

COMMONWEALTH OF PENNSYLVANIA

Michael A. Bell : State Civil Service Commission  
: :  
v. : :  
: :  
Lawrence County Housing Authority : Appeal No. 31567

Michael A. Bell Louis M. Perrotta  
*Pro Se* Attorney for Appointing Authority

ADJUDICATION

This is an appeal by Michael A. Bell challenging his furlough from regular Management Aide Housing Authority (Local Government) employment with the Lawrence County Housing Authority. A hearing was held on August 6, 2025, via video, before Commissioner Pamela M. Iovino.

The Commissioners have reviewed the Notes of Testimony and Exhibits introduced at the hearing. The issue before the Commission is whether there is a lack of funds to support appellant's furlough.

## FINDINGS OF FACT

1. By letter dated February 24, 2025, appellant was notified that he was furloughed from his Management Aide Housing Authority (Local Government) position,<sup>1</sup> effective immediately due to a decline in program funding and overall funds available to the Section 8 Program. N.T. pp. 53-54; Comm. Ex. A; AA Ex. 7.
2. The appeal was properly raised before this Commission and was heard under Section 3003(7)(i) of Act 71 of 2018. Comm. Ex. B.
3. Appellant began employment with the appointing authority at the end of 2021. He was supervised by Section 8 Program Director Vincent Callahan. N.T. pp. 47, 106-107.
4. The appointing authority provides public housing through housing communities owned by the housing authority. N.T. p. 22.

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<sup>1</sup> Appellant asserts his job title was “Management Aide” at the time of his furlough. N.T. p. 14. The appointing authority provided testimony explaining appellant’s “Management Aide” title was in-house only; his classified service title remained Management Aide Housing Authority (Local Government). N.T. pp. 32-34.

5. The appointing authority also provides Section 8 housing through private rentals in the county. The Section 8 department works directly with landlords and residents. N.T. pp. 22-23.
6. The public housing department and Section 8 department are separate departments, with separate budgets and separate employment complements. N.T. p. 22.
7. Throughout his employment appellant conducted community outreach programs promoting Section 8 housing. N.T. pp. 81, 88-89, 109-110.
8. Appellant's efforts added new properties and landlords to the Section 8 program, however other landlords left the Section 8 program. N.T. pp. 85-87.
9. Appellant's efforts also brought in new tenants; however the appointing authority lost approximately the same number of tenants as were gained. N.T. pp. 88-89.
10. Appellant's outreach did not improve the overall budgetary constraints in the Section 8 program. N.T. pp. 88-89.

11. Executive Director Holly Girdwood is responsible for the budgets in both the public housing department and Section 8 department. She receives assistance from Comptroller Tara Sheffler. N.T. p. 29.
12. The Central Office is a centralized accounting department governed by the federal Department of Housing and Urban Development (hereinafter “HUD”). N.T. pp. 26-27.
13. Both the public housing department and the Section 8 department tender payment to the Central Office to cover management fees, bookkeeping fees, asset management fees, supplies, lease fees for equipment, and other fees required by HUD. N.T. pp. 26-27.
14. Section 8 program funding from HUD is calculated based upon the prior year’s occupancy level. As occupancy levels decrease, so does the HUD funding received. N.T. pp. 34-35.
15. The Section 8 housing department has seen a continued decrease in HUD funding over the past several years. N.T. p. 35.

16. In 2020, the Section 8 program had a decrease in HUD funding of \$23,929.00. N.T. pp. 39-40; AA Ex. 1.
17. In 2021, the Section 8 program had a gain of \$130,331.00 because of CARES Act funding. Without the CARES Act funding, there would have been no monetary gain in 2021.<sup>2</sup> N.T. pp. 39-41; AA Ex. 1.
18. In 2022, the Section 8 program had a decrease in HUD funding of \$98,158.00. N.T. p. 40; AA Ex. 1.
19. In 2023, the Section 8 program had a decrease in HUD funding of \$75,893.00. N.T. p. 41; AA Ex. 1.
20. In 2020, the Section 8 program owed Central Office \$75,306.73. AA Ex. 2.
21. In 2021, the Section 8 program owed Central Office \$18,856.00. AA Ex. 2.

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<sup>2</sup> CARES Act funding was extra funding provided by HUD to assist with administrative fees during COVID. The acronym "CARES" is not defined in the record. N.T. p. 40.

22. In 2022, the Section 8 program owed Central Office \$205,902.19. AA Ex. 2.
23. In 2023, CARES funding helped offset the amount the Section 8 program owed to Central Office and it was reduced to a debt of \$59,843.79. N.T. p. 46; AA Ex. 2.
24. In 2024, the Section 8 program owed Central Office \$189,579.69. N.T. pp. 46, 95; AA Ex. 2.
25. The Section 8 program also incurs administrative fees and expenses. N.T. p. 48; AA Ex. 3.
26. In 2021, the Section 8 program had a debt of \$28,787.19 in administrative fees and expenses. AA Ex. 3.
27. In 2022, the Section 8 program had a debt of \$30,149.27 in administrative fees and expenses. N.T. p. 48; AA Ex. 3.
28. In 2023, the Section 8 program had a debt of \$74,936.33 in administrative fees and expenses. N.T. p. 48; AA Ex. 3.

29. In 2024, the Section 8 program had a debt of \$95,000.00 in administrative fees and expenses. N.T. p. 48; AA Ex. 3.
30. On February 20, 2025, the Housing Authority Board approved a Motion to furlough appellant. N.T. p. 51; AA Ex. 6.
31. On March 20, 2025, the Housing Authority Board approved a Motion to remove appellant's position from the Civil Service complement. N.T. p. 54; AA Ex. 8.

### DISCUSSION

In a furlough based upon a lack of funds, the appointing authority must establish not only that funding was inadequate, but that a rational relationship exists between the lack of funding and the furloughs undertaken. *Eastern Pennsylvania Psychiatric Institute, Department of Public Welfare v. Russell*, 77 Pa. Commw. 390, 398, 465 A.2d 1313, 1317-18 (1983). A lack of funds need not rise to the level of bankruptcy. *County of Beaver, Beaver County Children and Youth Services v. Funk*, 89 Pa. Commw. 226, 230, 492 A.2d 118, 121 n.6 (1985). "A lack of funds exists when insufficient revenue is available to meet all financial demands unless modifications are made in the system." *Id.* See also *Forbes v. Pennsylvania Department of Transportation*, 61 Pa. Commw. 641, 434 A.2d 892 (1981).

The appointing authority presented the testimony of Executive Director Holly Girdwood and Comptroller Tara Sheffler. Appellant testified on his own behalf.

Girdwood testified regarding the appointing authority's structure and operating process. Specifically, there are two separate departments within the appointing authority: public housing and Section 8 housing. Both departments operate with their own budgets and have separate employee complements. N.T. p. 22.

The Section 8 program funding from HUD is calculated based upon the prior year's occupancy level. When the occupancy levels decrease, funding also decreases. N.T. pp. 34-35. Over the past several years, the HUD funding has decreased. N.T. p. 35. The Section 8 program had a HUD funding decrease in 2020 of \$23,929.00; in 2022 of \$98,258.00; and in 2023 of \$75,893.00. N.T. pp. 40-41; AA Ex. 1. In 2021, the Section 8 had HUD increase of \$130,331.00 due to assistance from the CARES Act. N.T. pp. 39-41; AA Ex. 1.

In addition, both the public housing department and Section 8 housing tenders payments to the Central Office for management fees, bookkeeping fees, asset management fees, supplies, lease fees for equipment, and other fees required by HUD. N.T. pp. 26-27. In 2020, the Section 8 program owed Central Office \$75,306.73; in 2021 \$18,856.00; in 2022 \$205,902.19; in 2023 of \$59,843.79; in 2024 of \$189,579.69. N.T. p. 46; AA Ex. 2. As of the hearing, the Section 8 program owed approximately \$212,000.00 to Central Office. N.T. p. 95.

The Section 8 department also incurs administrative fees and expenses. In 2021, there was a debt of \$28,787.19; in 2022, there was a debt of \$30,249.27; in 2023, there was a debt of \$74,936.33; and in 2024 there was a debt of \$95,000.00. N.T. p. 48; AA Ex. 3.

Section 8 Program Coordinator Vincent Callahan testified that appellant was not the cause for the decrease in funding. N.T. p. 78. He explained appellant's efforts were strenuous and he was a competent employee who tried to increase the number of tenants and landlords to improve the budget. N.T. p. 81. Appellant's outreach programs were helpful but were insufficient to get the program out of debt. N.T. pp. 86-87.

After many years of operating at a deficit, on February 20, 2025, the appointing authority's board voted to furlough appellant. N.T. p. 51; AA Ex. 6. On March 20, 2025, the appointing authority board voted to remove appellant's position from the Civil Service complement. N.T. p. 54; AA Ex. 8. The Section 8 program remains in debt even though Callahan is currently the only employee. N.T. pp. 60-63. In lieu of furloughing appellant, the appointing authority considered either eliminating the Section 8 program or subcontracting Section 8 housing to another housing authority in a different county. N.T. pp. 42, 97, 99. However, neither eliminating nor subcontracting the program would eliminate the debt owed to Central Office. N.T. p. 97. Further, a decision to eliminate or subcontract the program would negatively impact the county citizens and remove the appointing authority's control over the program. N.T. p. 98.

In response, appellant testified that his outreach programs were effective and did entice new landlords and tenants into the program. N.T. p. 109. However, he acknowledges there were financial difficulties and it was difficult to make the program profitable. N.T. p. 110.

Upon review of the record, the Commission finds the appointing authority has established the furlough was necessary due to a lack of funds. The appointing authority's witnesses credibly testified the Section 8 program has been operating at a deficit for several years despite appellant's efforts to increase enrollment. Appellant acknowledges his efforts were not sufficient to erase the debt and make the program profitable. The appointing authority has also established a rational relationship between the lack of funds and appellant's furlough. *Eastern Pennsylvania Psychiatric Institute, supra*. Specifically, eliminating or subcontracting the program would both negatively impact the county residents and cause the appointing authority to lose control of the program itself. Thus, the appointing authority has established a lack of funds sufficient to justify appellant's furlough. Accordingly, we enter the following:

CONCLUSION OF LAW

The appointing authority has presented evidence establishing a lack of funds sufficient to justify furlough under Section 2602 of the Civil Service Act of 2018.

ORDER

AND NOW, the State Civil Service Commission, by agreement of its members, dismisses the appeal of Michael A. Bell challenging his furlough from regular Management Aide Housing Authority (Local Government) employment with the Lawrence County Housing Authority and sustains the action of the Lawrence County Housing Authority in the furlough of Michael A. Bell from regular Management Aide Housing Authority (Local Government) employment effective February 24, 2025.

State Civil Service Commission

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Maria P. Donatucci  
Chairwoman

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Gregory M. Lane  
Commissioner

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Pamela M. Iovino  
Commissioner

Issued: December 23, 2025