

PA WDB Quarterly Board Meeting– Emergency

TEAMS

Wednesday, April 2, 2025

Attendance:

Members:

- Sec. Valerie A. Arkoosh
- Robert S. Bair
- Daniel Bauder
- Nicholas Byrd
- Debra Caplan, Chair
- Senator Amanda Cappelletti
- Tom Foley for Governor Josh Shapiro
- Chekemma Fulmore-Townsend, Chair
- Brian Funkhouser, Chair
- Kait Gillis
- Rep. Seth Grove
- Tiffany Haley
- Secretary Dr. Laurel Harry for Pennsylvania Department of Corrections
- Executive Director Ryan Hyde
- Darrin Kelly
- Carniesha Kwashie
- Andrea MacArthur
- Malik Majeed
- David Miles for Sec. Kavulich
- Gwen Ross for Sec. Siger
- Sec. Russel Redding
- Greg Riefenstahl
- Sec. Carrier Rowe
- Mike Shirk
- John J. “Ski” Sygielski
- Mark Thaler
- Jennifer Wakeman
- Joseph P. Welsh
- Terry Wilttrout, Chair
- F. Michael Wojewodka, Jr.
- Matthew W. Yarnell

Committee Chairs:

- Chair Debra Caplan, Reentry Committee
- Chair Chekemma Fulmore-Townsend, Youth Committee
- Chair Brian Funkhouser, Continuous Improvement Committee
- Chair John J. “Ski” Sygielski, Industry Partnership & Employer Engagement Committee
- Chair Matt Yarnell, Healthcare Workforce Committee
- Chair Michael Wojewodka, Manufacturing Committee
- Chair Angela Ferritto, Apprenticeship & CTE Committee
- Chair Brian Campbell, Agriculture Committee
- Co-Chairs Shea Zwerver and Mohona Siddique, Barriers Committee

Staff: Executive Director James Martini, Deputy Director Michelle Lengel, Dan De Lellis, Shannon Austin, Belinda Nester, Erin Donohoe, Zoe Kim

Recommendation for 130% Stop Gain in PA Workforce Development Funding

Chair Terry Wilttrout calls the Board to order and turned it over to Brenda Duppsstadt, who serves as the Director for the Bureau of Workforce Development Administration at the PA Department of Labor and

Industry. As she reported, the Bureau is responsible for taking labor market data in Pennsylvania and applying it to the formula allocation, laid out in the Workforce Innovation and Opportunity Act (WIOA) to identify the percentage of funding that is to be given to local workforce development boards yearly. This year, the United States Department of Labor (DOL) gave states their estimated funding for workforce development. Pennsylvania with the assistance of the Bureau takes labor market data and applies it to the estimated funding figures and gives local workforce boards an estimated figure for yearly spending. This year, the Bureau pursued these calculations and flagged that there was one outlier in their dislocated formula allocation which is driving dollars predominantly to two local areas. This outlier was excess unemployment, which Dupstadt stated was unemployment rates greater than 4.5%. The labor market data saw that there were two counties with unemployment greater than 4.5%. The number of impacted above 4.5% was 7 people in one county and 5 people in the other county. These are relatively low numbers, she reported. Because of this, one of the factors that feed in the formula was driving dollars to these two counties, disadvantaging other counties. After assessing the formula allocations and their impacts, they reached the recommendation for Pennsylvania to add a stop gain of 130%, which has three key benefits. First, it allows the state’s workforce boards to have greater funding stability. Second, it allows for greater long-term planning. Third, it acts as a buffer for data volatility. If a local area received more than 130% of their relative share from the two preceding years, any figure above the 130% would be equitably allocated to the other areas. Dupstadt then shared the **PY25 Dislocated Worker Allocation to the Board**:

PY25 Dislocated Worker Allocations					
LOCAL AREA	Labor Mkt Info	90% Min	Allocation w/ Stop Loss Only	With 130% Stop Gain	Difference
ALLEGHENY COUNTY	\$ 907,652.00	\$ 1,105,604.42	\$ 1,105,604.42	\$ 1,196,812.29	\$ 91,207.87
BERKS COUNTY	\$ 1,049,782.00	\$ 1,142,855.52	\$ 1,142,855.52	\$ 1,237,136.44	\$ 94,280.92
BUCKS COUNTY	\$ 918,363.00	\$ 988,802.62	\$ 988,802.62	\$ 1,070,374.80	\$ 81,572.18
CHESTER COUNTY	\$ 781,013.00	\$ 1,105,153.30	\$ 1,105,153.30	\$ 1,196,323.94	\$ 91,170.64
DELAWARE COUNTY	\$ 1,233,352.00	\$ 1,156,122.53	\$ 1,156,122.53	\$ 1,251,497.94	\$ 95,375.41
WESTMORELAND-FAYETTE	\$ 1,045,406.00	\$ 1,070,543.30	\$ 1,070,543.30	\$ 1,158,858.77	\$ 88,315.47
LACKAWANNA COUNTY	\$ 999,642.00	\$ 1,077,503.11	\$ 1,077,503.11	\$ 1,166,392.73	\$ 88,889.62
LANCASTER COUNTY	\$ 873,896.00	\$ 1,177,906.76	\$ 1,177,906.76	\$ 1,275,079.27	\$ 97,172.51
LEHIGH VALLEY	\$ 1,273,179.00	\$ 1,336,824.32	\$ 1,336,824.32	\$ 1,447,106.87	\$ 110,282.55
LUZERNE & SCHUYLKILL	\$ 1,449,456.00	\$ 1,577,034.14	\$ 1,577,034.14	\$ 1,707,133.02	\$ 130,098.88
MONTGOMERY COUNTY	\$ 1,541,247.00	\$ 1,290,052.50	\$ 1,290,052.50	\$ 1,396,476.58	\$ 106,424.08
PHILADELPHIA	\$ 2,555,926.00	\$ 3,638,822.17	\$ 3,638,822.18	\$ 3,939,010.14	\$ 300,187.96
PITTSBURGH	\$ 1,322,253.00	\$ 1,261,265.62	\$ 1,261,265.62	\$ 1,365,314.89	\$ 104,049.27
SOUTHERN ALLEGHENIES	\$ 889,905.00	\$ 1,103,571.37	\$ 1,103,571.37	\$ 1,194,611.51	\$ 91,040.14
TRI-COUNTY	\$ 838,792.00	\$ 882,473.92	\$ 882,473.92	\$ 955,274.42	\$ 72,800.50
NORTH CENTRAL	\$ 3,545,263.00	\$ 1,124,230.97	\$ 2,283,506.27	\$ 1,623,889.18	\$ (659,617.09)
NORTHERN TIER	\$ 811,197.00	\$ 909,659.11	\$ 909,659.11	\$ 984,702.28	\$ 75,043.17
POCONO COUNTIES	\$ 1,016,492.00	\$ 1,576,509.35	\$ 1,576,509.35	\$ 1,706,564.94	\$ 130,055.59
WEST CENTRAL JOB PART.	\$ 786,831.00	\$ 966,423.12	\$ 966,423.12	\$ 1,046,149.10	\$ 79,725.98
SOUTHWEST CORNER	\$ 786,783.00	\$ 1,264,593.16	\$ 1,264,593.16	\$ 1,368,916.94	\$ 104,323.78
NORTHWEST	\$ 4,847,833.00	\$ 1,218,451.93	\$ 3,122,492.48	\$ 1,759,986.13	\$ (1,362,506.35)
CENTRAL PA	\$ 922,458.00	\$ 1,258,692.15	\$ 1,258,692.15	\$ 1,362,529.12	\$ 103,836.97
SOUTHCENTRAL	\$ 2,527,931.00	\$ 1,399,092.57	\$ 1,628,242.05	\$ 1,514,512.00	\$ (113,730.05)
PENNSYLVANIA	\$ 32,924,652.00	\$ 29,632,187.97	\$ 32,924,653.30	\$ 32,924,653.30	\$ -

The first column showed what local boards would receive for their dislocated worker allocation if the calculations exclusively looked to labor market data. As she stated, there were large changes to North Central and Northwest. Then they added a 90% minimum provision, in the second column. The third column showed the breakdown of funding if there was exclusively a stop loss; and the fourth column showed the allocation with the 130% stop gain. The 130% stop gain drove down the formula allocation for three areas: North Central, Northwest, and South Central. However, as seen in column five, it increases the formula allocation through Pennsylvania. Dupstadt then addressed the impact of receiving severely

high changes within one given year. If they exceed the 130% of funding, the area is at a higher risk of not meeting their 80% obligation within the first year and not spend their funding within the two-year obligatory period. If this were to take place, Pennsylvania would be at a higher risk of returning funding back to the federal government. To avoid this from taking place, the Bureau has proposed a 130% stop gain which is utilized by the DOL to the dislocated worker allocation for the 2025 PY. Duppstadt then opened the floor for questions.

The first question was posed by Seth Grove. He asked whether the counties that get decreased funding did not spend their funding within the two years. She responded that they have been on track to spend within the obligatory two years. Further, she shared that they had discussions with all of the local workforce development boards; and one of the three boards, North Central, stated that they approve of this funding cut, as they would were at risk of not spending the added fund. However, the Bureau has not had further discussions with the other two boards.

The second question was posed by Chair Terry Wilttrout. He asked what the two counties were which were impacted that had excess unemployment. Duppstadt stated that there were Forest County in Northwest and Cameron County in North Central.

The third question was posed by Carniesha Kwashie. She asked if there were any counties that had issues and did not agree with this recommendation. Duppstadt responded that the Bureau has strong relationships with all of the boards and has welcomed communication, in which there were no troubled responses to the 130% stop gain. When they discussed this in person, there were no issues addressed. Kwashie then asked a follow up question: How many dislocated workers are projected to be impacted by the 130% stop gain? Duppstadt responded that the Bureau is not anticipating dislocated workers to not be served with this stop gain, and that this effort will allow for other areas to give more resources to service their dislocated workers. Kwashie added that when she had a conversation with Philadelphia Works, they had projected for 4,000 workers to be hurt by this stop gain. She then asked whether there were exceptions to the 130% stop gain so that certain counties would be less affected. Duppstadt stated that the two counties would receive the 130% but not any more funding. Further, she shared that this recommendation has been projected to be favorable for Philadelphia, as they will gain more dislocated worker dollars.

The fourth question was posed by Chekemma Fulmore-Townsend. She asked if this recommendation would be exclusively for the 2025 PY or if the 130% stop gain would become pursued for the following years. Chair Wilttrout responded that the 130% stop gain would be exclusively for the 2025 Program Year and asked Executive Director James Martini to further speak upon this. Executive Director Martini stated that this will modify the 2024-2027 plan. Further, he stated that by the US DOL and WIOA, the Board will have to rediscuss and vote for any remodifications to the plan no later than July 1st, 2026. He further stated that he plans for the Board to vote for remodifications in November of this year for it to be in effect in July of 2026. Chair Wilttrout asked if there is a possibility for the stop gain to only be in effect in 2025 PY. Executive Director Martini stated that any suggestions to modify would have to be voted for in November of 2025, and would not be in effect until July of 2026.

The next question was asked by Joseph Welsh if they would be considering changes in unemployment rates in the state. He expressed his worry for the tens of thousands of unemployed workers due to federal funding cuts in Pennsylvania. He further shared that he is hesitant to vote for this to be enacted for three years, given the volatility of the unemployment rate recently. Executive Director Martini stated that of the

three counties which would be impacted by the stop gain, two of the three were the 65th and 67th smallest counties by population in the Commonwealth. Further, he shared that this recommendation would self-remedy the allocation formula in order to more equitably share state funding in counties, and that the two counties were numerical outliers within the formula. Welsh further asked what metrics the Bureau referred to. Dupstadt shared that the Commonwealth can allocate rapid response funding to certain counties that are negatively affected by the stop gain. Further, she shared that this stop gain will lead to long term stability for the workforce boards and allow them to enact long term impact. This ended the questions.

MOTION: Chair Wiltout then asked for the motion to modify their plan and add the 130% stop gain through July 1st of 2026. Joe Welsh moved the motion, which was seconded by Chair Sygielski. This passed unanimously.

Public Comments: Rebecca O'Shea asked why the 130% change was put forth and then asked why there is a 12.5% drop in local workforce development if there was only a 10% federal cut to the PA Department of Labor. To the first question, Dupstadt responded that the 130% was modeled after the USDOL's own model based off the workforce development data. To the second question, she shared that there have been mass dislocations across Pennsylvania and that the state believed it would be prudent to reserve allocations for rapid response assistance. This will give the state greater flexibility in responding to potential mass dislocations. Further, Executive Director Martini shared that public comments will be open for two weeks, and that the Board will respond to all public comments. However, this will be revisited April 23rd for final approval of the change.