

Senate Intergovernmental Operations Committee

Public Hearing on SB 1131

October 9, 2020

Pennsylvania Department of State

The Pennsylvania Department of State (DOS) protects the public's health and safety by licensing business and health professionals; promotes the integrity of the electoral process; supports economic development through corporate registrations and transactions; maintains registration and financial information for thousands of charities, and sanctions professional boxing, kick-boxing, wrestling and mixed martial arts. By ensuring that elections are safe and secure, and working to ensure that individuals and corporations are able to practice their profession and be open for business, the Department is able to serve its purpose in providing essential, accurate, and timely service to millions of citizens across the Commonwealth.

Corporations and Charitable Organizations

The Department of State's Bureau of Corporations and Charitable Organizations (BCCO) maintains a database of more than 3 million registrations relating to businesses in the commonwealth. In 2019, BCCO processed 254,046 records. As of October 6, 2020, BCCO houses the registrations of approximately 3,311,273 different corporations.

Throughout the COVID-19 pandemic, the Department of State has continued to function efficiently. BCCO continues to process applications for corporate filings. Additionally, BCCO has been instrumental in working to help individuals track down their records in order to apply for grants and loans that were available to them.

One of the important services DOS provides to Pennsylvanians is the registration of charitable organizations, professional solicitors and fundraising counsel under the Solicitation of Funds for Charitable Purposes Act. Registration helps prevent fraud and supplies the public with financial information about charities soliciting in the commonwealth.

In July 2019, BCCO successfully developed an internal application to process charitable applications more efficiently. As of October 6, 2020, there are 13,765 active charitable organizations registered in Pennsylvania.

Additionally, during COVID-19 the Department has sought and had issued waivers from Governor Wolf to extend the deadlines for filing requirements for charitable organizations. This was done to ease the burden on these organizations during a time of great challenges.

Professional Licensure

DOS's Bureau of Professional and Occupational Affairs (BPOA) oversees 29 boards and commissions that license and regulate more than 130 occupations and professions. Additionally, BPOA regulates education programs, continuing education providers, and issues provisional, volunteer and temporary practice permits as well as other credentials related to professional licensing. As of October 6, BPOA has approximately 1,074,881 licenses. Most of these are individuals such as doctors, nurses, cosmetologists, and realtors. This number also includes facilities such as barbershops, salons, pharmacies, and car dealerships.

Throughout 2019 and 2020, we have directed extensive efforts to improve the occupational license process in Pennsylvania. We have assembled a cross-sector leadership team that is conducting, for all professions, a comprehensive review of license processing from the moment the license application is first made to the final decision on the application. Our team has already begun to implement changes on all fronts to improve the license application process, including process improvement, providing training and additional resources to staff, restructuring roles, adding additional personnel, increasing stakeholder outreach, advancing technology, improving usability and communications of the PALS system, providing increased information and transparency on the licensing process and processing times, and more. Our new Commissioner at BPOA was confirmed by the Senate earlier this year, and is working to deploy all technical and operational solutions available to improve processing times and provide additional transparency into the process.

We have also directed attention to strengthening customer service and outreach to DOS stakeholders. With the passage of Act 41 of 2019 BPOA has continued to try and help potential licensees come to work in Pennsylvania. This law will be especially helpful for members of the military and their spouses who frequently move from state to state but often find it difficult and time-consuming to obtain licensure in their new state. We are proud that Pennsylvania is one of the first states to implement such a law.

We are also proud to be one of only a handful of states across the country providing full transparency into the entire licensure process from start to finish. In fall 2019, DOS launched an innovative new license processing guide to help Pennsylvanians know what to expect when applying for a professional license. The PALS Navigator Guides, which offer a detailed and transparent look into Pennsylvania's licensing processes, identify and define the three distinct phases of the application process and provide suggestions and tips for minimizing delays in the license process.

During the COVID-19 pandemic, BPOA has worked extensively to both help health care workers quickly and easily receive and/or reactivate their licenses, as well as provide guidance to help licensees in other professions return to work safely. Utilizing the Governor's emergency jurisdiction, the Department and the Governor issued multiple temporary waivers that allowed retired doctors and nurses come back to work to help aid Pennsylvania patients and provide essential healthcare services. They were able to reactivate their licenses without having to pay fees or worry about red tape that could have slowed down the process and leave sick Pennsylvanians without needed care.

In 2020, we also worked together with the General Assembly to pass historic bipartisan Act 53, which removed outdated licensing barriers so skilled workers with criminal records can get a second chance and start good careers. DOS has been a vocal advocate for clear professional licensing standards that protect the health and safety of Pennsylvanians and are free of unnecessary and unclear requirements. We were proud to work with the legislature and Governor Wolf for making this much-needed reform in the commonwealth's licensing laws.

The Department opposes the passage of SB 1131, in large part because the Department believes that it is the best agency to conduct these vital government

operations. The Department has shown a demonstrated ability to effectively manage the licenses of millions of corporate entities, tens of thousands of charities, and the licenses of Pennsylvanians who have been on the frontlines of the COVID-19 pandemic. There is no reason to believe that these operations should move to any other entity.