

DEPARTMENT OF LABOR AND INDUSTRY BUDGET HEARING WRAP

Tuesday, March 3, 2026



General Overview:

Pennsylvania Department of Labor and Industry (L&I) Secretary Nancy Walker and senior L&I staff testified before the House Appropriations Committee today. House Republicans focused their questions on investing in career and technical training, especially as it relates to our energy industry, the classification of telecommunications workers installing broadband infrastructure, reducing waste and fraud, and the true impact of raising the minimum wage.

Key Takeaways:

- The Governor is proposing to spend a total of \$103.3 million from the General Fund for the Department of Labor and Industry in Fiscal Year 2026-27, an overall increase of \$6.5 million, or 6.8%, over the current fiscal year.
- House Republicans led the hearing by advocating for L&I to work with the energy industry and invest in training programs to help the energy industry grow.
- Broadband deployment in Pennsylvania remains delayed due to L&I's refusal to recognize the appropriate classification for the telecommunications workers who will install broadband infrastructure throughout the state.
 - Secretary Walker again refused to comment on the rationale for this decision and pointed to pending litigation as to why the department will not offer comment again this year.
- Stopping improper payments and cracking down on fraud are important elements in providing for efficient government. House Republicans again pressed the department to keep fraud prevention a top priority for the department so that costs can be reduced for Pennsylvania's residents and employers.
- House Republicans also asked for information on how the department awards grants under the Schools-to-Work program.
 - Members were informed that processes are in place, but the department offered few details. House Republicans pressed L&I to ensure the awards are free from political influence.
- Members learned that the Office of Vocational Rehabilitation (OVR) is seeking to reduce the waiting list for services to workers with disabilities, including those that are blind, deaf, and hard-of-hearing.
- The Governor is once again proposing to increase the minimum wage to \$15 per hour. House Republicans confirmed from L&I that the number of workers earning the current minimum wage has decreased by almost 200,000 since last year. This shows the private sector is raising wages without government mandates.

Notable Q&A:



Rep. Chad Reichard confirms with L&I that fewer Pennsylvanians are earning minimum wage year over year.

Rep. Ann Flood asks for an update on the wait list for individuals seeking assistance through the Office of Vocational Rehabilitation.



Rep. Eric Nelson asks the department for the latest information on Unemployment Compensation fraud.