

Results of the Electronic Ballot of the RESNET Board of Directors on a Quality Assurance Reimbursement Policy

January 25, 2010

The following is the results of the electronic Ballot of the board:

Shall the RESNET Board of Directors adopt the proposal from the RESNET Quality Assurance and Ethics Committee on a quality assurance reimbursement policy (Attachment A)?

Yes (7)

No (5)

Abstain (1)

Not Voting (8)

Brett Dillon
Lance DeLaura
Andy Gordon
Michael Holtz
Bill Prindle
Orlo Stitt
Daran Wastchak

Philip Fairey
Mark Jansen
Lee O'Neal
Kelly Parker
Barb Yankie

Rick Davenport

Ben Adams
Steve Byers
Dennis Creech
Richard Faesy
David Goldstein
Maci McDaniel
Javier Ruiz
Greg Thomas

The policy was adopted.

Attachment A

MEMORANDUM

Date: December 14, 2009

From: Quality Assurance and Ethics Committee

To: RESNET Board of Directors

RE: Reimbursement of expenses for QA non-compliance

As RESNET embarks on a new program of conducting regular onsite Quality Assurance inspections, the Quality Assurance and Ethics Committee has identified the need for a policy for the reimbursement of expenses in instances where Providers are found to have significant noncompliance issues, as defined by the following:

1. Failure to comply with 35% or more of the individual requirements for Providers set forth in the RESNET Standards (and enumerated in a RESNET Quality Assurance Checklist, see attached draft);
2. Failure to complete a minimum of 50% of the required Quality Assurance file and field reviews for one or more Raters working for a Provider in any given year;
3. For one or more Raters overseen by a Provider, the discovery of multiple instances of discrepancies between rating data files and actual conditions that exist in the field that, if done correctly, would alter the HERS Index for a home by three (3) HERS Index points or more or change the annualized loads by +/- 3% or more;
4. Failure of a Provider to comply with the RESNET Standards of Practice, Code of Ethics, or Conflict of Interest Disclosure;
5. Failure to discipline Raters overseen by a Provider for known or obvious noncompliance with the RESNET Standards, Standards of Practice, Code of Ethics, or Conflict of Interest Disclosure;
6. Actions by a Provider, or known or obvious actions by a Rater overseen by a Provider, that are deemed by the RESNET Quality Assurance and Ethics Committee, on a case by case basis, to have or could have a negative impact on RESNET or the rating industry.

The recommended reimbursement amounts for significant non-compliance are as follows:

1. \$3,500 for a 2-day onsite visit by RESNET Staff or outside QA contractor;
2. \$2,500 for a 1-day onsite visit by RESNET Staff or outside QA contractor;
3. \$90 per hour for any additional time spent by RESNET Staff or outside QA contractors conducting probationary QA follow-up and compliance confirmation

activities.

The daily amounts noted above correspond with the estimated cost to RESNET for 2-day and 1-day onsite reviews, including hourly compensation and travel expenses. The hourly rate is that paid to outside contractors and/or estimated to cost RESNET for staff time. Non-compliance shall be determined by RESNET staff and appealable by a Provider to the Ethics and Appeals Subcommittee, then to the Quality Assurance Committee, then to the RESNET Board of Directors. Significant non-conformance with the RESNET Standards, Standards of Practice, Code of Ethics, and Conflict of Interest Disclosure requirements may also trigger further investigation by the Ethics and Appeals Subcommittee.

Justification:

RESNET's Quality Assurance program is a necessary responsibility of the organization that should be funded by membership fees. As such, the QA process will be used to not only verify compliance with the RESNET Standards, Standards of Practice, Code of Ethics, and Conflict of Interest Disclosure requirements, but also to educate Providers and Raters on best practices for the industry. This education process will ultimately increase the quality of Home Energy Ratings as well as Provider's and Rater's compliance with the minimum requirements set forth in the Standards. It is the position of the Quality Assurance and Ethics Committee that a reimbursement of expenses is necessary for significant non-compliance by Providers because 1) it is not fair to Providers who are in compliance to have their membership dues used to discover and resolve significant non-compliance issues of others, 2) a financial reimbursement policy is a deterrent against Providers choosing to not follow the RESNET Standards, Standards of Practice, Code of Ethics, and Conflict of Interest Disclosure requirements, and 3) the costs associated with noncompliance, when initially discovered and for all necessary follow-up and compliance confirmation activities, should be borne by the non-compliant Provider.

Effective Date:

This policy shall commence with the 2010 Quality Assurance review, i.e. the review of Provider QA submissions in 2011 for 2010 QA activities and onsite QA that occur in 2011