



Pennsylvania Department of the

AUDITOR GENERAL

Facebook: Pennsylvania Auditor General

Twitter: @PaAuditorGen

News for Immediate Release

Feb. 24, 2020

Auditor General DePasquale Presents Budget Testimony to Senate Appropriations Committee

HARRISBURG – Auditor General Eugene DePasquale today testified before the Senate Appropriations Committee on his department’s proposed budget for the 2020-21 state fiscal year beginning July 1.

The text of his submitted testimony, which may differ from his delivered remarks, is as follows:

Good afternoon Chairman Browne, Chairman Hughes, and members of the Senate Appropriations Committee. I appreciate the opportunity to discuss the Department of the Auditor General’s budget request for the 2020-21 fiscal year.

It is critical that the Department of the Auditor General remain the strong and independent watchdog of taxpayer money that Pennsylvanians have come to expect. Paramount to ensuring this can happen is providing the department with adequate resources to fight waste, fraud and abuse of government funds. Therefore, I am requesting for the department to be funded at \$37.61 million for the 2020-21 fiscal year.

For historical perspective, my department is currently operating within a budget that was slashed to its lowest level in over 20 years. After multiple reductions to our budget and a significant downsizing of staff, salaries and benefits comprise the near totality — 97 percent — of our budget. This budget request represents a very modest \$1.15 million increase over our current budget that will help keep pace with expenses beyond our control.

The major cost-saving measures I instituted as Pennsylvania’s Auditor General over the past seven years continue to help sustain our operation despite the budget cuts. Until this year, my team consistently conducted nearly 5,200 audits annually, including schools, municipal pension plans, liquid fuels, volunteer firefighter relief associations, and other programs. My team and I have identified over \$1 billion in misspent or potentially recoverable state funds since 2013.

Based on current year funding level and the resulting loss of staff, I anticipate conducting approximately 1,000 fewer audits. That means 1,000 fewer opportunities to identify wasteful and inefficient practices and make recommendations for improvement.

Our audits continue to demonstrate how valuable our work is in making sure tax dollars are effectively spent and state programs are running more efficiently.

I would like to highlight some of our most recently-released reports.

- [Workforce Development System](#) – My special performance audit was conducted to examine if the state’s workforce development system is able to keep pace with identifying current and future needs of employers, and effectively coordinating employment service programs to meet the needs of employers. As a result, I offered key recommendations that today are cornerstones of Gov. Wolf’s Workforce Development Command Center: improve job seekers’ work-readiness skills, rebrand jobs in

skilled trades and increase communication between state agencies that house workforce development programs and information.

- [Pennsylvania Game Commission](#) – This audit took a careful look at how the agency manages its finances. My team found there was an excess of \$6 million in escrow accounts that, until our audit, were unknown to some key commission staff. In addition to recommending the strengthening of its financial oversight, my audit also showed that the commission must do a better job at tracking the millions of dollars it earns from leasing land to gas and oil producers.

- [Statewide Radio Network](#) – I recently released my audit that reviewed the purchasing process for a new statewide radio network for the State Police and other emergency responders. The system is designed to enhance communications between public safety networks. It is expected to be fully deployed across all counties in the summer of 2021. Given the history of problems with the previous system and the \$44.5 million price tag of the current contract, I am encouraged by the acceptance of all of my recommendations regarding this audit.

In addition to special performance audits, my department has released numerous special reports that have continued to shed light on state funding and regulatory shortcomings, while offering recommendations for improvement. Throughout the past year, I have released special reports on:

- [Pharmacy Benefit Managers](#) - Since 2018, I have produced two special reports examining the role of PBMs and their impact on the cost of prescription drugs for Pennsylvanians. As a result of my consistent digging into how much money Pennsylvania taxpayers pay to these middlemen, my reports have influenced and boosted legislation designed to help rein in the costs associated with pharmacy benefit managers.

- [Keystone Exams](#) – My special report found that \$425 million of taxpayer money has been spent over the last 10 years to administer the Keystone Exams – despite that they haven't been federally required since 2015 nor are they a graduation requirement. Eliminating the Keystone Exams would allow teachers to spend more time instructing students on key concepts, and the state to better invest that money paying for high school students to take the nationally-recognized PSAT or SAT.

- [Pennsylvania's Dog Law](#) – This special report was a follow up to my 2013 special performance audit of the state's Bureau of Dog Law Enforcement, which strives to ensure the welfare of dogs and other animals housed in kennels and boarding facilities. While the bureau resolved most of the issues identified by that audit, my special report found that the fund the bureau needs to adequately operate is in danger of running out of money by this summer. My special report makes recommendations to avoid that scenario while strengthening Pennsylvania's Dog Law without impacting the state's General Fund budget.

Moving forward, my department will be building on the work we've done to date on ending the backlog of untested rape kits and holding PBMs accountable, to name a few.

Audits and special reports being conducted on the following issues are anticipated to be completed throughout this year:

- [Medicaid funding](#) – Special financial audits of vendors hired by the Department of Human Services to provide direct care to Medicaid patients receiving services for older adults and people with intellectual disabilities.
- [Repeat Pennsylvania Lottery winners](#) – A special performance audit of the Department of Revenue to evaluate the agency's fraud prevention system.
- [College affordability](#) – A follow up review to an audit of the Pennsylvania Higher Education Assistance Agency.

- **Funding for Volunteer Firefighter Relief Associations** — My team will review fluctuations in funding that supports tens of thousands of volunteer firefighters across the state.
- **Glen Mills School**
- **Ongoing Harrisburg School District**

I am very proud of the accomplishments of this department. The quality and quantity of our results are examples of how we, in public service, can make government work better for the taxpayers of this state. But our work is not complete. And, because our work is extremely labor-intensive, we need to have ample resources available to continue to identify inefficient practices and make recommendations for improvement.

Chairman Browne, Chairman Hughes, and members of the committee, be assured, we will continue to lead by example. I thank you for the opportunity to appear before you to discuss my request.

(End of submitted testimony)

Learn more about the Department of the Auditor General online at www.PaAuditor.gov.

###