

# THE GOVERNOR

## Title 4—ADMINISTRATION

### PART I. GOVERNOR'S OFFICE

[4 PA. CODE CH. 6]

[EXECUTIVE ORDER 2004-7]

### Financial Education and Literacy

April 29, 2004

*Whereas*, over the past decade, there has been a significant decline in personal savings rates, an increase in personal bankruptcy and foreclosure filings, and rising percentages of family income devoted to servicing debt; and

*Whereas*, Pennsylvania has the second highest gap between whites and nonwhites in net worth among the states, has a very low small business ownership rate, and ranks low in women business ownership; and

*Whereas*, the understanding of personal finance has become increasingly important because the evolution of our financial system has resulted in an expanded availability of credit, a wider array of savings and investment products, and an increased responsibility for retirement savings by employees; and

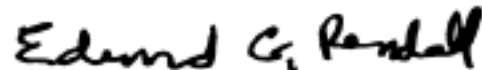
*Whereas*, financial literacy encourages greater economic self-sufficiency, higher levels of home-ownership and enhanced retirement security, and improves the quality of life for Pennsylvanians, providing them with the skills they need to be successful in managing their lives, homes, and businesses; and

*Whereas*, basic education and training in personal finance can help form a lifetime of habits devoted to sound money management, wise use of credit and debt, and increased savings and investing; and

*Whereas*, financial literacy will help diminish the problems of predatory lending, bankruptcy and high indebtedness, empowering individuals to make wise financial decisions, and reduce the confusion inherent in an increasingly complex economy; and

*Whereas*, there is limited coordination among the various agencies of state government, nonprofit organizations, businesses, and other entities that are addressing financial literacy issues.

*Now, Therefore*, I, Edward G. Rendell, Governor of the Commonwealth of Pennsylvania, by virtue of the authority vested in me by the Constitution of the Commonwealth of Pennsylvania and other laws, do formally establish the Office of Financial Education and the Governor's Task Force for Working Families and do order and direct as follows:



Governor

**Fiscal Note:** GOV 04-7. (1) Banking Fund; (2) Implementing Year 2003-04 is \$51,000; (3) 1st Succeeding Year 2004-05 is \$156,000; 2nd Succeeding Year 2005-06 is \$159,000; 3rd Succeeding Year 2006-07 is \$166,000; 4th Succeeding Year 2007-08 is \$173,000; 5th Succeeding Year 2008-09 is \$188,000; (4) 2002-03 Program—\$N/A; 2001-02 Program—\$N/A; 2000-01 Program—\$ N/A; (7) General Government Operations; (8) recommends adoption.

**Annex A**  
**TITLE 4. ADMINISTRATION**  
**PART I. GOVERNOR'S OFFICE**  
**CHAPTER 6. ADDITIONAL COUNCILS AND COMMITTEES**  
**Subchapter M. FINANCIAL EDUCATION AND LITERACY**

Sec.	
6.201.	Office of Financial Education.
6.202.	Governor's Task Force for Working Families.
6.203.	Responsibilities of other State agencies.
6.204.	Effective date.

**§ 6.201. Office of Financial Education.**

The Office of Financial Education (Office) is created.

(1) *Responsibilities.* The Office will be responsible for:

(i) Coordinating financial education programs across Commonwealth agencies.

(ii) Developing and maintaining a comprehensive database of financial education programs, materials and resources.

(iii) Providing support for the Task Force on Working Families.

(iv) Advising the Governor and other State agencies on financial education matters.

(v) Representing the Commonwealth in developing partnerships with appropriate public and private financial education agencies.

(vi) Performing other duties assigned by the Governor or the Secretary of Banking.

(2) *Director.* The Office will be headed by a Director of Financial Education.

(3) *Housing.* The Office will be housed within the Department of Banking.

**§ 6.202. Governor's Task Force for Working Families.**

The Governor's Task Force (Task Force) for Working Families is created.

(1) *Responsibilities.* The Task Force will be responsible for:

(i) Identifying and developing strategies and programs to:

(A) Build incomes and assets for working families.

(B) Promote financial education and literacy.

(C) Protect working families from predatory and abusive financial services.

(ii) Promoting the coordination of programs that affect the financial viability of working families.

(iii) Working with charitable foundations, local government, advocacy groups, community and religious leaders, academia, policy and research organizations, and other entities, as may be appropriate.

(2) *Report.* The Task Force shall issue a final report to the Governor containing its findings and recommendations and conclude its work by March 1, 2005.

(3) *Membership.* The Task Force shall consist of the following members, when appropriate, to be appointed by and serve at the pleasure of the Governor. The Governor will appoint two members to serve as Co-Chairs of the Task Force.

(i) Adjutant General.

(ii) Secretary of Aging.

(iii) Secretary of Banking.

(iv) Secretary of the Budget.

(v) Secretary of Community and Economic Development.

- (vi) Secretary of Education.
  - (vii) Insurance Commissioner.
  - (viii) Secretary of Labor and Industry.
  - (ix) Secretary of Public Welfare.
  - (x) Secretary of Revenue.
  - (xi) Secretary of the Commonwealth.
  - (xii) A member of the Securities Commission.
  - (xiii) President of the Pennsylvania Higher Education Assistance Agency.
  - (xiv) Executive Director of the Pennsylvania Housing Finance Agency.
  - (xv) Director of the Governor's Policy Office.
  - (xvi) Four members of the House of Representatives, two appointed by the Majority Leader, and two by the Minority Leader.
  - (xvii) Four members of the Senate, two appointed by the Majority Leader, and two by the Minority Leader.
  - (xviii) Representatives of the financial services industry, social service agencies, business organizations, organized labor and other advocacy organizations, to ensure broad representation of interests.
- (4) *Compensation.* Members of the Task Force will receive no compensation for their service.

**§ 6.203. Responsibilities of other State agencies.**

Neither the Governor's Task Force for Working Families (Task Force) nor the Office of Financial Education (Office) shall have direct responsibility for the day-to-day operations of any State agency. State agencies under the jurisdiction of the Governor shall provide services, information, records or materials, as necessary, for the Office and the Task Force to perform their responsibilities. The Department of Banking will provide administrative support for the Office, Task Force and the Director.

**§ 6.204. Effective date.**

This subchapter takes effect immediately.

[Pa.B. Doc. No. 04-1113. Filed for public inspection June 25, 2004, 9:00 a.m.]

[4 PA. CODE CH. 7]  
[EXECUTIVE ORDER 2004-4]  
**Anti-Sweatshop Procurement Policy**

March 18, 2004

*Whereas*, the Commonwealth, as a major purchaser of goods and services, must be cognizant of fair labor conditions in its actions as a market participant; and

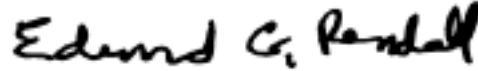
*Whereas*, the *Commonwealth Procurement Code* instructs the Department of General Services and the Office of the Budget to participate in the management and maintenance of a contractor responsibility program as directed by the Governor; (62 Pa.C.S. Sections 321(6) and 327(b)); and

*Whereas*, the Commonwealth has a compelling interest in assuring that the apparel it procures from vendors is manufactured and laundered in compliance with applicable laws relating to workplace conditions and by workers who receive fair wages for their work; and

*Whereas*, legitimate providers of apparel and apparel laundering services are placed at a competitive disadvantage when forced to bid for state procurement contracts against businesses that utilize sweatshop conditions; and

Whereas, the public interest requires that the Commonwealth use its stature and leadership as a market participant to promote fair treatment of the workforce and the elimination of sweatshop conditions.

Now, Therefore, I, Edward G. Rendell, Governor of the Commonwealth of Pennsylvania, by virtue of the authority vested in me by the Constitution of the Commonwealth of Pennsylvania and other laws, do hereby order as follows:



Governor

**Fiscal Note:** GOV 04-6. No fiscal impact; (8) recommends adoption.

#### Annex A

### TITLE 4. ADMINISTRATION

#### PART I. GOVERNOR'S OFFICE

#### CHAPTER 7. MISCELLANEOUS PROVISIONS

#### Subchapter XX. ANTI-SWEATSHOP PROCUREMENT POLICY

Sec.	
7.811.	Scope.
7.812.	Contractor certification.
7.813.	Contents of bids and proposals.
7.814.	Responsibility determination.
7.815.	Notice of changes during contract term.
7.816.	Remedies and sanctions.
7.817.	Applicable law.
7.818.	Waiver.
7.819.	Definitions.
7.820.	Effective date.

#### § 7.811. Scope.

This subchapter applies to all apparel procured by or for Commonwealth agencies and all laundering services provided through contract to Commonwealth agencies. This subchapter does not apply to apparel manufactured by, or laundered by, inmates of any Pennsylvania Department of Corrections correctional institution and provided to Commonwealth agencies for their use.

#### § 7.812. Contractor certification.

(a) A Commonwealth agency may not enter into a contract for the procurement of apparel or apparel laundering services until the contractor certifies and agrees that every employee engaged in the manufacture of the apparel, or the laundering of apparel, shall be or has been:

(1) Compensated by his employer at an hourly rate at least equivalent to the poverty threshold.

(2) Provided with working conditions that meet or exceed the International Labor Organization (ILO) Conventions' standards governing forced labor, child labor, payment of wages, hours of work, occupational health, occupational safety and nondiscrimination and that are in compliance with applicable Federal, State and local laws of the locality of manufacture, except when the conditions are preempted by Federal or State law.

(b) In the alternative, the contractor can certify that a collective bargaining agreement is in effect, and will remain in effect, during the manufacture of the apparel between the operator of the manufacturing facility and the employees engaged in the manufacture of the apparel and that the employees are represented by a responsible organization that is not influenced or controlled by management.

#### § 7.813. Contents of bids and proposals.

(a) A Commonwealth agency shall require that each bid or proposal submitted for a contract for the procurement of apparel or apparel laundering services includes the following:

(1) A list of each proposed facility to be utilized in the manufacture of the apparel or the laundering of the apparel, including any subcontractors, with the business name, address, contact person and telephone number for each facility.

(2) The certification required by § 7.812 (relating to contractor certification).

(b) The information provided by bidders and offerors in response to the requirements of this section will be made available to the public (excluding other offerors and their representatives and agents) when requested, but subject to nondisclosure requirements.

**§ 7.814. Responsibility determination.**

A Commonwealth agency may not enter into a contract for the procurement of apparel or apparel laundering services until the agency determines that the apparel will not be manufactured in a facility that utilizes sweatshop conditions. In making the determination, the Commonwealth agency may do one or more of the following:

(1) Consider the contractor certifications required by § 7.812 (relating to contractor certification).

(2) Request further information and documentation from the contractor or the manufacturing or laundering facility.

(3) Seek and receive information from workers, labor unions, manufacturers, consumer groups, international organizations and groups, and other parties.

**§ 7.815. Notice of changes during contract term.**

A Commonwealth agency shall contractually require that each vendor awarded a contract to furnish apparel or apparel laundering services shall provide written notice to the purchasing Commonwealth agency of any changes during the term of the contract to the information provided in compliance with § 7.813 (relating to contents of bids and proposals).

**§ 7.816. Remedies and sanctions.**

(a) The Department of General Services shall pursue appropriate remedies and sanctions against a bidder, contractor, manufacturer or other party for any of the following:

(1) Failure to comply with the requirements of the bid or the contract.

(2) False certifications.

(3) Any retaliation or attempt to retaliate against employees who report alleged violations of this subchapter or noncompliance with a contract.

(4) Any other violation of this subchapter.

(b) Remedies may include rejection of a bid or proposal, termination of an award or contract, and collection of damages. Sanctions may include suspension or debarment, or both, from the privilege of contracting with any Commonwealth agency and possible criminal prosecution. A bidder may escape sanctions if, prior to submission of its bid, it obtains signed certifications from its subcontractors, meeting the requirements under § 7.812 (relating to contractor certification). This will not limit the Commonwealth agency's ability to terminate the award or the contract, upon 30 days notice of violation of this subchapter, after giving the vendor a reasonable right to cure.

**§ 7.817. Applicable law.**

Unless otherwise specified, applicable laws for purposes of this subchapter shall be determined as follows:

(1) Employers in this Commonwealth shall be in compliance with applicable Pennsylvania law and Federal law.

(2) Employers based in other states in the United States shall be in compliance with applicable laws of their states and Federal law.

(3) For employers whose locations for manufacture or assembly are outside the United States, those employers shall be in compliance with applicable laws of countries where the facilities are located.

**§ 7.818. Waiver.**

Specific requirements of this subchapter may be waived by the head of any Commonwealth agency when it is determined, in writing, that there is no vendor able to meet those specific requirements.

**§ 7.819. Definitions.**

The following words and terms, when used in this subchapter, have the following meanings, unless the context clearly indicates otherwise:

*Apparel*—Products manufactured, woven, cut, sewn or otherwise similarly processed by mechanical or human effort from fabrics, leather or cloth made for use as clothing, shoes or other attire.

*Commonwealth agency*—An executive or independent agency as defined by 62 Pa.C.S. § 103 (relating to definitions).

*Employer*—The operator of a facility at which individuals are employed in the manufacture or laundering, or both, of apparel.

*Poverty threshold*—The poverty threshold for a family of three, as published by the United States Department of Health and Human Resources, plus an additional 20% in wages if health benefits are not provided, and reduced by any mandatory deductions in employee pay for housing, transportation, meals or required job equipment. For non-United States facilities, the Commonwealth purchasing agency may adjust the United States Department of Health and Human Resources' poverty threshold to reflect the country's level of economic development by using a factor such as purchasing power parity or relative standard of living.

*Procure*—To buy, purchase, rent, lease or otherwise acquire through an employee uniform allowance or voucher program.

*Sweatshop conditions*—Work conditions, as determined by the purchasing Commonwealth agency, where the following apply:

(i) Employees are compensated by their employer at an hourly rate below the poverty threshold.

(ii) Employees are not provided with working conditions that meet or exceed the International Labor Organization (ILO) Conventions' standards governing forced labor, child labor, payment of wages, hours of work, occupational health, occupational safety, and nondiscrimination and that are in compliance with applicable Federal, State and local laws of the locality of manufacture, except when the conditions are preempted by Federal or State law.

*Working conditions*—Conditions in the workplace such as hours of employment, cause for termination of employment, child labor, discrimination, environmental health and safety, freedom of association and assembly and applicable building and fire codes.

**§ 7.820. Effective date.**

This subchapter is effective for all invitations for bids and requests for proposals issued after March 18, 2004, and for all contracts awarded 30 days or more after March 18, 2004.

[Pa.B. Doc. No. 04-1114. Filed for public inspection June 25, 2004, 9:00 a.m.]