

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2103 Session of 2018

INTRODUCED BY DOWLING, GROVE, BLOOM, FRITZ, RYAN, WALSH, 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 Local Government and Community Affairs and
4 transferring specific powers and duties from the Department
5 of Community and Economic Development and the Department of
6 State to the Department of Local Government and Community
7 Affairs.

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 47

DEPARTMENT OF LOCAL GOVERNMENT AND COMMUNITY AFFAIRS

Subchapter

A. General Provisions

B. Departmental Administration

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

1 4701. Scope of chapter.

2 4702. Definitions.

3 § 4701. Scope of chapter.

4 This chapter relates to the Department of Local Government
5 and Community Affairs.

6 § 4702. Definitions.

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

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

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

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

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

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

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

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

13 "Department." The Department of Local Government and
14 Community Affairs established under section 4711 (relating to
15 establishment of department).

16 "Executive agency." Any of the following:

17 (1) The Governor's Office.

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

21 (3) The Office of Lieutenant Governor.

22 (4) An independent department.

23 (5) An independent agency.

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

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

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

1 divided into the following:

2 (1) The Bureau of Local Government.

3 (2) The Bureau of Local Government Grants and
4 Development.

5 (3) The Bureau of Election Management and Oversight.

6 (4) The State Athletic Commission.

7 (5) The Office of Local Government Consultant.

8 (b) Supervision.--

9 (1) Each entity under subsection (a) shall be headed by
10 an executive director appointed by the secretary.

11 (2) Each executive director shall be under the
12 supervision of the secretary.

13 § 4713. General duties of department and transfer provisions.

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

17 (1) The Department of Community and Economic
18 Development. The powers and duties transferred from the
19 Department of Community and Economic Development shall be
20 limited to a bureau or program which pertains to the
21 following:

22 (i) The Center for Local Government Services.

23 (ii) The Center for Community Enhancement.

24 (iii) The Center for Community Development
25 Operations.

26 (iv) Training and assistance for local government
27 entities.

28 (v) Local government tax credits and grants.

29 (2) The Department of State. The powers and duties
30 transferred from the Department of State shall be limited to

1 the following:

2 (i) The Bureau of Commissions, Elections and
3 Legislation, including:

4 (A) The Division of Campaign Finance and
5 Lobbying Disclosure.

6 (B) The Division of Commissions, Legislation and
7 Notaries.

8 (C) The Division of Elections and Voter
9 Services.

10 (D) The Division of Statewide Uniform Registry
11 of Electors.

12 (ii) The State Athletic Commission.

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

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

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

26 (i) All bureaus, organizations and divisions in the
27 Department of Community and Economic Development and the
28 Department of State responsible for the functions
29 specified in this chapter.

30 (ii) All personnel, allocations, appropriations,

1 equipment, files, records, contracts, agreements,
2 obligations and other materials which are used, employed
3 or expended by the Department of Community and Economic
4 Development and the Department of State in connection
5 with the functions transferred by this chapter to the
6 department in the first instance and as if these
7 contracts, agreements and obligations had been incurred
8 or entered into by the department.

9 (c) Apportionment.--The personnel, appropriations, equipment
10 and other items and material transferred TO THE DEPARTMENT by <--
11 this section shall include an appropriate portion of the general
12 administrative, overhead and supporting personnel,
13 appropriations, equipment and other material of the Department
14 of Community and Economic Development or the Department of State
15 and shall also include, where applicable, Federal grants and
16 funds and other benefits from any Federal program.

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

20 § 4714. Redesignation.

21 (a) Department of Community and Economic Development.--For
22 those powers and duties transferred under this chapter:

23 (1) The Department of Community and Economic Development
24 shall be known as the Bureau of Local Government or the
25 Bureau of Local Government Grants and Development under the
26 department. The following shall apply:

27 (i) The powers and duties of the Department of
28 Community and Economic Development transferred to the
29 department shall be divided between the Bureau of Local
30 Government and the Bureau of Local Government Grants and

1 Development.

2 (ii) The strategic plan under section 4718 (relating
3 to strategic plan) shall provide a clear division of the
4 powers and duties transferred from the Department of
5 Community and Economic Development to the department and
6 the bureaus specified in this subsection.

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

10 (3) To provide an efficient and cost-minimizing
11 transition, licenses, contracts, deeds and other official
12 actions of the Department of Community and Economic
13 Development OR ANY BUREAU SPECIFIED IN THIS SUBSECTION shall <--
14 not be affected by the use of the designation as the
15 department or a bureau specified in this subsection. The <--
16 Department of Community and Economic Development DEPARTMENT <--
17 OF COMMUNITY AND ECONOMIC DEVELOPMENT. THE DEPARTMENT may
18 continue to use the name "Department of Community and
19 Economic Development" on badges, licenses, contracts, deeds,
20 stationery and other official documents until existing
21 supplies are exhausted. The Department of Community and
22 Economic Development may substitute the title "Department of
23 Local Government and Community Affairs" for "Department of
24 Community and Economic Development," for those
25 responsibilities transferred under this chapter, on its
26 documents and materials on a schedule that is deemed
27 appropriate.

28 (4) The Department of Community and Economic Development <--
29 DEPARTMENT shall not replace existing signage at its <--
30 locations with the redesignated name until the signs are worn

1 and in need of replacement. This transition shall be
2 coordinated with changes in administration.

3 (5) ~~The Department of Community and Economic Development~~ <--
4 DEPARTMENT shall continue to use the name "Department of <--
5 Community and Economic Development" on its computer systems
6 until the time of routine upgrades in each computer system in
7 the ~~Department of Community and Economic Development~~ <--
8 DEPARTMENT. The change in name shall be made at the time of <--
9 the routine upgrade to the computer systems.

10 (b) Department of State.--For those powers and duties
11 transferred under this chapter:

12 (1) The Department of State shall be known as the Bureau
13 of Election Management and Oversight and the State Athletic
14 Commission under the department. The following shall apply:

15 (i) The powers and duties of the Department of State
16 transferred to the department shall be divided between
17 the Bureau of Election Management and Oversight and the
18 State Athletic Commission.

19 (ii) The strategic plan under section 4718 (relating
20 to strategic plan) shall provide a clear division of the
21 powers and duties transferred from the Department of
22 State to the department and a bureau or commission
23 specified in this subsection.

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

26 (3) To provide an efficient and cost-minimizing
27 transition, licenses, contracts, deeds and other official
28 actions of the ~~Department of State~~ DEPARTMENT, BOARD OR <--
29 COMMISSION SPECIFIED IN THIS SUBSECTION shall not be affected
30 by the use of the designation as the ~~department or a bureau~~ <--

1 ~~or commission specified in this subsection. The Department of~~
2 ~~State DEPARTMENT OF STATE. THE DEPARTMENT may continue to use~~ <--
3 ~~the name "Department of State" on badges, licenses,~~
4 ~~contracts, deeds, stationery and other official documents~~
5 ~~until existing supplies are exhausted. The Department of~~
6 ~~State may substitute the title "Department of Local~~
7 ~~Government and Community Affairs" for "Department of State,"~~
8 ~~for those responsibilities transferred under this chapter, on~~
9 ~~its documents and materials on a schedule that is deemed~~
10 ~~appropriate.~~

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

16 ~~(5) The Department of State DEPARTMENT shall continue to~~ <--
17 ~~use the name "Department of State" on its computer systems~~
18 ~~until the time of routine upgrades in each computer system in~~
19 ~~the Department of State DEPARTMENT. The change in name shall~~ <--
20 ~~be made at the time of the routine upgrade to the computer~~
21 ~~systems.~~

22 ~~§ 4715. Civil service status.~~ <--

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

28 ~~§ 4716. Secretary.~~

29 ~~(a) Nomination.--No later than 30 days after the submittal~~
30 ~~of the strategic plan under section 4718 (relating to strategic~~

1 plan), the Governor shall nominate an individual to serve as
2 acting secretary until the individual or another individual is
3 confirmed as secretary by the Senate under section 8 of Article
4 IV of the Constitution of Pennsylvania. The acting secretary
5 shall have the same authority as the secretary.

6 (b) Appointments.--The secretary shall appoint the deputy
7 secretary of each bureau SECRETARIES, commission or office <--
8 within the department. Each deputy secretary shall possess
9 appropriate qualifications to serve in that capacity.

10 (c) Salary.--The annual salary of the secretary shall be <--
11 \$166,000 or at a higher level as established by the Governor
12 with the approval of the executive board.

13 (d) (C) Transfer of duties.--The secretary shall perform all <--
14 the duties and exercise all the authority of the Secretary of
15 the Commonwealth on and after one year following the effective
16 date of this section.

17 § 4717. Office of Local Government Consultant.

18 (a) Establishment.--The Office of Local Government
19 Consultant is established within the department.

20 (b) Executive director.--The office shall be headed by an
21 executive director who shall be appointed by the secretary and
22 who shall report to the secretary.

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

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

26 (1) Assist local governments in complying with
27 regulations promulgated by the department or an executive
28 agency.

29 (2) Assist local governments in complying with the
30 requirements for the application process for a grant from an

1 executive agency.

2 (e) Cooperation by executive agencies.--

3 (1) All executive agencies shall cooperate with the
4 office.

5 (2) Executive agency heads shall identify key staff to
6 form local government compliance teams. The following shall
7 apply:

8 (i) Each compliance team shall work with the office
9 to assist local governments in complying with regulations
10 promulgated by the executive agency.

11 (ii) Each compliance team shall work with the office
12 to assist local governments in complying with rules and
13 requirements of the executive agency for the application
14 for a grant required to be overseen by the executive
15 agency.

16 § 4718. Strategic plan.

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

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

22 (2) execute a memorandum of understanding with the ~~Local~~<--
23 JOINT STATE Government Commission to develop a strategic plan <--
24 under this section.

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

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

30 (2) has experience assisting in the merging of

1 government agencies in other states; and

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

5 (c) Parameters.--The strategic plan under this section shall
6 detail the merger of the Department of Community and Economic
7 Development and the Department of State, in accordance with the
8 provisions of this chapter, and shall provide for:

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

10 (2) The consolidation of similar programs.

11 (3) The elimination of redundancy to maximize taxpayer
12 dollars.

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

15 (5) A continuous improvement process system throughout
16 executive agencies.

17 (6) Financial transparency to residents of this
18 Commonwealth.

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

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

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

27 Section 3. Except as otherwise provided in 71 Pa.C.S. Ch.
28 47, all activities regarding the powers and duties under 71
29 Pa.C.S. Ch. 47 which were initiated under the Department of
30 Community and Economic Development or the Department of State

1 shall continue and remain in full force and effect and may be
2 completed under 71 Pa.C.S. Ch. 47. Orders, regulations, rules
3 and decisions which were made under the authority of the
4 Department of Community and Economic Development or the
5 Department of State regarding the powers and duties under 71
6 Pa.C.S. Ch. 47 and which are in effect on the effective date of
7 71 Pa.C.S. Ch. 47 shall remain in full force and effect until
8 revoked, vacated or modified under 71 Pa.C.S. Ch. 47. Contracts,
9 obligations and collective bargaining agreements entered into
10 under the authority of the Department of Community and Economic
11 Development or the Department of State are not affected nor
12 impaired by the transfer of powers and duties under 71 Pa.C.S.
13 Ch. 47.

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

17 Section 5. Within 10 days of the nomination ~~or confirmation~~ <--
18 under 71 Pa.C.S. § 4716(a), the Secretary of the Commonwealth
19 shall provide notice of the nomination ~~or confirmation~~ to the <--
20 Legislative Reference Bureau, which shall publish the notice in
21 the Pennsylvania Bulletin.

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

23 (1) The following shall take effect immediately:

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

25 (ii) The addition of 71 Pa.C.S. §§ 4701, 4702, 4716
26 and 4718.

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