

**2015 House Appropriations Committee  
Budget Hearing  
March 24, 2015**

**Testimony of Secretary Pedro A. Cortés  
Pennsylvania Department of State  
Fiscal Year 2015-2016 Budget**

Chairman Adolph, Chairman Markosek and members of the House Appropriations Committee:

Good afternoon. Thank you for the invitation to appear before the Committee to discuss the Department of State's 2015-2016 Budget. Joining me today to my left is Justin Cowan, Director of the Bureau of Finance and Operations. Sitting to my right is Thomas Weaver, Executive Deputy Secretary.

It is a pleasure to be here today to talk about the Department of State's wide range of duties and responsibilities. These responsibilities are deeply rooted in the Department's mission: to ensure the integrity of the electoral system throughout the Commonwealth, to provide the basic infrastructure for business start-up and economic development, and to protect the health and safety of the public through licensing and oversight.

The Department's vision is to be the premier Department of State agency in the nation by consistently providing the highest standards of accurate, courteous and timely service. With your support, the administration and staff of the Department will continue to strive for those high standards.

We do this while always keeping in mind that Pennsylvanians rightly seek assurance that we are making the best use of taxpayer money, are maximizing on potential efficiencies and are

conducting our operations ethically. I can attest that the Department works hard every day in support of its vision by developing new business practices, fostering innovation and increasing efficiencies.

Accordingly, we believe the Department's 2015-2016 budget will allow us to build on that work. The Governor's budget is a fair and responsible one, a spending plan that, with your support, will deliver essential services and promote the public trust.

## **Elections that Count**

The Department, through the efforts of the Bureau of Commissions, Election and Legislation (BCEL), is continually striving to bring about the highest levels of efficiency, honesty and uniformity in the elections process. BCEL ensures compliance with a wide range of legislative initiatives, including the National Voter Registration Act, the Help America Vote Act and the Pennsylvania Voter Registration Act, while working to educate the electorate, enhance accessibility, and increase voter registration and turnout.

This year, we are working to support and assist the counties in carrying out seamless primary and municipal elections. We also look ahead to 2016 and the increased electoral activity that historically accompanies a presidential election.

BCEL is also charged with receiving campaign finance reports and lobbying disclosures and making those filings available to the public.

Under the provisions of the Lobbying Disclosure Act, the Department produces a biennial directory of registered lobbyists, conducts audits and provides administrative assistance to the Lobbying Disclosure Regulation Committee.

As of January 1, 2015, there were a total of 2,940 registrants, including lobbyists, principals and firms. The lobbyist registration and renewal fee increased from \$200 to \$300 beginning on January 1, 2015. Along with this increase, the Department is conducting a review

of the biennial registration filings and evaluating raising the threshold requirement for registration of principals. We expect to complete that process by April 1, 2015.

BCEL continues its move toward greater transparency and a paperless environment with ongoing improvements to the online campaign-finance filing system. In fiscal year 2014-2015, 40 percent of a total 5,557 campaign finance reports were filed electronically. BCEL posts the reports online within 48 hours of receipt, making them easily accessible to the public, the media and other stakeholders. Immediate postings of filings that disclose contributions just before an election are of particular value to the public.

One of the core functions of the Department is to encourage all eligible citizens to exercise their right to vote. In keeping with that mission, our chief goal this year will be to develop an Online Voter Registration (OVR) system. We understand there is pending legislation and we look forward to working with the Legislature on this measure.

OVR has broad support from county election officials as it improves accuracy, increases integrity, reduces time-consuming data entry and yields considerable cost savings.

The Department is preparing an online voter registration application that will give most electors the ability to use a paper-free process. Eligible residents of the Commonwealth will be able to apply for a new voter registration or make changes to an existing registration on the Department's website.

The contemplated online voter registration system would not exclude any eligible voter and would incorporate the necessary protocols to ensure the integrity and security of the system. In addition, we are coordinating with the Department of Transportation's Bureau of Motor Vehicles to improve voter registration offerings and electronic transmissions through their services.

As we develop the OVR program, it is the Department's goal to better serve the people of the Commonwealth and to establish Pennsylvania as the national model for such systems.

The Department also is taking steps to increase the number of registered voters by enhancing National Voter Registration Act agency voter registration compliance. We are also developing a voter education program that will include conducting direct outreach with Pennsylvania voters to encourage participation.

Currently, voter registration in Pennsylvania stands at 8,040,240 people. We believe the heightened convenience and accessibility of Online Voter Registration, coupled with other planned enhancements, will serve to draw many more of the Commonwealth's 9.7 million eligible voters into participation in this most fundamental right and civic responsibility.

## **Businesses that Prosper**

The Department also provides the foundation for economic development and job creation in the state through the business registration services of the Bureau of Corporations and Charitable Organizations (BCCO). There are currently 2.6 million companies registered to do business in Pennsylvania.

In cooperation with the Department of Community and Economic Development, the Department of Labor and Industry, the Department of Revenue and the Governor's Office of Administration, the Department is undertaking a complete rebuild of the PA Open 4 Business website to increase functionality and ease of use. The new website will serve as the Commonwealth's online one-stop shop for entrepreneurs. We hope to roll out the updated website this summer.

In 2014, BCCO began offering expedited corporate filing service in response to requests from the business community. The expedited service, available for an additional fee in one hour, three hours or same day, has been well utilized. By the end of December 2014, expedited filings had generated more than \$1 million in additional revenue.

The Charities section of BCCO is responsible for the administration and enforcement of the Solicitation of Funds for Charitable Purposes Act and serves as the repository for registration information under the provisions of the Institutions of Purely Public Charities Act. The Act requires most charitable organizations, professional solicitors and professional fundraising counsels to register with the Department prior to soliciting contributions in Pennsylvania.

The Charities section protects the public from fraud through an emphasis on accountability and disclosure, as well as investigation and prosecution of individuals and organizations that violate the public trust in soliciting, spending or reporting charitable donations received from Pennsylvania citizens.

There are 11,600 registered charities and 450 professional solicitors and professional fundraising counsels.

In the coming year, the Department will enhance its customer service through expanded and improved online capabilities. This will provide more efficient and timely document processing. The measures taken to increase online activity will result in significant cost savings to the Department.

## **Licensing that Protects**

The Department takes great pride in its work to protect the health and safety of all Pennsylvanians through its professional licensure system. In order to guard against unethical conduct or unsafe practices, the Bureau of Professional and Occupational Affairs' (BPOA)

29 boards license 255 different occupations, from doctors and nurses to accountants and funeral directors.

There are currently 978,000 professionals licensed through BPOA. As a component of the licensing program, the Department regulates education and experience as demonstrated through written examinations or practice.

Using continuing education requirements, the Department ensures that licensees in Pennsylvania are knowledgeable in the latest developments and best practices for their professions and occupations. Currently, BPOA is overseeing compliance with Act 31 of 2014 which mandates training in child-abuse recognition and reporting for licensees of all health-related boards as well as funeral directors.

The Department also takes very seriously its responsibility to identify, sanction and, if necessary, prosecute licensees who have abused the trust of those who seek their professional services.

During the period 2011 to 2014, BPOA imposed 9,755 disciplinary actions, of which 4,488 were serious sanctions resulting in revocations, suspensions or voluntary surrender of licenses. In 2014 alone, BPOA's Professional Compliance Office opened a record high 14,572 complaint files.

The Department plans to strengthen its public safety role by adding disciplinary actions linked to licensee records into a searchable database by developing an online user interface with access to BPOA licensing data. Additionally, hospitals and other healthcare-related organizations will be able to submit online applications for Graduate Medical Trainees and Certified Registered Nurse Practitioners.

The State Athletic Commission regulates and monitors all professional and amateur boxing, kickboxing, Mixed Martial Arts and professional wrestling contests. The Commission also licenses the athletes and agents doing business in the Commonwealth. At the close of 2014, the number of licensees had reached an all-time high of 2,465. Last year, Pennsylvania ranked fourth in the nation in the number of boxing events held and sixth for MMA.

In conclusion, with your support, along with the talent, hard work and determination of the Department's employees, we have become one of the premier Department of State agencies in the nation. We will continue to do our best for the benefit of all the residents of Pennsylvania.

Thank you again for the opportunity to appear before you today.