

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

AS REPORTED FROM COMMITTEE ON STATE GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 19, 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:

CHAPTER 45

DEPARTMENT OF BUSINESS, TOURISM

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. (RESERVED).

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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           DEPARTMENT: <--

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

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

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

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

30           § 4514. Resignation.

1 (a) Department of Labor and Industry.--For those powers and  
2 duties transferred under this chapter:

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

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

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

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

22 (3) To provide an efficient and cost-minimizing  
23 transition, licenses, contracts, deeds and other official  
24 actions of the ~~Department of Labor and Industry~~ DEPARTMENT OR <--  
25 ANY BUREAU SPECIFIED IN THIS SUBSECTION shall not be affected  
26 by the use of the designation as the ~~department or any bureau~~ <--  
27 ~~specified in this subsection~~ DEPARTMENT OF LABOR AND <--  
28 INDUSTRY. The ~~Department of Labor and Industry~~ DEPARTMENT may <--  
29 continue to use the name "Department of Labor and Industry"  
30 on badges, licenses, contracts, deeds, stationery and other



1 official documents until existing supplies are exhausted. The  
2 ~~Department of Labor and Industry~~ DEPARTMENT may substitute <--  
3 the title "Department of Business, Tourism and Workforce  
4 Development" for "Department of Labor and Industry" on its  
5 documents and materials on a schedule that is deemed  
6 appropriate.

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

12 (5) The ~~Department of Labor and Industry~~ DEPARTMENT <--  
13 shall continue to use the name "Department of Labor and  
14 Industry" on its computer systems until the time of routine  
15 upgrades in each computer system in the ~~Department of Labor~~ <--  
16 and Industry DEPARTMENT. The change in name shall be made at <--  
17 the time of the routine upgrade to the computer systems.

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

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

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

29 (ii) The strategic plan under section 4517 shall  
30 provide a clear division of the powers and duties

1 transferred from the Department of Community and Economic  
2 Development to the department and the bureaus specified  
3 under this subsection.

4 (2) A reference to the Department of Community and  
5 Economic Development in a statute or regulation shall be  
6 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 Community and Economic~~ <--  
10 ~~Development~~ DEPARTMENT OR ANY BUREAU SPECIFIED IN THIS <--  
11 SUBSECTION shall not be affected by the use of the  
12 designation as the ~~department or any bureau specified in this~~ <--  
13 ~~subsection~~ DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT. <--  
14 The ~~Department of Community and Economic Development~~ <--  
15 DEPARTMENT may continue to use the name "Department of <--  
16 Community and Economic Development" on badges, licenses,  
17 contracts, deeds, stationery and other official documents  
18 until existing supplies are exhausted. The ~~Department of~~ <--  
19 ~~Community and Economic Development~~ DEPARTMENT may substitute <--  
20 the title "Department of Business, Tourism and Workforce  
21 Development" for "Department of Community and Economic  
22 Development" on its documents and materials on a schedule  
23 that is deemed appropriate.

24 (4) The ~~Department of Community and Economic Development~~ <--  
25 DEPARTMENT shall not replace existing signage at its <--  
26 locations with the redesignated name until the signs are worn  
27 and in need of replacement. This transition shall be  
28 coordinated with changes in administration.

29 (5) The ~~Department of Community and Economic Development~~ <--  
30 DEPARTMENT shall continue to use the name "Department of <--

1 Community and Economic Development" on its computer systems  
2 until the time of routine upgrades in each computer system in  
3 the ~~Department of Community and Economic Development~~ <--  
4 DEPARTMENT. The change in name shall be made at the time of <--  
5 the routine upgrade to the computer systems.

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

8 (1) The Department of State shall be known as the Bureau  
9 of Licensing.

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

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

26 (4) The ~~Department of State~~ DEPARTMENT shall not replace <--  
27 existing signage at its locations with the redesignated name  
28 until the signs are worn and in need of replacement. This  
29 transition shall be coordinated with changes in  
30 administration.

1       ~~(5) The Department of State DEPARTMENT shall continue to~~ <--  
2       ~~use the name "Department of State" on its computer systems~~  
3       ~~until the time of routine upgrades in each computer system in~~  
4       ~~the Department of State DEPARTMENT. The change in name shall~~ <--  
5       ~~be made at the time of the routine upgrade to the computer~~  
6       ~~systems.~~

7       ~~§ 4515. Civil service status.~~ <--

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

13       ~~§ 4516. Secretary.~~

14       ~~(a) Nomination.--No later than 30 days after the submittal~~  
15       ~~of the strategic plan under section 4517 (relating to strategic~~  
16       ~~plan), the Governor shall nominate an individual to serve as~~  
17       ~~acting secretary until the individual or another individual is~~  
18       ~~confirmed as secretary by the Senate under section 8 of Article~~  
19       ~~IV of the Constitution of Pennsylvania. The acting secretary~~  
20       ~~shall have the same authority as the secretary.~~

21       ~~(b) Appointments.--The secretary shall appoint the deputy~~ <--  
22       ~~secretary of each of the bureaus within the department DEPUTY~~ <--  
23       ~~SECRETARIES. Each deputy secretary shall possess appropriate~~  
24       ~~qualifications to serve in that capacity.~~

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

28       ~~§ 4517. Strategic plan.~~

29       ~~(a) Development.--Within 60 days of the effective date of~~  
30       ~~this section, the Governor shall:~~

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

4 (2) execute a memorandum of understanding with the Joint  
5 State Government Commission to develop a strategic plan under  
6 this section.

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

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

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

14 (3) utilizes continuous improvement process systems to  
15 strengthen the efficiency and delivery of service of agencies  
16 or corporations undergoing a merger.

17 (c) Parameters.--The strategic plan under this section shall  
18 detail the merger of the Department of Labor and Industry, the  
19 Department of Community and Economic Development and the  
20 Department of State, in accordance with the provisions of this  
21 chapter, and shall provide for:

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

23 (2) The identification and consolidation of:

24 (i) redundant programs administered by the  
25 Department of Labor and Industry, the Department of  
26 Community and Economic Development and the Department of  
27 State, whose functions are transferred to the department;  
28 and

29 (ii) redundant regulations promulgated by Department  
30 of Labor and Industry, the Department of Community and

1 Economic Development and the Department of State, whose  
2 functions are transferred to the department.

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

5 (4) Strategies to improve and assist in compliance for  
6 the regulations promulgated by the Department of Labor and  
7 Industry, the Department of Community and Economic  
8 Development and the Department of State prior to the  
9 effective date of this section.

10 ~~(5) The consolidation of business rated permitting from~~ <--  
11 ~~every other executive agency under the department.~~

12 (5) THE IDENTIFICATION OF OPTIONS FOR CONSOLIDATING THE <--  
13 ADMINISTRATION OF BUSINESS-RELATED PERMITTING UNDER THE  
14 DEPARTMENT.

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

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

20 (8) THE APPORTIONMENT OF PERSONNEL, APPROPRIATIONS, <--  
21 EQUIPMENT AND OTHER ITEMS AND MATERIAL TRANSFERRED TO THE  
22 DEPARTMENT UNDER SECTION 4513(C) (RELATING TO GENERAL DUTIES  
23 OF DEPARTMENT AND TRANSFER PROVISIONS).

24 (d) Submittal.--No later than 210 days after the effective  
25 date of this section, the strategic plan under this section  
26 shall be submitted to the General Assembly for review and any  
27 hearings deemed necessary.

28 § 4518. Office of Business Consultant.

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

1 (b) Executive director.--The office shall be headed by an  
2 executive director who shall be appointed by the secretary and  
3 who shall report to the secretary.

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

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

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

9 (2) Assist job creators in complying with the  
10 requirements for the application process for a permit of an  
11 executive agency.

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

15 (4) Develop strategies and relationships to attract  
16 ~~corporations~~ JOB CREATORS to locate operations in this  
17 Commonwealth.

<--

18 (5) Assist residents of this Commonwealth as much as  
19 practicable in the formation of new small business  
20 opportunities.

21 (e) Cooperation by executive agencies.--

22 (1) All executive agencies shall cooperate with the  
23 office.

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

26 (i) Each compliance team shall work with the office  
27 to assist corporations in complying with regulations  
28 promulgated by the executive agency.

29 (ii) Each compliance team shall work with the office  
30 to assist corporations in complying with rules and

1 requirements of the executive agency for the application  
2 for a permit required to conduct business activities  
3 overseen by the executive agency.

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

6 Section 3. Except as otherwise provided in 71 Pa.C.S. Ch.  
7 45, all activities regarding the powers and duties under 71  
8 Pa.C.S. Ch. 45 which were initiated under the Department of  
9 Labor and Industry, the Department of Community and Economic  
10 Development or the Department of State shall continue and remain  
11 in full force and effect and may be completed under 71 Pa.C.S.  
12 Ch. 45. Orders, regulations, rules and decisions which were made  
13 under the authority of the Department of Labor and Industry, the  
14 Department of Community and Economic Development or the  
15 Department of State regarding the powers and duties under 71  
16 Pa.C.S. Ch. 45 and which are in effect on the effective date of  
17 71 Pa.C.S. Ch. 45 shall remain in full force and effect until  
18 revoked, vacated or modified under 71 Pa.C.S. Ch. 45. Contracts,  
19 obligations and collective bargaining agreements entered into  
20 under the authority of the Department of Labor and Industry, the  
21 Department of Community and Economic Development or the  
22 Department of State are not affected nor impaired by the  
23 transfer of powers and duties under 71 Pa.C.S. Ch. 45.

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

27 Section 5. Within 10 days of the nomination ~~or confirmation~~ <--  
28 under 71 Pa.C.S. § 4516(a), the Secretary of the Commonwealth  
29 shall provide notice of the nomination ~~or confirmation~~ to the <--  
30 Legislative Reference Bureau, which shall publish the notice in



1 the Pennsylvania Bulletin.

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

3 (1) The following shall take effect immediately:

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

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

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