

---

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 43 Session of  
2021

---

INTRODUCED BY GROVE, SCHEMEL, RYAN, DOWLING, KAUFFMAN, KEEFER  
AND MOUL, JANUARY 11, 2021

---

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JANUARY 11, 2021

---

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

3 "Office." The Commonwealth Office of Management and Budget  
4 established under section 4311 (relating to establishment of  
5 office).

6 SUBCHAPTER B

7 OFFICE ADMINISTRATION

8 Sec.

9 4311. Establishment of office.

10 4312. Organization of office.

11 4313. General duties of office and transfer provisions.

12 4314. Redesignation.

13 4315. (Reserved).

14 4316. Director.

15 4317. Governor's Office of Transformation, Innovation,  
16 Management and Efficiency.

17 4318. Strategic plan.

18 § 4311. Establishment of office.

19 The Commonwealth Office of Management and Budget is  
20 established as an administrative department within the executive  
21 branch of the government of this Commonwealth.

22 § 4312. Organization of office.

23 (a) Division of responsibilities.--The office shall be  
24 divided into the following:

25 (1) The Bureau of Budget and Financial Management.

26 (2) The Bureau of Procurement.

27 (3) The Bureau of State Facilities and Maintenance.

28 (4) The Bureau of Human Resources.

29 (5) The Bureau of Information Technology.

30 (6) The Bureau of Policy and Planning.

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 reduction of at least 20% 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 date 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.