

**2021 House Appropriations Committee Budget Hearing
February 17, 2021**

**Testimony of Acting Secretary Veronica Degraffenreid
Pennsylvania Department of State
Fiscal Year 2021-2022 Budget**

Chairman Saylor, Chairman Bradford and members of the House Appropriations Committee:

Good afternoon. Thank you for your invitation to appear before the Committee to discuss the Department of State's 2021-2022 Budget. Joining me today are Executive Deputy Secretary Sari Stevens; Deputy Secretary Kraig Kiehl; Deputy Secretary Jonathan Marks; Bureau of Finance & Operations Director, Kim Mattis; and Commissioner Kalonji Johnson.

My name is Veronica Degraffenreid, Acting Secretary of the Department. As many of you will be aware, I was asked by Governor Wolf to serve in this role beginning February 8th, just over a week ago. I joined the Department a year ago, having spent most of my prior professional career administering elections in North Carolina. For the past year, I have worked with the County Boards of Election as they sought to administer two elections in the face of an unprecedented pandemic. It's an honor to be with you today, and I look forward to working with you as I serve in this new role.

I am pleased to have this opportunity to update you on the department's critical work in administering safe, secure and fair elections and quickly responding to the needs of licensed professionals, businesses, charities and other stakeholders across Pennsylvania during the COVID-19 pandemic.

As you know, the Department of State's mission includes ensuring the integrity of Pennsylvania's electoral process, supporting economic development through business registrations, and protecting public health and safety by licensing certain professions and occupations.

Ensuring Electoral Integrity and Security

The department's Elections and Commissions deputate oversees the commonwealth's electoral process, working closely with all 67 counties.

The 2020 primary and general elections ushered in tremendous changes in how we conduct elections in Pennsylvania. By the 2020 primary election, all Pennsylvania counties were using new, more secure voting systems. This vital piece of election security and modernization provides every voter with a verifiable, auditable paper trail. Thanks to the dedication of county commissioners, county election directors and other election officials across the Commonwealth, all Pennsylvania voters can go to the polls with confidence that their votes will be counted accurately and securely and that their voices will be heard.

In addition, Act 77, the bipartisan election reform law signed by Governor Wolf in 2019, ushered in an exciting new era of voting modernization in Pennsylvania and made voting easier and more accessible to millions across the commonwealth. Of course, we did not know when Act 77 was signed into law how vital it would be during the pandemic. Thanks to the work of the General Assembly to enact this historic law which allows voters to cast their ballots by mail without an excuse, Pennsylvanians were able to vote in the primary and general elections safely from the comfort of their own homes.

Pennsylvanians registered and voted in record numbers in 2020. By the November general election, approximately 9.1 million Pennsylvanians were registered to vote, more than 300,000 more voters than ever before. Turnout in the November election included more than 6.9 million voters - 800,000 more Pennsylvanians than ever in the Commonwealth's history. Over 76 percent of registered Pennsylvania voters voted, more than any election in modern history. The Department of State was there to help voters understand the new laws through a multi-lingual, multi-platform education campaign and through our voter hotline, where staff answered 123,000 election phone calls between April and November in 2020.

I can say with confidence that votes were counted securely and accurately by the counties, no matter whether you voted in person, by mail, or early at your county election office. Pennsylvania counties have some of the most dedicated, hard-working, professional election officials in the country, and our commonwealth is widely respected as a leader in election security and integrity.

Pennsylvania is one of the first states in the nation to pioneer pilots of the risk-limiting audit, which is a scientifically designed procedure using statistical methods to confirm whether reported election outcomes are correct and to detect possible interference. Such robust post-election audits have been recommended by the U.S. Department of Homeland Security, the U.S. Senate Select Intelligence Committee, and many other experts as one part of a strong and resilient election infrastructure. Audits can confirm that the voting systems tabulated the paper ballots accurately enough that a full hand count would produce the same outcome. Results from risk-limiting audits of both 2020 elections showed that the election results were accurate.

With an eye toward continuous improvement, the project to replace the Statewide Uniform Registry of Electors (SURE) moves steadily forward. We are working closely with the counties to form election process workgroups to ensure the new system best serves election administration needs in PA. The goal is for the new system to be in use by early 2022.

The department continuously looks for other ways to streamline its processes and make more of its services available online. In the last fiscal year, 30% of absentee and mail-in ballot applications were submitted through the department's Online Absentee Application and more than 71% of the absentee and mail-in ballot applications for the 2020 Primary were submitted online. Likewise, 31.1% of the 1.4 million voter registration applications submitted in the last fiscal year were submitted online versus 9.9 % on paper and 59% via Motor Voter.

We also continue to see an increase in online notary applications. During fiscal year 2019-20, 80 percent of the 19,589 notary applications received were filed electronically.

Encouraging Economic Development Through Business Registration

The department's Bureau of Corporations and Charitable Organizations (BCCO) maintains a database of more than 3,365,000 million registered businesses in the commonwealth. Last fiscal year, BCCO processed 254,046 records, with an average time of four days. These filings generated more than \$38.1 million in revenue, with more than \$30.8 million of that total going to the General Fund.

Act 135 of 2016 enables the department to waive fees for small businesses owned by veterans and reservists. The number of veterans and reservists who have benefitted from that provision continues to grow. The department waived \$315,190 in fees for 3,127 businesses under the act last year.

BCCO has been working to excel even in the challenging COVID circumstances, including cross-training staff to support all areas and operations. The customer service counter was modified to allow for an outside drop box where service providers and the public can drop forms and expedite requests. This innovation ensured we remained responsive to our customers' needs.

BCCO also is exploring a commercial off-the-shelf system to replace the SWORD system, which is nearing the end of its useful life. This transition should ensure more businesses can submit forms online, which will require less manual processing and will allow more staff to tele-work.

For fiscal year 2019-20, there were 10,964 charitable organizations registered in Pennsylvania. Charity registration generated over \$2.8 million in revenue for the General Fund. Average processing time for charities' filings was four days.

Regulating Professions

The department's Bureau of Professional and Occupational Affairs (BPOA) administers 29 boards and commissions that certify and issue 140 license types to professionals and facilities within Pennsylvania. In 2020, BPOA processed 79,962 new license applications and 472,510 renewals.

Since the beginning of the pandemic, the department's policy and legal teams have led and collaborated with BPOA and the Governor's Office to make it easier for licensed professionals to serve Pennsylvanians during the COVID pandemic, by issuing waivers that, for instance, expand practice to allow more health professionals to administer vaccines and that allow recently retired health-care professionals to more easily return to practice. BPOA continues to implement the nearly 90 COVID-19 waivers issued since last March.

In addition to our pandemic response, the Department of State remains focused on removing barriers to employment so skilled workers can enter the careers of their choice, strengthen the workforce, and grow Pennsylvania's economy. Among recent groundbreaking updates to licensure laws in Pennsylvania, Act 41 of 2019 made it easier for professionals with out-of-state licenses, including military spouses, to become licensed in the commonwealth. In addition, Act 53 of 2020 removed barriers to professional licensure for people with criminal convictions. DOS worked closely with the General Assembly on each of these laws and is committed to the ongoing work of their implementation.

Beginning in 2019, the Department established professional licensure navigator guides to enhance transparency into processing times as well as aide prospective licensees to understand the process and more seamlessly attain licensure in the Commonwealth. BPOA is also finalizing work on a new feature in the Pennsylvania Licensing System (PALS) that will enable users to better track the status of their license applications and submit required documents. This is part of the Bureau's continuing work to simplify the license application process.

Keeping Pennsylvanians Safe

The Bureau of Enforcement and Investigation (BEI) has assisted law enforcement and other state agencies throughout the pandemic. In 2020, BEI investigators closed 6,031 cases and served more than 70 compliance letters and immediate temporary suspensions. Inspectors conducted 17,192 facility inspections, including for 3,196 new businesses that would have had to delay opening if not for the inspectors' response during the pandemic closure period. Pharmacy and mortuary inspections continued without interruption. Additionally, BEI has received 1,055 COVID-related complaints and resolved 1,030 (97.6 percent) as of early February 2021.

Overseeing Athletics in Pennsylvania

Finally, the department's diverse portfolio also includes the State Athletic Commission (SAC). The SAC regulates professional and amateur boxing, kickboxing, Mixed Martial Arts and professional wrestling, and licenses athletes and agents in these sports who transact business in the commonwealth.

Despite the pandemic, the State Athletic Commission (SAC), in consultation with the Governor's Office and the PA Department of Health, safely regulated 29 pro wrestling events, 10 pro-am mixed martial arts events, one pro boxing event and four amateur boxing events in 2020.

As you can see, the department had a busy and productive 2020, accomplishing some major milestones across our bureaus during a global pandemic and we look forward to more innovation and achievement from the department's dedicated staff in 2021.

Thank you for your time and attention and the opportunity to appear before you.