
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2102 Session of
2018

INTRODUCED BY RYAN, GROVE, BLOOM, FRITZ, WALSH, DOWLING,
ROTHMAN, CUTLER, BERNSTINE, WARD, FEE, DUSH, KEEFER, SCHEMEL,
EVERETT, COX, B. MILLER, MCGINNIS, NELSON, KLUNK, 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, establishing
3 the Department of Business, Tourism and Workforce Development
4 and transferring specific powers and duties from the
5 Department of Labor and Industry, the Department of Community
6 and Economic Development and the Department of State to the
7 Department of Business, Tourism and Workforce Development.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

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

12 CHAPTER 45

13 DEPARTMENT OF BUSINESS, TOURISM

14 AND WORKFORCE DEVELOPMENT

15 Subchapter

16 A. General Provisions

17 B. Departmental Administration

18 SUBCHAPTER A

19 GENERAL PROVISIONS

1 Sec.

2 4501. Scope of chapter.

3 4502. Definitions.

4 § 4501. Scope of chapter.

5 This chapter relates to the Department of Business, Tourism
6 and Workforce Development.

7 § 4502. Definitions.

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

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

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

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

28 (2) Engaging in specific activities to rapidly improve
29 an executive agency's processes that will increase value or
30 decrease staff time, inventory, defects, overproduction,

1 complexity, delays or excessive movement.

2 (3) Involving executive agency employees at all levels
3 to map the executive agency's processes and recommend
4 improvements, with specific importance placed on the
5 involvement of executive agency employees closest to the
6 customer or end user of the State government product or
7 service.

8 (4) Providing the means to measure each process in order
9 to demonstrate the effectiveness of each process or process
10 improvement.

11 (5) Training executive agency employees to mentor and
12 train other executive agency employees in continuous
13 improvement process systems.

14 "Department." The Department of Business, Tourism and
15 Workforce Development established under section 4511 (relating
16 to establishment of department).

17 "Executive agency." Any of the following:

18 (1) The Governor's Office.

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

22 (3) The Office of Lieutenant Governor.

23 (4) An independent department.

24 (5) An independent agency.

25 "Executive board." As specified in section 204 of the
26 Administrative Code of 1929.

27 "Independent agency." A board, commission, authority or
28 other agency of the Commonwealth that is not subject to the
29 policy supervision and control of the Governor. The term does
30 not include:

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

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

4 "Independent department." Any of the following:

5 (1) The Department of the Auditor General.

6 (2) The Treasury Department.

7 (3) The Office of Attorney General.

8 (4) A board or commission of an entity under paragraph
9 (1), (2) or (3).

10 "Job creator." As the term "entity" is defined in 15 Pa.C.S.
11 § 102(a) (relating to definitions).

12 "Office." The Office of Business Consultant established
13 under section 4518 (relating to Office of Business Consultant).

14 "Secretary." The Secretary of Business, Tourism and
15 Workforce Development.

16 SUBCHAPTER B

17 DEPARTMENTAL ADMINISTRATION

18 Sec.

19 4511. Establishment of department.

20 4512. Organization of department.

21 4513. General duties of department and transfer provisions.

22 4514. Resignation.

23 4515. Civil service status.

24 4516. Secretary.

25 4517. Strategic plan.

26 4518. Office of Business Consultant.

27 § 4511. Establishment of department.

28 The Department of Business, Tourism and Workforce Development
29 is established as an administrative department within the
30 executive branch of the government of this Commonwealth.

1 § 4512. Organization of department.

2 (a) Division of responsibilities.--The department shall be
3 divided into the following:

4 (1) The Bureau of Marketing and Tourism.

5 (2) The Bureau of Licensing.

6 (3) The Bureau of Safety and Labor-Management Relations.

7 (4) The Bureau of Occupational and Vocational
8 Rehabilitation.

9 (5) The Bureau of Trust Fund Management.

10 (6) The Bureau of Business Finance and Workforce
11 Development.

12 (7) The Office of Business Consultant.

13 (b) Supervision.--

14 (1) Each bureau of the department shall be headed by an
15 executive director appointed by the secretary.

16 (2) Each executive director shall be under the
17 supervision of the secretary.

18 § 4513. General duties of department and transfer provisions.

19 (a) Authority.--The department shall exercise the authority
20 and perform the duties of the following Commonwealth agencies as
21 specified in this chapter:

22 (1) The Department of Labor and Industry.

23 (2) The Department of Community and Economic
24 Development. The powers and duties transferred from the
25 Department of Community and Economic Development shall be
26 limited to a bureau or program which pertains to the
27 following:

28 (i) Statewide tax credits and grant programs.

29 (ii) Job training.

30 (iii) International business trade, investments and

1 development.

2 (iv) Business and workforce development and the
3 Pennsylvania Industrial Development Authority.

4 (v) Marketing and tourism initiatives.

5 (vi) Technology investments and strategic
6 partnerships.

7 (3) The Department of State. The powers and duties
8 transferred from the Department of State shall be limited to
9 the following:

10 (i) The Bureau of Corporations and Charitable
11 Organizations.

12 (ii) The Bureau of Professional and Occupational
13 Affairs.

14 (iii) Any administrative board or commission under
15 the Department of State which oversees and issues a
16 professional or occupational license.

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

18 (1) The powers and duties vested in the Secretary of
19 Labor and Industry, the Secretary of Community and Economic
20 Development and the Secretary of the Commonwealth as
21 specified in this chapter are transferred to the secretary,
22 who shall exercise the powers and perform the duties that
23 those secretaries exercised or performed prior to the
24 effective date of this section. Any reference to the
25 Secretary of Labor and Industry, the Secretary of Community
26 and Economic Development or the Secretary of the Commonwealth
27 under a statute or regulation which was in effect before the
28 effective date of this section and which concerns the powers
29 or duties specified in this chapter shall be deemed a
30 reference to the secretary.

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

2 (i) All bureaus, organizations and divisions in the
3 Department of Labor and Industry, the Department of
4 Community and Economic Development and the Department of
5 State responsible for the functions specified in this
6 chapter.

7 (ii) All personnel, allocations, appropriations,
8 equipment, files, records, contracts, agreements,
9 obligations and other materials which are used, employed
10 or expended by the Department of Labor and Industry, the
11 Department of Community and Economic Development and the
12 Department of State in connection with the functions
13 transferred by this chapter to the department in the
14 first instance and as if these contracts, agreements and
15 obligations had been incurred or entered into by the
16 department.

17 (c) Apportionment.--The personnel, appropriations, equipment
18 and other items and material transferred by this section shall
19 include an appropriate portion of the general administrative,
20 overhead and supporting personnel, appropriations, equipment and
21 other material of the Department of Labor and Industry, the
22 Department of Community and Economic Development or the
23 Department of State and shall also include, where applicable,
24 Federal grants and funds and other benefits from any Federal
25 program.

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

29 § 4514. Resignation.

30 (a) Department of Labor and Industry.--For those powers and

1 duties transferred under this chapter:

2 (1) The Department of Labor and Industry shall be known
3 as the Bureau of Safety and Labor-Management Relations, the
4 Bureau of Occupation and Vocational Rehabilitation, the
5 Bureau of Trust Fund Management or the Bureau of Business
6 Finance and Workforce Development. The following shall apply:

7 (i) The powers and duties of the Department of Labor
8 and Industry transferred to the department shall be
9 divided among the Bureau of Safety and Labor-Management
10 Relations, the Bureau of Occupational and Vocational
11 Rehabilitation, the Bureau of Trust Fund Management and
12 the Bureau of Business Finance and Workforce Development.

13 (ii) The strategic plan under section 4517 (relating
14 to strategic plan) shall provide a clear division of the
15 powers and duties transferred from the Department of
16 Labor and Industry to the department and the bureaus
17 specified under this subsection.

18 (2) A reference to the Department of Labor and Industry
19 in a statute or regulation shall be deemed a reference to the
20 department.

21 (3) To provide an efficient and cost-minimizing
22 transition, licenses, contracts, deeds and other official
23 actions of the Department of Labor and Industry shall not be
24 affected by the use of the designation as the department or
25 any bureau specified in this subsection. The Department of
26 Labor and Industry may continue to use the name "Department
27 of Labor and Industry" on badges, licenses, contracts, deeds,
28 stationery and other official documents until existing
29 supplies are exhausted. The Department of Labor and Industry
30 may substitute the title "Department of Business, Tourism and

1 Workforce Development" for "Department of Labor and Industry"
2 on its documents and materials on a schedule that is deemed
3 appropriate.

4 (4) The Department of Labor and Industry shall not
5 replace existing signage at its locations with the
6 redesignated name until the signs are worn and in need of
7 replacement. This transition shall be coordinated with
8 changes in administration.

9 (5) The Department of Labor and Industry shall continue
10 to use the name "Department of Labor and Industry" on its
11 computer systems until the time of routine upgrades in each
12 computer system in the Department of Labor and Industry. The
13 change in name shall be made at the time of the routine
14 upgrade to the computer systems.

15 (b) Department of Community and Economic Development.--For
16 those powers and duties transferred under this chapter:

17 (1) The Department of Community and Economic Development
18 shall be known as the Bureau of Business Finance and
19 Workforce Development or the Bureau of Marketing and Tourism.
20 The following shall apply:

21 (i) The powers and duties of the Department of
22 Community and Economic Development transferred to the
23 department shall be divided between the Bureau of
24 Business Finance and Workforce Development and the Bureau
25 of Marketing and Tourism.

26 (ii) The strategic plan under section 4517 shall
27 provide a clear division of the powers and duties
28 transferred from the Department of Community and Economic
29 Development to the department and the bureaus specified
30 under this subsection.

1 (2) A reference to the Department of Community and
2 Economic Development in a statute or regulation shall be
3 deemed a reference to the department.

4 (3) To provide an efficient and cost-minimizing
5 transition, licenses, contracts, deeds and other official
6 actions of the Department of Community and Economic
7 Development shall not be affected by the use of the
8 designation as the department or any bureau specified in this
9 subsection. The Department of Community and Economic
10 Development may continue to use the name "Department of
11 Community and Economic Development" on badges, licenses,
12 contracts, deeds, stationery and other official documents
13 until existing supplies are exhausted. The Department of
14 Community and Economic Development may substitute the title
15 "Department of Business, Tourism and Workforce Development"
16 for "Department of Community and Economic Development" on its
17 documents and materials on a schedule that is deemed
18 appropriate.

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

24 (5) The Department of Community and Economic Development
25 shall continue to use the name "Department of Community and
26 Economic Development" on its computer systems until the time
27 of routine upgrades in each computer system in the Department
28 of Community and Economic Development. The change in name
29 shall be made at the time of the routine upgrade to the
30 computer systems.

1 (c) Department of State.--For those powers and duties
2 transferred under this chapter:

3 (1) The Department of State shall be known as the Bureau
4 of Licensing.

5 (2) A reference to the Department of State in a statute
6 or regulation shall be deemed a reference to the department.

7 (3) To provide an efficient and cost-minimizing
8 transition, licenses, contracts, deeds and other official
9 actions of the Department of State shall not be affected by
10 the use of the designation as the department or Bureau of
11 Licensing. The Department of State may continue to use the
12 name "Department of State" on badges, licenses, contracts,
13 deeds, stationery and other official documents until existing
14 supplies are exhausted. The Department of State may
15 substitute the title "Department of Business, Tourism and
16 Workforce Development" for "Department of State," for those
17 responsibilities and duties involving licensing, on its
18 documents and materials on a schedule that is deemed
19 appropriate.

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

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

29 § 4515. Civil service status.

30 All positions in the department shall be deemed to be

1 included in the list of positions under section 3(d) of the act
2 of August 5, 1941 (P.L.752, No.286), known as the Civil Service
3 Act, and the provisions and benefits of that act shall apply to
4 the employees of and positions in the department.

5 § 4516. Secretary.

6 (a) Nomination.--No later than 30 days after the submittal
7 of the strategic plan under section 4517 (relating to strategic
8 plan), the Governor shall nominate an individual to serve as
9 acting secretary until the individual or another individual is
10 confirmed as secretary by the Senate under section 8 of Article
11 IV of the Constitution of Pennsylvania. The acting secretary
12 shall have the same authority as the secretary.

13 (b) Appointments.--The secretary shall appoint the deputy
14 secretary of each of the bureaus within the department. Each
15 deputy secretary shall possess appropriate qualifications to
16 serve in that capacity.

17 (c) Salary.--The annual salary of the secretary shall be
18 \$166,000 or at a higher level as established by the Governor
19 with the approval of the executive board.

20 § 4517. Strategic plan.

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

23 (1) subject to subsection (b), contract with a qualified
24 third party to develop a strategic plan under this section;
25 or

26 (2) execute a memorandum of understanding with the Joint
27 State Government Commission to develop a strategic plan under
28 this section.

29 (b) Third-party contract.--The Governor may enter into a
30 contract with a qualified third-party organization under this

1 section if the organization:

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

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

6 (3) utilizes continuous improvement process systems to
7 strengthen the efficiency and delivery of service of agencies
8 or corporations undergoing a merger.

9 (c) Parameters.--The strategic plan under this section shall
10 detail the merger of the Department of Labor and Industry, the
11 Department of Community and Economic Development and the
12 Department of State, in accordance with the provisions of this
13 chapter, and shall provide for:

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

15 (2) The identification and consolidation of:

16 (i) redundant programs administered by the
17 Department of Labor and Industry, the Department of
18 Community and Economic Development and the Department of
19 State, whose functions are transferred to the department;
20 and

21 (ii) redundant regulations promulgated by Department
22 of Labor and Industry, the Department of Community and
23 Economic Development and the Department of State, whose
24 functions are transferred to the department.

25 (3) Strategies to improve job training and economic
26 development in this Commonwealth.

27 (4) Strategies to improve and assist in compliance for
28 the regulations promulgated by the Department of Labor and
29 Industry, the Department of Community and Economic
30 Development and the Department of State prior to the

1 effective date of this section.

2 (5) The consolidation of business-rated permitting from
3 every other executive agency under the department.

4 (6) The development of clear management directives for
5 workforce development and business-related tax credits.

6 (7) The detailed development of an online portal for
7 tracking the status of permit applications for agencies under
8 the Governor's jurisdiction.

9 (d) Submittal.--No later than 210 days after the effective
10 date 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 § 4518. Office of Business Consultant.

14 (a) Establishment.--The Office of Business Consultant is
15 established within the department.

16 (b) Executive director.--The office shall be headed by an
17 executive director who shall be appointed by the secretary and
18 who shall report to the secretary.

19 (c) Support services.--The department shall provide all
20 support services and staff for the office.

21 (d) Powers and duties.--The office shall:

22 (1) Assist job creators in complying with regulations
23 promulgated by the department or an executive agency.

24 (2) Assist job creators in complying with the
25 requirements for the application process for a permit of an
26 executive agency.

27 (3) Assist job creators, upon request, with any site
28 development for a corporation which chooses to expand or
29 locates operations in this Commonwealth.

30 (4) Develop strategies and relationships to attract

1 corporations to locate operations in this Commonwealth.

2 (5) Assist residents of this Commonwealth as much as
3 practicable in the formation of new small business
4 opportunities.

5 (e) Cooperation by executive agencies.--

6 (1) All executive agencies shall cooperate with the
7 office.

8 (2) Executive agency heads shall identify key staff to
9 form business compliance teams. The following shall apply:

10 (i) Each compliance team shall work with the office
11 to assist corporations in complying with regulations
12 promulgated by the executive agency.

13 (ii) Each compliance team shall work with the office
14 to assist corporations in complying with rules and
15 requirements of the executive agency for the application
16 for a permit required to conduct business activities
17 overseen by the executive agency.

18 Section 2. All acts or parts of acts are repealed insofar as
19 they are inconsistent with this act.

20 Section 3. Except as otherwise provided in 71 Pa.C.S. Ch.
21 45, all activities regarding the powers and duties under 71
22 Pa.C.S. Ch. 45 which were initiated under the Department of
23 Labor and Industry, the Department of Community and Economic
24 Development or the Department of State shall continue and remain
25 in full force and effect and may be completed under 71 Pa.C.S.
26 Ch. 45. Orders, regulations, rules and decisions which were made
27 under the authority of the Department of Labor and Industry, the
28 Department of Community and Economic Development or the
29 Department of State regarding the powers and duties under 71
30 Pa.C.S. Ch. 45 and which are in effect on the effective date of

1 71 Pa.C.S. Ch. 45 shall remain in full force and effect until
2 revoked, vacated or modified under 71 Pa.C.S. Ch. 45. Contracts,
3 obligations and collective bargaining agreements entered into
4 under the authority of the Department of Labor and Industry, the
5 Department of Community and Economic Development or the
6 Department of State are not affected nor impaired by the
7 transfer of powers and duties under 71 Pa.C.S. Ch. 45.

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

11 Section 5. Within 10 days of the nomination or confirmation
12 under 71 Pa.C.S. § 4516(a), the Secretary of the Commonwealth
13 shall provide notice of the nomination or confirmation to the
14 Legislative Reference Bureau, which shall publish the notice in
15 the Pennsylvania Bulletin.

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

17 (1) The following shall take effect immediately:

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

19 (ii) The addition of 71 Pa.C.S. §§ 4501, 4502, 4516
20 and 4517.

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