



Executive Order

Commonwealth of Pennsylvania

Governor's Office

Executive Order 2023-17 – Commonwealth Workforce Transformation Program (CWTP)

Date: July 31, 2023

A handwritten signature in blue ink, appearing to read "Josh Shapiro".

By Direction of:
Josh Shapiro, Governor

WHEREAS, the federal Infrastructure Investment and Jobs Act of 2021, Pub. L. 117-58 (IIJA), and the federal Inflation Reduction Act of 2022, Pub. L. 117-169 (IRA), offer unique opportunities for the Commonwealth of Pennsylvania to accelerate critical investments in roads, bridges, energy, water, sewer, and transformative economic development projects, many of which require the adaptation of new technologies and techniques that improve the efficiency and effectiveness of our economy and enhance the prosperity and well-being of residents of the Commonwealth; and

WHEREAS, the Commonwealth's diverse workforce must grow and evolve to realize fully the benefits of both initiatives including the use of these federal investments to create good jobs with family-sustaining wages and equitable pathways to these good jobs for workers from all communities; and

WHEREAS, some of the greatest risks associated with executing these projects arise when companies cannot find experienced workers or are unwilling to take the financial or operational risks to train and hire new workers; and

WHEREAS, the IIJA and IRA call for States to build workforce programs in response to these challenges; and

WHEREAS, workforce programs that use evidence-based strategies such as sector-based training, registered apprenticeship programs, and supportive services are demonstrated to improve training, employment, and earnings outcomes; and

WHEREAS the IIJA and IRA provide States with the flexibility to design and execute their own workforce programs using IIJA or IRA monies.

NOW, THEREFORE, I, Josh Shapiro, 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 establish the Commonwealth Workforce Transformation Program

(hereinafter referred to as the "CWTP" or "Program") and instruct the Pennsylvania Department of Labor and Industry, in conjunction with the Office of the Budget and the Executive Director of Critical Investments, to develop and implement policies and procedures to govern the CWTP and allocate funding in accordance with the following:

1. Purpose.

The Commonwealth Workforce Transformation Program (CWTP) shall coordinate the distribution of the IIJA and IRA monies available for workforce development and on-the-job training (OJT) via a grant program distributed through the various state agencies that will receive such federal funding. The Department of Labor and Industry shall manage the CWTP with assistance from the Office of the Budget and in accordance with the IIJA, the IRA, and the regulations or guidance issued by the relevant federal agencies.

2. Definitions.

a. An **Eligible Organization** is a for-profit corporation, limited liability company, partnership, not-for-profit organization, or public benefit corporation operating in Pennsylvania; which

- (1)** Has received a contract or grant from an agency of the Commonwealth of Pennsylvania or by the federal government under the IIJA or IRA for work occurring in the Commonwealth of Pennsylvania, or
- (2)** Is a subcontractor to an Eligible Organization that has received a contract or grant under the IIJA or IRA for work occurring in the Commonwealth of Pennsylvania, or
- (3)** Has received a tax credit from the U.S. Department of the Treasury made available under the IRA for a capital investment in excess of ten million dollars (\$10,000,000) within the Commonwealth of Pennsylvania.

b. **Covered Expenses** include, to the extent allowable under the IIJA and IRA:

- (1)** Wages paid directly to a new employee, including any bonuses or other monetary compensation reportable as "W-2" Wages. The term "new employee" used throughout this Executive Order means a new employee as that term will be or is defined in the CWTP guidelines issued pursuant to this Program.
- (2)** Any Payroll Taxes paid by the Eligible Organization to federal, state, or local taxing authorities in conjunction with the new employee's employment.
- (3)** Any direct costs associated with the OJT program incurred by the Eligible Organization during the first six (6) months of employment for the new employee, including but not limited to:
 - (a)** Registered pre-apprenticeship programs,
 - (b)** Registered apprenticeship program costs,

- (c) Costs associated with establishing a training program,
- (d) Costs incurred for the use of a training facility, and
- (e) Supportive services and direct cash assistance that help individuals facing systemic barriers to employment to be able to participate in training and employment. Eligible supportive services include, but are not limited to, costs incurred for bona fide services and assistance provided to new employees for: housing; child and dependent care; work-related tools; work-related clothing or uniforms; educational testing; needs-related payments or emergency cash assistance; transportation and travel to or from training and work sites; reasonable accommodations; legal assistance; referrals to healthcare, mental health counseling or drug treatment; linkages to community services; application fees and other costs of apprenticeship or required pre-employment training, tests, or certifications; or financial counseling to the extent that eligible organizations demonstrate to the CWTP, within its discretion, that the foregoing effectively recruit or retain workers who have traditionally faced systemic barriers to training and employment.

3. Program.

The Program shall establish guidelines that permit Eligible Organizations to apply for grants of up to forty thousand dollars (\$40,000) per each new employee, which grant may not exceed four hundred thousand dollars (\$400,000) in aggregate for all new employees hired by the Eligible Organization for each particular contract, to reimburse the Eligible Organization's payment of Covered Expenses.

4. The Department of Labor and Industry shall:

- a. Manage the CWTP in alignment with the programmatic requirements of the IIJA, IRA, and any relevant guidance issued by authorized federal agencies.
- b. Implement policies for the overall Program, including the appropriate forms and documentation to be filed by Eligible Organizations to apply for the grants.
- c. Develop compliance and reporting tools for Eligible Organizations as required to implement the Program.
- d. Facilitate participation in the CWTP with companies, not-for-profit organizations, labor unions and worker organizations, and other employment or training service providers previously qualified to provide OJT services for other Executive Agencies.
- e. Prioritize awards to grant applicants that most effectively demonstrate the implementation of OJT programs encouraged by the IIJA and IRA.

5. The Office of the Budget shall:

- a. Establish a process to allocate portions of IIJA and IRA funding to this Program, such that Eligible Organizations may be reimbursed for Covered Expenses in accordance with relevant federal reporting requirements.

- b.** Seek reimbursement from the federal government for up to a maximum amount of four hundred million dollars (\$400,000,000) over the five years of expected funding from the IIJA and IRA.
- c.** Segregate such funds as might be required to allocate specific grants made to Eligible Organizations under the CWTP such that those grants match program requirements for individual federal agencies.
- d.** Provide for such overhead and operational costs that may be reasonably necessary for the execution of the Program, incorporating those costs for federal reimbursement.

6. The Department of Corrections shall:

- a.** Provide CWTP participants with information regarding reentry programs to ensure that participants are aware of the workforce opportunities that may be addressed by hiring individuals who are reentering the community after incarceration.
- b.** Inform incarcerated individuals of the on-the-job training opportunities that may be available to them under the CWTP.
- c.** Coordinate with the Executive Director of the CWTP to ensure that the CWTP effectively connects employers in need of workers with previously incarcerated or soon-to-be-released incarcerated individuals who may be interested in workforce opportunities under the CWTP.

7. Contracting Executive Agencies shall:

- a.** Include language in all solicitations issued using IIJA and IRA funding that describes the CWTP and how to qualify for funding under the Program.
- b.** Request offerors to submit a description of any OJT programs that the offeror may have available to new employees that qualify for the CWTP under Section 2.a., above.

8. The Fiscal Offices for Executive Agencies Receiving IIJA and IRA Funding shall:

- a.** Allocate at least three percent (3%) of all funding received by the Commonwealth under the IIJA and IRA, including both formula awards and competitive grants as set forth in IIJA and IRA, where applicable, to be used to support CWTP in accordance with IIJA and IRA.
- b.** Ensure such allocations are designated on all fiscal reports and budgets submitted to federal agencies for any and all programs funded under the IIJA and IRA.
- c.** Report the following information to the Executive Director of Critical Investments or to the Executive Director's designee within thirty (30) days of the issuance of any grant award letter for projects or grants funded by IIJA and IRA under the program:

- (1) The name and address of the recipient of the grant award letter;
 - (2) The amount of funds issued under the grant award letter;
 - (3) A brief description of the work to be completed under the grant award letter; and
 - (4) Whether the recipient indicated in the proposal an intent to apply for funding from the CWTP.
- d. Comply with guidance issued by the Office of the Budget, or by the Executive Director of Critical Investments, for this Program.

9. Staff.

The Executive Director of Critical Investments shall administer, under the direction of the Office of the Budget, the Program until an Executive Director is appointed. The Secretary of Labor and Industry shall hire an Executive Director of the CWTP, who shall report to the Office of the Governor and to the Secretary of Labor and Industry and shall administer the CWTP thereafter. The Executive Director shall administer the Program until all federal IIJA and IRA funding has been expended. The Executive Director shall hire such individuals as may be necessary to carry out the objectives of the CWTP and the purposes of this Executive Order, subject to the approval of the Secretary of Labor and Industry and the Office of the Budget.

10. Implementation.

This Executive Order shall be implemented consistent with applicable law. This Executive Order is not intended to, and does not create, any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the Commonwealth, its departments, agencies, or entities, its officers, employees, or agents, or any other persons.

11. Effective Date.

This Executive Order shall take effect immediately.

12. Termination Date.

This Executive Order shall remain in effect until amended or rescinded by the Governor.