
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1130 Session of
2020

INTRODUCED BY MASTRIANO, MARTIN AND PHILLIPS-HILL,
APRIL 30, 2020

REFERRED TO INTERGOVERNMENTAL OPERATIONS, APRIL 30, 2020

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.

18 4303. Definitions.

1 § 4301. Scope of chapter.

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

4 § 4302. Legislative findings and declarations.

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

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

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

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

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

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

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

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

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

23 (9) Perform comprehensive financial oversight.

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

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

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

1 (13) Measure the performance of governmental activities.

2 § 4303. Definitions.

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

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

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

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

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

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

1 customer or end user of the State government product or
2 service.

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

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

9 "Director." The director of the office.

10 "Executive agency." Any of the following:

11 (1) The Governor's Office.

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

15 (3) The Office of Lieutenant Governor.

16 (4) An independent department.

17 (5) An independent agency.

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

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

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

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

27 "Independent department." Any of the following:

28 (1) The Department of the Auditor General.

29 (2) The Treasury Department.

30 (3) The Office of Attorney General.

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

3 (b) Supervision.--

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

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

8 § 4313. General duties of office and transfer provisions.

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

12 (1) The Office of the Budget.

13 (2) The Department of General Services.

14 (3) The Office of Administration.

15 (4) The Office of Policy and Planning.

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

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

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

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

1 Planning responsible for the functions specified in this
2 chapter.

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

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

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

25 § 4314. Redesignation.

26 (a) Office of the Budget.--

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

29 (2) A reference to the Office of the Budget in a statute
30 or regulation shall be deemed a reference to the office.

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

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

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

21 (b) Department of General Services.--

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

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

29 (ii) The strategic plan under section 4318 (relating
30 to strategic plan) shall provide a clear division of the

1 powers and duties transferred from the Department of
2 General Services to the office and the bureaus specified
3 in this subsection.

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

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

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

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

27 (c) Office of Administration.--

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

1 (i) The powers and duties of the Office of
2 Administration shall be divided between the Bureau of
3 Human Resources and the Bureau of Information Technology.

4 (ii) The strategic plan under section 4318 shall
5 provide a clear division of the powers and duties
6 transferred from the Office of Administration to the
7 office and any bureau specified in this subsection.

8 (2) A reference to the Office of Administration in a
9 statute or regulation shall be deemed a reference to the
10 office.

11 (3) To provide an efficient and cost-minimizing
12 transition, licenses, contracts, deeds and other official
13 actions of the office or any bureau specified in this
14 subsection shall not be affected by the use of the
15 designation as the Office of Administration. The office may
16 continue to use the name "Office of Administration" on
17 badges, licenses, contracts, deeds, stationery and other
18 official documents until existing supplies are exhausted. The
19 office may substitute the title "Office of Management and
20 Budget" for "Office of Administration" on its documents and
21 materials on a schedule that is deemed appropriate.

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

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

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

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

4 (2) A reference to the Office of Policy and Planning in
5 a statute or regulation shall be deemed a reference to the
6 Bureau of Policy and Planning.

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

17 (4) The office shall not replace existing signage at its
18 locations with the redesignated name until the signs are worn
19 and in need of replacement. This transition shall be
20 coordinated with changes in administration.

21 (5) The office shall continue to use the name "Office of
22 Policy and Planning" on its computer systems until the time
23 of routine upgrades in each computer system in the office.
24 The change in name shall be made at the time of the routine
25 upgrade to the computer systems.

26 § 4315. (Reserved).

27 § 4316. Director.

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

1 director.

2 (b) Term.--The director shall serve at the pleasure of the
3 Governor.

4 (c) Appointments.--The director shall appoint the executive
5 directors. Each executive director shall possess appropriate
6 qualifications to serve in that capacity.

7 (d) Policy planning.--To perform the duties transferred to
8 the director under this chapter, the director shall direct and
9 oversee policy planning for the Governor to ensure that:

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

12 (2) the Governor's policies and programs are efficiently
13 implemented and administered; and

14 (3) the Governor's policies and programs are directly
15 tied to the management of the Commonwealth's finances in a
16 manner that:

17 (i) improves government services to taxpayers; and

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

20 § 4317. Governor's Office of Transformation, Innovation,
21 Management and Efficiency.

22 (a) Establishment.--The Governor's Office of Transformation,
23 Innovation, Management and Efficiency is established within the
24 office.

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

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

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

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

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

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

9 (4) Identify partnering opportunities with nonprofit
10 organizations and local communities to leverage resources
11 that will save taxpayer dollars.

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

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

18 (7) Work collaboratively with the heads of executive
19 agencies to identify opportunities for streamlining the
20 operation of government and generating new efficiencies.

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

23 (9) Identify barriers to the implementation of
24 transformational efforts and recommend strategies for
25 addressing these barriers.

26 (10) Provide training to State employees in continuous
27 improvement.

28 (e) Cooperation by executive agencies.--

29 (1) All executive agencies shall cooperate with the
30 Governor's Office.

1 (2) Executive agency heads shall identify key staff to
2 form innovation teams, which shall be responsible for
3 implementing the initiatives identified by the Governor's
4 Office. Innovation teams shall recommend to the Governor's
5 Office new opportunities to reduce costs and improve
6 efficiency.

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

10 "Governor's Office." The Governor's Office of
11 Transformation, Innovation, Management and Efficiency
12 established under this section.

13 § 4318. Strategic plan.

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

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

19 (2) execute a memorandum of understanding with the
20 Legislative Budget and Finance Committee to develop a
21 strategic plan under this section.

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

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

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

29 (3) utilizes continuous improvement process systems to
30 strengthen the efficiency and delivery of service of agencies

1 or corporations undergoing a merger.

2 (c) Parameters.--The strategic plan under this section shall
3 detail the merger of the Office of the Budget, the Department of
4 General Services, the Office of Administration and the Office of
5 Policy and Planning, in accordance with the provisions of this
6 chapter, and shall provide for:

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

8 (2) The consolidation of similar programs.

9 (3) The elimination of redundancy to maximize taxpayer
10 dollars.

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

13 (5) A continuous improvement process system throughout
14 executive agencies.

15 (6) Financial transparency to residents of this
16 Commonwealth.

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

19 (8) The apportionment of personnel, appropriations,
20 equipment and other items and material transferred to the
21 office under section 4313(c) (relating to general duties of
22 office and transfer provisions).

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

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

29 Section 3. Except as otherwise provided in 71 Pa.C.S. Ch.
30 43, all activities regarding the powers and duties under 71

1 Pa.C.S. Ch. 43 which were initiated under the Office of the
2 Budget, the Department of General Services, the Office of
3 Administration or the Office of Policy and Planning shall
4 continue and remain in full force and effect and may be
5 completed under 71 Pa.C.S. Ch. 43. Orders, regulations, rules
6 and decisions which were made under the authority of the Office
7 of the Budget, the Department of General Services, the Office of
8 Administration or the Office of Policy and Planning regarding
9 the powers and duties under 71 Pa.C.S. Ch. 43 and which are in
10 effect on the effective date of 71 Pa.C.S. Ch. 43 shall remain
11 in full force and effect until revoked, vacated or modified
12 under 71 Pa.C.S. Ch. 43. Contracts, obligations and collective
13 bargaining agreements entered into under the authority of the
14 Office of the Budget, the Department of General Services, the
15 Office of Administration or the Office of Policy and Planning
16 are not affected nor impaired by the transfer of powers and
17 duties under 71 Pa.C.S. Ch. 43.

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

21 Section 5. Within 10 days of the nomination under 71 Pa.C.S.
22 § 4316(a), the Secretary of the Commonwealth shall provide
23 notice of the nomination to the Legislative Reference Bureau,
24 which shall publish the notice in the Pennsylvania Bulletin.

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

26 (1) The following shall take effect immediately:

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

28 (ii) The addition of 71 Pa.C.S. §§ 4301, 4302, 4303,
29 4316 and 4318.

30 (2) The remainder of this act shall take effect 30 days

1 after publication in the Pennsylvania Bulletin of the notice
2 under section 5 of this act.