
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2101 Session of
2018

INTRODUCED BY GROVE, BLOOM, FRITZ, RYAN, WALSH, DOWLING,
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PHILLIPS-HILL, WHEELAND AND GILLEN, APRIL 18, 2018

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 18, 2018

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, in boards and offices, providing for
3 Commonwealth Office of Management and Budget.

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

6 Section 1. Part V of Title 71 of the Pennsylvania
7 Consolidated Statutes is amended by adding a chapter to read:

8 CHAPTER 43

9 COMMONWEALTH OFFICE OF MANAGEMENT AND BUDGET

10 Subchapter

11 A. General Provisions

12 B. Office Administration

13 SUBCHAPTER A

14 GENERAL PROVISIONS

15 Sec.

16 4301. Scope of chapter.

17 4302. Legislative findings and declarations.

1 4303. Definitions.

2 § 4301. Scope of chapter.

3 This chapter relates to the Commonwealth Office of Management
4 and Budget.

5 § 4302. Legislative findings and declarations.

6 The General Assembly finds and declares that the Commonwealth
7 will benefit from devoting adequate resources to do the
8 following:

9 (1) Gather and coordinate data in a timely manner.

10 (2) Perform comprehensive and detailed budgeting
11 analyses.

12 (3) Implement comprehensive and effective budgeting
13 practices.

14 (4) Coordinate all functions related to budgeting and
15 controlling spending in State government.

16 (5) Coordinate all functions related to information
17 technology in State government.

18 (6) Coordinate all functions of human resources in State
19 government.

20 (7) Coordinate all functions of procurement in State
21 government.

22 (8) Perform comprehensive and detailed financial
23 analyses.

24 (9) Perform comprehensive financial oversight.

25 (10) Ensure that effective financial management policies
26 are implemented throughout State government.

27 (11) Perform comprehensive and detailed performance
28 analyses.

29 (12) Ascertain whether the burdens imposed by laws and
30 rules are justified by their benefits using a rigorous cost-

1 benefit analysis.

2 (13) Measure the performance of governmental activities.

3 § 4303. Definitions.

4 The following words and phrases when used in this chapter
5 shall have the meanings given to them in this section unless the
6 context clearly indicates otherwise:

7 "Administrative Code of 1929." The act of April 9, 1929
8 (P.L.177, No.175), known as The Administrative Code of 1929.

9 "Continuous improvement process system." A management
10 methodology system that combines tools to improve process speed
11 and reduce waste with data-driven project analysis to provide
12 products and services with improved quality at a lower cost. The
13 term may involve any of the following strategies:

14 (1) Developing a process map that describes the lean
15 government principles or another widely accepted business
16 process improvement system by which an executive agency
17 engages in specific activities that have the purpose of
18 increasing efficiency and eliminating waste in the processes
19 used to deliver goods and services to taxpayers and customers
20 of this Commonwealth. This strategy includes the measurement
21 of the outcomes regarding increased efficiency and the
22 elimination of waste and procedures by which the executive
23 agency produces goods or serves its customers.

24 (2) Engaging in specific activities to rapidly improve
25 an executive agency's processes that will increase value or
26 decrease staff time, inventory, defects, overproduction,
27 complexity, delays or excessive movement.

28 (3) Involving executive agency employees at all levels
29 to map the executive agency's processes and recommend
30 improvements, with specific importance placed on the

1 involvement of executive agency employees closest to the
2 customer or end user of the State government product or
3 service.

4 (4) Providing the means to measure each process in order
5 to demonstrate the effectiveness of each process or process
6 improvement.

7 (5) Training executive agency employees to mentor and
8 train other executive agency employees in continuous
9 improvement process systems.

10 "Director." The director of the office.

11 "Executive agency." Any of the following:

12 (1) The Governor's Office.

13 (2) A department, board, commission, authority or other
14 agency of the Commonwealth that is subject to the policy
15 supervision and control of the Governor.

16 (3) The Office of Lieutenant Governor.

17 (4) An independent department.

18 (5) An independent agency.

19 "Executive board." As specified in section 204 of the
20 Administrative Code of 1929.

21 "Independent agency." A board, commission, authority or
22 other agency of the Commonwealth that is not subject to the
23 policy supervision and control of the Governor. The term does
24 not include:

25 (1) A court or agency of the unified judicial system.

26 (2) The General Assembly or an agency of the General
27 Assembly.

28 "Independent department." Any of the following:

29 (1) The Department of the Auditor General.

30 (2) The Treasury Department.

1 (6) The Bureau of Policy and Planning.

2 (7) The Governor's Office of Transformation, Innovation,
3 Management and Efficiency.

4 (b) Supervision.--

5 (1) Each bureau of the office shall be headed by an
6 executive director appointed by the director.

7 (2) Each executive director shall be under the
8 supervision of the director.

9 § 4313. General duties of office and transfer provisions.

10 (a) Authority.--The office shall exercise the authority and
11 perform the duties of the following Commonwealth agencies as
12 specified in this chapter:

13 (1) The Office of the Budget.

14 (2) The Department of General Services.

15 (3) The Office of Administration.

16 (4) The Office of Policy and Planning.

17 (b) Transfer of powers and duties.--

18 (1) The powers and duties vested in the Secretary of the
19 Budget, the Secretary of General Services, the Secretary of
20 Administration and the Secretary of Policy and Planning are
21 transferred to the director, who shall exercise the powers
22 and perform the duties that those secretaries exercised or
23 performed prior to the effective date of this section. Any
24 reference to the Secretary of the Budget, the Secretary of
25 General Services, the Secretary of Administration or the
26 Secretary of Policy and Planning shall be a reference to the
27 director on or after the effective date of this section.

28 (2) The following are transferred to the office:

29 (i) All bureaus, organizations and divisions in the
30 Office of the Budget, the Department of General Services,

1 the Office of Administration or the Office of Policy and
2 Planning responsible for the functions specified in this
3 chapter.

4 (ii) All personnel, allocations, appropriations,
5 equipment, files, records, contracts, agreements,
6 obligations and other materials which are used, employed
7 or expended by the Office of the Budget, the Department
8 of General Services, the Office of Administration or the
9 Office of Policy and Planning in connection with the
10 functions transferred by this chapter to the office in
11 the first instance and as if these contracts, agreements
12 and obligations had been incurred or entered into by the
13 office.

14 (c) Apportionment.--The personnel, appropriations, equipment
15 and other items and material transferred by this section shall
16 include an appropriate portion of the general administrative,
17 overhead and supporting personnel, appropriations, equipment and
18 other material of the Office of the Budget, the Department of
19 General Services, the Office of Administration or the Office of
20 Policy and Planning and shall also include, where applicable,
21 Federal grants and funds and other benefits from any Federal
22 program.

23 (d) Status of employees.--All personnel transferred under
24 this chapter shall retain any civil service employment status
25 assigned to the personnel.

26 § 4314. Redesignation.

27 (a) Office of the Budget.--

28 (1) The Office of the Budget shall be known as the
29 Bureau of Budget and Financial Management.

30 (2) A reference to the Office of the Budget in a statute

1 or regulation shall be deemed a reference to the office.

2 (3) To provide an efficient and cost-minimizing
3 transition, licenses, contracts, deeds and other official
4 actions of the Office of the Budget shall not be affected by
5 the use of the designation as Bureau of Budget and Financial
6 Management. The Office of the Budget may continue to use the
7 name "Office of the Budget" on badges, licenses, contracts,
8 deeds, stationery and other official documents until existing
9 supplies are exhausted. The Office of the Budget may
10 substitute the title "Office of Management and Budget" for
11 "Office of the Budget" on its documents and materials on a
12 schedule that is deemed appropriate.

13 (4) The Office of the Budget shall not replace existing
14 signage at its locations with the redesignated name until the
15 signs are worn and in need of replacement. This transition
16 shall be coordinated with changes in administration.

17 (5) The Office of the Budget shall continue to use the
18 name "Office of the Budget" on its computer systems until the
19 time of routine upgrades in each computer system in the
20 Office of the Budget. The change in name shall be made at the
21 time of the routine upgrade to the computer systems.

22 (b) Department of General Services.--

23 (1) The Department of General Services shall be known as
24 the Bureau of Procurement and the Bureau of State Facilities
25 and Maintenance under the office. The following shall apply:

26 (i) The powers and duties of the Department of
27 General Services shall be divided between the Bureau of
28 Procurement and the Bureau of State Facilities and
29 Maintenance.

30 (ii) The strategic plan under section 4318 (relating

1 to strategic plan) shall provide a clear division of the
2 powers and duties transferred from the Department of
3 General Services to the office and the Bureau of
4 Procurement and the Bureau of State Facilities and
5 Maintenance.

6 (2) A reference to the Department of General Services in
7 a statute or regulation shall be deemed a reference to the
8 office.

9 (3) To provide an efficient and cost-minimizing
10 transition, licenses, contracts, deeds and other official
11 actions of the Department of General Services shall not be
12 affected by the use of the designation as Bureau of
13 Procurement or Bureau of State Facilities and Maintenance.
14 The department may continue to use the name "Department of
15 General Services" on badges, licenses, contracts, deeds,
16 stationery and other official documents until existing
17 supplies are exhausted. The department may substitute the
18 title "Office of Management and Budget" for "Department of
19 General Services" on its documents and materials on a
20 schedule that is deemed appropriate.

21 (4) The Department of General Services shall not replace
22 existing signage at its locations with the redesignated name
23 until the signs are worn and in need of replacement. This
24 transition shall be coordinated with changes in
25 administration.

26 (5) The Department of General Services shall continue to
27 use the name "Department of General Services" on its computer
28 systems until the time of routine upgrades in each computer
29 system in the department. The change in name shall be made at
30 the time of the routine upgrade to the computer systems.

1 (c) Office of Administration.--

2 (1) The Office of Administration shall be known as the
3 Bureau of Human Resources and the Bureau of Information
4 Technology under the office. The following shall apply:

5 (i) The powers and duties of the Office of
6 Administration shall be divided between the Bureau of
7 Human Resources and the Bureau of Information Technology.

8 (ii) The strategic plan under section 4318 shall
9 provide a clear division of the powers and duties
10 transferred from the Office of Administration to the
11 office and the Bureau of Human Resources and the Bureau
12 of Information Technology.

13 (2) A reference to the Office of Administration in a
14 statute or regulation shall be deemed a reference to the
15 office.

16 (3) To provide an efficient and cost-minimizing
17 transition, licenses, contracts, deeds and other official
18 actions of the Office of Administration shall not be affected
19 by the use of the designation as Bureau of Human Resources or
20 Bureau of Information Technology. The Office of
21 Administration may continue to use the name "Office of
22 Administration" on badges, licenses, contracts, deeds,
23 stationery and other official documents until existing
24 supplies are exhausted. The Office of Administration may
25 substitute the title "Office of Management and Budget" for
26 "Office of Administration" on its documents and materials on
27 a schedule that is deemed appropriate.

28 (4) The Office of Administration shall not replace
29 existing signage at its locations with the redesignated name
30 until the signs are worn and in need of replacement. This

1 transition shall be coordinated with changes in
2 administration.

3 (5) The Office of Administration shall continue to use
4 the name "Office of Administration" on its computer systems
5 until the time of routine upgrades in each computer system in
6 the Office of Administration. The change in name shall be
7 made at the time of the routine upgrade to the computer
8 systems.

9 (d) Office of Policy and Planning.--

10 (1) The Office of Policy and Planning shall be known as
11 the Bureau of Policy and Planning.

12 (2) A reference to the Office of Policy and Planning in
13 a statute or regulation shall be deemed a reference to the
14 Bureau of Policy and Planning.

15 (3) To provide an efficient and cost-minimizing
16 transition, licenses, contracts, deeds and other official
17 actions of the Office of Policy and Planning shall not be
18 affected by the use of the designation as Bureau of Policy
19 and Planning. The Office of Policy and Planning may continue
20 to use the name "Office of Policy and Planning" on badges,
21 licenses, contracts, deeds, stationery and other official
22 documents until existing supplies are exhausted. The Office
23 of Policy and Planning may substitute the title "Office of
24 Management and Budget" for "Office of Policy and Planning" on
25 its documents and materials on a schedule that is deemed
26 appropriate.

27 (4) The Office of Policy and Planning shall not replace
28 existing signage at its locations with the redesignated name
29 until the signs are worn and in need of replacement. This
30 transition shall be coordinated with changes in

1 administration.

2 (5) The Office of Policy and Planning shall continue to
3 use the name "Office of Policy and Planning" on its computer
4 systems until the time of routine upgrades in each computer
5 system in the Office of Policy and Planning. The change in
6 name shall be made at the time of the routine upgrade to the
7 computer systems.

8 § 4315. Civil service status.

9 All positions in the office shall be deemed to be included in
10 the list of positions under section 3(d) of the act of August 5,
11 1941 (P.L.752, No.286), known as the Civil Service Act, and the
12 provisions and benefits of that act shall apply to the employees
13 of and positions in the office.

14 § 4316. Director.

15 (a) Nomination.--No later than 30 days after the submittal
16 of the strategic plan under section 4318 (relating to strategic
17 plan), the Governor shall nominate an individual to serve as
18 director.

19 (b) Term.--The director shall serve at the pleasure of the
20 Governor.

21 (c) Appointments.--The director shall appoint the executive
22 director of each of the bureaus within the office. Each
23 executive director shall possess appropriate qualifications to
24 serve in that capacity.

25 (d) Salary.--The annual salary of the director shall be
26 \$166,000 or at a higher level as established by the Governor
27 with the approval of the executive board.

28 (e) Policy planning.--To perform the duties transferred to
29 the director under this chapter, the director shall direct and
30 oversee policy planning for the Governor to ensure that:

1 (1) the State government is managed in an efficient
2 manner;

3 (2) the Governor's policies and programs are efficiently
4 implemented and administered; and

5 (3) the Governor's policies and programs are directly
6 tied to the management of the Commonwealth's finances in a
7 manner that:

8 (i) improves government services to taxpayers; and

9 (ii) strengthens and grows the economy and improves
10 the long-term fiscal health of the Commonwealth.

11 § 4317. Governor's Office of Transformation, Innovation,
12 Management and Efficiency.

13 (a) Establishment.--The Governor's Office of Transformation,
14 Innovation, Management and Efficiency is established within the
15 office.

16 (b) Executive director.--The Governor's Office shall be
17 headed by an executive director who shall be appointed by the
18 director and who shall report to the director.

19 (c) Support services.--The office shall provide all support
20 services and staff for the Governor's Office.

21 (d) Powers and duties.--The Governor's Office shall:

22 (1) Deliver cost savings to the residents of this
23 Commonwealth through multiagency efficiencies, productivity
24 improvements and cost-saving innovations.

25 (2) Remain fully and continuously engaged with executive
26 agencies to identify new project needs and opportunities.

27 (3) Promote and foster a culture of innovation, open
28 data and collaboration across executive agencies in alignment
29 with the priorities of the Governor.

30 (4) Identify partnering opportunities with nonprofit

1 organizations and local communities to leverage resources
2 that will save taxpayer dollars.

3 (5) Focus on citizen engagement to further improve user-
4 oriented services and realize cost efficiencies through the
5 use of modern platforms.

6 (6) Increase the involvement and participation of State
7 employees at all levels in improving management, reducing
8 waste and improving the delivery of State services.

9 (7) Work collaboratively with the heads of executive
10 agencies to identify opportunities for streamlining the
11 operation of government and generating new efficiencies.

12 (8) Develop and implement strategies for implementing
13 the opportunities specified in paragraph (7).

14 (9) Identify barriers to the implementation of
15 transformational efforts and recommend strategies for
16 addressing these barriers.

17 (10) Provide training to State employees in continuous
18 improvement.

19 (e) Cooperation by executive agencies.--

20 (1) All executive agencies shall cooperate with the
21 Governor's Office.

22 (2) Executive agency heads shall identify key staff to
23 form innovation teams, which shall be responsible for
24 implementing the initiatives identified by the bureau.
25 Innovation teams shall recommend to the bureau new
26 opportunities to reduce costs and improve efficiency.

27 (f) Definitions.--As used in this section, the following
28 words and phrases shall have the meanings given to them in this
29 subsection unless the context clearly indicates otherwise:

30 "Governor's Office." The Governor's Office of

1 Transformation, Innovation, Management and Efficiency

2 established under this section.

3 § 4318. Strategic plan.

4 (a) Development.--Within 60 days of the effective date of
5 this section, the Governor shall:

6 (1) subject to subsection (b), contract with a qualified
7 third party to develop a strategic plan under this section;
8 or

9 (2) execute a memorandum of understanding with the
10 Legislative Budget and Finance Committee to develop a
11 strategic plan under this section.

12 (b) Third-party contract.--The Governor may enter into a
13 contract with a qualified third-party organization under this
14 section if the organization:

15 (1) has experience with large corporate mergers of a
16 company which has more than 500 employees;

17 (2) has experience assisting in the merging of
18 government agencies in other states; and

19 (3) utilizes continuous improvement process systems to
20 strengthen the efficiency and delivery of service of agencies
21 or corporations undergoing a merger.

22 (c) Parameters.--The strategic plan under this section shall
23 detail the merger of the Office of the Budget, the Department of
24 General Services, the Office of Administration and the Office of
25 Policy and Planning, in accordance with the provisions of this
26 chapter, and shall provide for:

27 (1) A 20% reduction in administrative costs.

28 (2) The consolidation of similar programs.

29 (3) The elimination of redundancy to maximize taxpayer
30 dollars.

1 (4) The improvement of agency services to residents of
2 this Commonwealth at a lower cost to taxpayers.

3 (5) A continuous improvement process system throughout
4 executive agencies.

5 (6) Financial transparency to residents of this
6 Commonwealth.

7 (7) A uniform accounting system and prudent financial
8 management throughout executive agencies.

9 (d) Submittal.--No later than 210 days after the effective
10 dates of this section, the strategic plan under this section
11 shall be submitted to the General Assembly for review and any
12 hearings deemed necessary.

13 Section 2. All other acts or parts of acts are repealed
14 insofar as they are inconsistent with this act.

15 Section 3. Except as otherwise provided in 71 Pa.C.S. Ch.
16 43, all activities regarding the powers and duties under 71
17 Pa.C.S. Ch. 43 which were initiated under the Office of the
18 Budget, the Department of General Services, the Office of
19 Administration or the Office of Policy and Planning shall
20 continue and remain in full force and effect and may be
21 completed under 71 Pa.C.S. Ch. 43. Orders, regulations, rules
22 and decisions which were made under the authority of the Office
23 of the Budget, the Department of General Services, the Office of
24 Administration or the Office of Policy and Planning regarding
25 the powers and duties under 71 Pa.C.S. Ch. 43 and which are in
26 effect on the effective date of 71 Pa.C.S. Ch. 43 shall remain
27 in full force and effect until revoked, vacated or modified
28 under 71 Pa.C.S. Ch. 43. Contracts, obligations and collective
29 bargaining agreements entered into under the authority of the
30 Office of the Budget, the Department of General Services, the

1 Office of Administration or the Office of Policy and Planning
2 are not affected nor impaired by the transfer of powers and
3 duties under 71 Pa.C.S. Ch. 43.

4 Section 4. Any expenditures needed to implement this act
5 shall be paid using encumbered funds of the respective executive
6 agency.

7 Section 5. Within 10 days of the nomination under 71 Pa.C.S.
8 § 4316(a), the Secretary of the Commonwealth shall provide
9 notice of the nomination to the Legislative Reference Bureau,
10 which shall publish the notice in the Pennsylvania Bulletin.

11 Section 6. This act shall take effect as follows:

12 (1) The following shall take effect immediately:

13 (i) This section and section 5 of this act.

14 (ii) The addition of 71 Pa.C.S. §§ 4301, 4302, 4303,
15 4316 and 4318.

16 (2) The remainder of this act shall take effect 30 days
17 after publication in the Pennsylvania Bulletin of the notice
18 under section 5 of this act.