utility customers with utility bill payment as defined in 52 Pa.
13 Code §§ 54.72 (relating to definitions) and 62.2 (relating to
14 definitions).

15 "Income." The types of income used in determining
16 eligibility for LIHEAP as provided in the State Plan for the
17 applicable fiscal year.

18 "Independent charitable organization." An organization
19 approved as a charitable organization under section 501(c)(3) of
20 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.
21 § 501(c)(3)).

22 "Leveraged resources." Any LIHEAP funding resource as
23 defined in section 2607A of the Low-Income Home Energy
24 Assistance Act of 1981 (Public Law 97-35, 42 U.S.C. § 8626a).

25 "Low-Income Home Energy Assistance Program" or "LIHEAP." A
26 federally funded program that provides financial assistance in
27 the form of cash and crisis grants to low-income households for
28 home energy bills and is administered by the Department of
29 Public Welfare.

30 "Participating energy vendor." An agent or company that

1 directly distributes home heating energy or services, including
2 emergency energy or services, in exchange for payment.

3 "Plan year." The Federal LIHEAP fiscal year.

4 "Poverty level." The poverty level published by the United
5 States Department of Health and Human Services and used by the
6 Department of Public Welfare in determining eligibility for
7 LIHEAP.

8 "State Plan." The State Plan for LIHEAP prepared by the
9 Department of Public Welfare as required by section 2605(c) of
10 the Low-Income Home Energy Assistance Act of 1981 (Public Law
11 97-35, 42 U.S.C. § 8624(c)).

12 Section 3. Eligibility.

13 (a) Income eligibility.--Beginning October 1 of the plan
14 year through April 30 of the following year the department shall
15 make LIHEAP grants to eligible persons who have a household
16 income not exceeding the limits for LIHEAP grants established by
17 the department under the State Plan for the applicable fiscal
18 year and whose household income is 150% of the poverty level or
19 less.

20 (b) Income verification.--The department shall verify the
21 income of LIHEAP applicants by requiring income documentation
22 from applicants. Utilities shall use department verification of
23 LIHEAP applicant approval as confirmation for enrollment
24 eligibility in a customer assistance program.

25 (c) Qualifications for LIHEAP.--A notice of termination to a
26 customer of a public utility shall be sufficient proof of a
27 crisis for a customer with the requisite income level to receive
28 a LIHEAP crisis grant from the department or its designee.

29 (d) Energy vendor participation.--As a condition of
30 receiving LIHEAP funds, all participating energy vendors must

1 provide eligible applicants budget billing over 12 months. The
2 department shall require all participating energy vendors to
3 establish an annual outreach plan component for all prior year
4 LIHEAP recipients to receive current year LIHEAP application
5 notification.

6 (e) Notice of eligibility.--The department shall work with
7 all participating energy vendors in verifying an applicant's
8 eligibility for any energy assistance, including, but not
9 limited to, customer assistance programs and hardship funds.

10 (f) Nondiscrimination.--The department shall not
11 discriminate in any aspect of Federal LIHEAP funding resource
12 administration on the basis of energy type used as the primary
13 source of home heating. Households using regulated utility
14 services for home heating shall receive full and timely crisis
15 and cash grants in accordance with 66 Pa.C.S. § 1406 (relating
16 to termination of utility service).

17 Section 4. Allocation of funds.

18 (a) General rule.--The department shall implement the State
19 Plan to utilize available funds to assist eligible households to
20 meet the costs of home heating energy and shall make payments
21 only as specified in an approved State Plan or as otherwise
22 provided by law.

23 (b) Allocation.--The annual LIHEAP fiscal year projected
24 budget shall conform to Federal guidelines in effect at the time
25 and shall utilize allocated Federal funds as follows:

26 (1) Cash benefits - not less than 66% of available
27 funds.

28 (2) Crisis benefits - not less than 14% of available
29 funds.

30 (3) Weatherization - not less than 15% of available

1 funds.

2 (4) Administrative and planning costs - not more than 5%
3 of available funds.

4 (c) Adjustments.--Adjustments within spending guideline
5 maximums shall be made as needed, but shall not exceed 100% of
6 available Federal funds in any fiscal year.

7 Section 5. Leveraged resources.

8 (a) Procedure.--The department shall utilize all programs
9 and resources to maximize Federal LIHEAP funding by establishing
10 a procedure for each plan year in accordance with the following:

11 (1) The department shall provide for certification of
12 the sources and amount of all leverageable resources from
13 public and private sector records for the applicable plan
14 year and inclusion of the data in the State Plan.

15 (2) The department shall use all of the following in the
16 application for the incentive program for leveraging non-
17 Federal resources and request for approval of such for
18 additional leveraged Federal LIHEAP funding:

19 (i) Customer assistance program-related and recorded
20 resources in application.

21 (ii) Discounts or credits for monthly billing and
22 arrearage forgiveness provided through utilities'
23 customer assistance programs. Sources for leveraged
24 resources shall include reduced utility residential
25 tariff rates, utility operating funds, waived late
26 payment charges, security deposit fees and reconnection
27 fees which shall be documented by the Pennsylvania Public
28 Utility Commission as sources of leveraged resources.

29 (iii) Cash grant assistance from any nongovernmental
30 source and utility credits for LIHEAP recipients to

1 assist in the payment of:

2 (A) Home heating costs.

3 (B) The repair of home heating equipment and/or
4 excavation costs to repair gas lines.

5 (C) Home weatherization materials and
6 installation.

7 (iv) Private nonutility fuel vendor donations,
8 hardship funds and other social service agencies' and
9 utility companies' resources.

10 (v) Community-based independent charitable
11 organization cash grants.

12 (vi) Donations or in-kind contributions provided by
13 rural electric cooperatives and independent charitable
14 organizations. The source of funds includes:

15 (A) Cooperative member and director
16 contributions.

17 (B) Electric cooperative matching funds.

18 (C) Funds from a federation of independent
19 charitable organizations.

20 (D) Heating system materials and supplies
21 donated by building and supply companies to LIHEAP
22 recipients.

23 (vii) Any other resource not prohibited by Federal
24 law.

25 (b) Allocation of grant funds.--Any leveraging incentive
26 grant award shall be used to maintain or increase benefits to
27 LIHEAP households.

28 Section 6. Public participation and legislative oversight.

29 In accordance with section 2605(b)(12) of the Low-Income Home
30 Energy Assistance Act of 1981 (Public Law 97-35, 42 U.S.C. §

1 8624(b)(12)), the department shall provide for timely public
2 participation in the development of a State Plan as follows:

3 (1) In accordance with section 2605(a)(2) of the Low-
4 Income Home Energy Assistance Act of 1981 (42 U.S.C. §
5 8624(a)(2)), public hearings on each fiscal year LIHEAP
6 proposed State Plan shall be held as scheduled by the
7 Secretary of Public Welfare.

8 (2) (i) A LIHEAP advisory committee shall advise the
9 Secretary of Public Welfare on the administration of the
10 LIHEAP block grant, including a review of the proposed
11 plan and recommendations on the final plan.

12 (ii) Members of the advisory committee shall be
13 appointed by the Secretary of Public Welfare and
14 represent the following:

15 (A) Consumer and advocacy interests.

16 (B) Participating energy vendors.

17 (C) Other concerned citizens of this
18 Commonwealth.

19 (iii) The advisory committee shall include:

20 (A) The chairman and the minority chairman of
21 the Consumer Protection and Professional Licensure
22 Committee of the Senate or their designees.

23 (B) The chairman and the minority chairman of
24 the Public Health and Welfare Committee of the Senate
25 or their designees.

26 (C) The chairman and the minority chairman of
27 the Consumer Affairs Committee of the House of
28 Representatives or their designees.

29 (D) The chairman and the minority chairman of
30 the Health and Human Services Committee of the House

1 of Representatives or their designees.

2 (3) Copies of the proposed State Plan, including a copy
3 of public comments received, shall be forwarded to the
4 chairman and minority chairman of the Consumer Protection and
5 Professional Licensure Committee of the Senate, the chairman
6 and minority chairman of the Public Health and Welfare
7 Committee of the Senate, the chairman and minority chairman
8 of the Consumer Affairs Committee of the House of
9 Representatives and the chairman and minority chairman of the
10 Health and Human Services Committee of the House of
11 Representatives for review and comment 60 days prior to final
12 plan submission to the Department of Health and Human
13 Services. Copies of the plan shall be available for public
14 review and comment at all county assistance offices.

15 Section 7. Monitoring and audit.

16 (a) Monitoring.--In accordance with section 2605(b)(10) of
17 the Low-Income Home Energy Assistance Act of 1981 (Public Law
18 97-35, 42 U.S.C. § 8624(b)(10)), the department shall provide
19 fiscal control and fund accounting procedures to assure the
20 proper disbursement of funds, which include monitoring payments
21 and an annual audit of State Plan expenditures.

22 (b) Audit.--In accordance with section 2605(e) of the Low-
23 Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8624(e)),
24 the department shall submit annually to a financial and
25 compliance audit in accordance with the standards of the
26 Comptroller General of the United States. A copy of the audit
27 shall be submitted within 30 days after completion of the audit
28 to the Governor, the Secretary of the Senate and Chief Clerk of
29 the House of Representatives. The department shall make the
30 audit report available to the public on a timely basis.

1 (c) Department action.--In the event the department uncovers
2 any false, misleading or inaccurate statement by applicants,
3 participating energy vendors, or State employees, the department
4 shall notify the State Inspector General or appropriate law
5 enforcement agency.

6 Section 8. Applicability.

7 This act shall apply beginning with the 2007 plan year.

8 Section 9. Effective date.

9 This act shall take effect in 60 days.