

LABOR AND INDUSTRY BUDGET HEARING WRAP

Tuesday, February 25, 2025



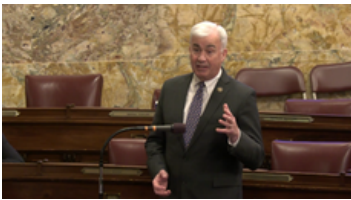
General Overview:

Pennsylvania Department of Labor and Industry (L&I) Secretary Nancy Walker and senior L&I staff testified before the House Appropriations Committee this afternoon. House Republicans focused questions on the governor's minimum wage proposal, the classification of broadband employees under Prevailing Wage, and the Department's management of the Unemployment Compensation (UC) program.

Key Takeaways:

- While L&I has made strides in reducing wait times for Unemployment Compensation (UC), members' district offices continue to receive complaints related to UC call centers. Department leaders are aware there are still challenges that need to be addressed.
- Committee members expressed concerns to L&I over the Department's refusal to recognize the appropriate classification of the telecommunications workers who will install broadband infrastructure through the \$1.16 billion in federal funding.
 - In a 2023 letter, L&I said it "stands by" its determination that telecommunications workers should be classified as electrical line workers, despite the fact that these are entirely different jobs. The difference in wages and the delay in project deployment due to appeals will delay or deny broadband access to underserved communities and is likely to result in fewer projects being completed.
- Members shared concerns with the governor's proposal to raise the minimum wage to \$15 per hour. In addition to being detrimental to small business competitiveness, members raised concerns that implementation would result in job losses and fewer opportunities for entry-level jobs that many students and young people rely on to learn life skills.
- The prevailing wage threshold in Pennsylvania has not been increased since 1963. Members asked why L&I is advocating to index minimum wage to inflation but makes no such provision for prevailing wage.
- Committee members were frustrated to hear L&I could not share information on the number of illegal immigrants employed in Pennsylvania or their impact on Pennsylvania's job market and wages.

Notable Q&A:



Rep. Jamie Barton inquires if L&I's broadband rate case means electrical linemen will be installing broadband cable or if other workers will be paid this rate regardless of their training.

Rep. Torren Ecker questioned why L&I is seeking to raise the minimum wage rather than allocating resources to train and place people in high paying jobs.



Rep. Ryan Warner asks why L&I advocates to index the minimum wage to inflation while ignoring inflation's impact on the prevailing wage threshold.

