

Education Recap



Feb. 20 – 26, 2026

Contents

| | |
|-----------------------------|----|
| Press Conferences..... | 1 |
| Committee News | 1 |
| Bullet.in.Points..... | 12 |
| Cosponsor Memos | 12 |
| Basic Ed Bill Actions | 14 |
| Higher Ed Bill Actions..... | 17 |
| Upcoming Events | 17 |
| In the News | 18 |

SESSION STATUS

At 3:30 p.m. on Wednesday, February 4, 2026, the House stands adjourned until Monday, March 23, 2026, at 12:00 p.m., unless sooner recalled by the Speaker.

At 1:59 p.m. on Wednesday, February 4, 2026, the Senate recessed until Monday, March 16, 2026, at 1:00 p.m. unless sooner recalled by the President Pro Tempore.

UPCOMING SESSION DAYS

House

March 23-25
April 13-15, 27-29
May 4-6
June 1-3, 8-10, 15-17, 22-30
Sept. 28-30
Oct. 5-7, 19-21
Nov. 9, 10

Senate

March 16-18, 23-25
April 20-22
May 4-6
June 1-3, 8-10, 22-26, 29-30

The Education Recap is a comprehensive weekly report on legislative and executive actions on education-related legislation in Pennsylvania state government, as compiled and edited by PLS. Additional information, including video, transcript and testimony, is available to [PLSGovTrac](https://www.plsgovtrac.com) users. For more information, contact sales@mypls.com.

Press Conferences

PLS coverage of Capitol events including press conferences, bill signings and media availabilities

No press conferences this week.

Committee News

Comprehensive coverage of the House & Senate public hearings and voting meetings

Senate Appropriations Committee - Budget Hearing with DGS

*02/24/2026, 3:30 p.m., Hearing Room 1, North Office Building
Pennsylvania Legislative Services*

The committee held a budget hearing with the Department of General Services.

The Department of General Services (DGS) was represented by:

- Sec. Reginald McNeil, DGS, and
- Greg Kirk, deputy secretary for capital programs and interim deputy secretary for facilities and public safety, DGS.

Chair Scott Martin (R-Lancaster) reported the department has a budget of \$274 million, including \$180 million from the general fund. He asked about the Space Optimization and Utilization Project (SOUP), its funding, total anticipated spending and savings. Sec. McNeil explained that SOUP focuses on modernizing facilities and has saved over \$6.8 million. He reported that the effort has reduced lease space by 328,000 square feet. Chair Martin asked about the anticipated reduction in leased space and requested a list of leases to be modified or terminated. Sec. McNeil explained that the goal is to let leases reach full term and bring state employees back to underutilized commonwealth-owned spaces. He projected a reduction of two million square feet in leased space and anticipated savings of \$180 million. Chair Martin asked how much state-owned space is not being utilized. Sec. McNeil said he would provide the information at a later time.

Chair Martin mentioned the governor's budget forecasts lease cost savings of \$3.8 million in fiscal year 2026-2027 and inquired about the current square footage savings towards the two-million-square-foot reduction goal. Sec. McNeil reiterated the reduction of 328,000 square feet so far. Chair Martin asked what the percentage of the state's office buildings planned for renovation was and requested a list of buildings intended for improvement. Sec. McNeil detailed a collaboration with consultants and agencies to determine space needs and promised to share information on progress as they begin executing work. Chair Martin asked if funds allocated for SOUP would be used for debt service payments or actual costs of making building improvements, noting that large-scale renovation projects are often funded through the capital budget. Sec. McNeil explained that the capital plan is in progress, with Kirk overseeing the capital building program, which includes modernizing facilities as part of the SOUP project. He highlighted that capital funds are utilized for the modernizations. Chair Martin inquired if the SOUP funds include debt service payments. Sec. McNeil commented that debt service payments are not coming out of the fund. Chair Martin asked why prior year reserves cannot be used to fund SOUP in the 2026-2027 budget. Sec. McNeil responded that they do not control other agencies' surplus funds and emphasized the importance of having their own budget for SOUP to ensure continued progress. Chair Martin inquired if the use of current reserve balances from other agencies had been

discussed with the budget secretary. Sec. McNeil replied, "That, I do not know." Chair Martin questioned whether SOUP could create an increase in teleworking or more staff in state office buildings. Sec. McNeil explained that telework policies are issued by the Office of Administration (OA), with each agency determining its own procedures.

Chair Martin then inquired about shifts in work patterns post-COVID. Sec. McNeil noted an increase in people returning to the office, with about 90% of DGS employees in the office for at least two days each week. Chair Martin asked about improvements in project delivery times and cost savings from procurement reforms. Sec. McNeil mentioned a reduction in Request for Proposal (RFP) cycle times from over 350 days to an average of 270 days. Chair Martin asked if Sec. McNeil had a goal for reducing RFP cycle times. Sec. McNeil responded, "One [day], but I know that's not realistic." Chair Martin asked about the number of emergency procurement approvals. Sec. McNeil said he would provide an exact number later but estimated 200 to 250 occurrences last fiscal year and over 150 currently. Chair Martin requested examples of situations qualifying for emergency procurement. Sec. McNeil pointed out that the arson at the Governor's Mansion on April 13, 2025, would qualify as a scenario necessitating an emergency procurement. Chair Martin asked if there are any planned capitol improvement or maintenance projects for state-leased or owned facilities in Lancaster County. Sec. McNeil explained that DGS oversees all leases across the commonwealth. He said he was unaware of any capital improvements in Lancaster County but offered to provide information on any lease amendments. Chair Martin asked about plans to expand the footprint or acquire property surrounding the Governor's Mansion following an incident. Sec. McNeil said he was unaware of any plans for expansion of the property.

Sen. Cris Dush (R-Franklin) inquired if the updated Surplus Property Disposition Plan was still on schedule and Sec. McNeil confirmed it was, with the final plan aimed to be sent over in March. Sen. Dush asked about the cost to taxpayers for maintaining surplus and vacant state properties. Sec. McNeil acknowledged it was in the millions but did not have an exact figure. He explained that the disposition plan for surplus and vacant state properties requires approval to proceed and emphasized the need for a collaborative effort to decide which properties should be eliminated. Sen. Dush inquired why the governor's executive budget forecasts a decrease in funding for the DGS every year until the 2030-2031 budget. Sec. McNeil mentioned new initiatives designed to return money to taxpayers, leading to a decrease in the department's service costs over time. Sen. Dush asked about the savings from the soup initiative. Sec. McNeil mentioned the savings were just over \$6 million, closer to \$7 million. Sen. Dush suggested that the \$6 million savings from SOUP should be directly reinvested into the program to achieve its goal of \$108 million in savings rather than returned to the general fund. Sen. Dush emphasized the benefits of directly allocating surplus funds to specific uses like investigations into workers' compensation fraud, highlighting the administrative cost savings and the potential for exponential benefits. He argued that this approach would lead to faster and more efficient use of the funds, rather than redirecting them into the general fund. Sen. Dush asked Sec. McNeil if his involvement with contracts also includes their creation, to ensure they are legally compliant and use funds effectively for the commonwealth. Sec. McNeil explained that his Bureau of Procurement oversees establishing procurement policies across the commonwealth, with each agency having a procurement official who assists in writing scopes of work, ensuring they adhere to the bureau's guidance and the Procurement Code. He emphasized the importance of including terms and conditions in contracts to monitor spending and ensure responsible use of funds, aiming for transparency with taxpayers. Sen. Dush raised concerns about AmeriHealth Caritas, which manages the prescription drug program in the commonwealth, noting the company's expenditure of a billion dollars on a facility that appears underused and questioning whether such expenditures benefit the public or serve private interests. Sec. McNeil mentioned the importance of terms and conditions in contracts for monitoring procurement processes and admitted to not having enough information to fully respond to the question about the specific contract but promised to follow up on the matter.

Chair Martin asked for details on where the \$6 million in savings is reflected in agency budgets or appropriations. Sec. McNeil explained were a result of reduced lease costs due to a decrease in leased buildings and square footage, but he could not specify where the saved funds were allocated after the savings were realized.

Sen. Steven Santarsiero (D-Bucks) recounted the incident on April 13, 2025, at the Governor's Mansion and asked if there was any precedent in Pennsylvania history before then for such an attack on the Governor's Residence. Sec. McNeil stated he was unaware. Sen. Santarsiero described the attack as part of a broader context of increased political violence in the United States, citing several incidents as indicative of a period of high alert and potential security threats to elected officials. Sen. Santarsiero asked if the Governor's Mansion was habitable after the attack on April 13, 2025. Sec. McNeil stated it was not. Sen. Santarsiero mentioned the governor and his family returned to his personal residence in Abington, and inquired if DGS collaborated with the state police on this decision. Sec. McNeil confirmed coordination on security measures but not on the decision for the governor to stay in Abington. Sen. Santarsiero inquired about the ongoing security work at the Governor's Mansion. Sec. McNeil acknowledged there was still work to be done. Sen. Santarsiero asked about Sec. McNeil's role in the security measures at the governor's residence in Abington, to which Sec. McNeil responded he had no role. Sen. Santarsiero noted upgrades were being made to enhance security at the Governor's Mansion due to the attack. Sec. McNeil confirmed the Harrisburg residence was uninhabitable and explained the fire caused smoke damage and disrupted security systems. Kirk added that over 100 contractors worked for nearly two months on extensive construction activities, and the life safety system was compromised. Sen. Santarsiero asked if there were any other state-owned public spaces for the governor and his family to live safely. Sec. McNeil said there were none beyond what was mentioned. Sen. Santarsiero discussed the state police's responsibility to protect the governor and the DGS's role in implementing security

measures, emphasizing the need for “extraordinary” security measures due to the attack. He questioned whether such security matters had been taken before, since such an attack had never occurred before. Sec. McNeil replied that they haven’t. Sen. Santarsiero mentioned the federal spending on security for President Donald Trump as a comparison, highlighting the significant security risks for elected officials. He inquired about the expenditures related to the discussed security measures. Sec. McNeil replied, “I have no idea what those expenditures are.” Sen. Santarsiero then detailed the security spending on President Trump’s residences and emphasized the attack on the governor was a hate crime due to his faith. He asked about the current habitability of the Governor’s Mansion. Sec. McNeil stated there has been a significant drop in construction personnel, and the residence is habitable.

Sen. Jay Costa (D-Allegheny) asked if the recommendations for changes were made in accordance with the Procurement Code. Sec. McNeil responded, “Yes.” Sen. Costa inquired if the changes would protect current and future governors. Sec. McNeil confirmed they would. Sen. Costa asked about the state mail processing vendor situation. Sec. McNeil explained that legal action was taken against a vendor for failing to process millions of pieces of mail and concealing this failure. Sec. McNeil detailed the swift actions taken to address the issue, including terminating the vendor’s contract and entering into a new agreement with a different vendor who successfully processed the backlog of 3.4 million pieces of mail. Sen. Costa questioned whether the term “concealed” implied the mail vendor purposefully hid information. Sec. McNeil remarked that the vendor continued to process metered mail to avoid raising red flags with the USPS but did not communicate any challenges during the budget impasse.

Sen. Lynda Schlegel Culver (R-Northumberland) asked for an explanation of the Cooperative Sourcing to Achieve Reductions in Spend (COSTARS) program and its annual savings for local government entities and nonprofits. Sec. McNeil described the program as a cooperative purchasing initiative with approximately 9,400 members and 21,000 suppliers, indicating its success and broad participation. He mentioned that he could not specify the annual savings generated by the program. Sen. Culver inquired about measures to increase participation in the costars program. Sec. McNeil acknowledged the potential for growth and detailed efforts to market the program and attract new participants. Sen. Culver expressed surprise at municipalities’ unawareness of the program and asked if non-public schools could participate. Sec. McNeil confirmed that public school entities participate in the program but was unsure about non-public schools. Sec. McNeil said he will provide further information later. Sen. Culver asked about the department’s actions to generate procurement-related savings for the commonwealth and other public entities. Sec. McNeil detailed efforts to modernize procurement practices and reduce red tape through the COSTARS program to deliver goods and services cost-effectively. Sen. Culver emphasized the importance of the program for savings and budgetary support, especially given the current financial state.

Sen. Elder Vogel (R-Beaver) inquired about the Pennsylvania Capitol Police’s (CPD) tracking of building entrants and fire code limits. Kirk stated that fire and security teams ensure building safety and monitor crowd sizes for fire safety. Sen. Vogel asked about the security of side doors during large events. Kirk confirmed that entrances are secured and monitored by capitol police during large events. Sen. Vogel questioned the status and future plans for disposing of surplus properties like the Polk and White Haven centers. Sec. McNeil stated that 27 properties are set to be submitted for disposal approval in March to expedite the process and alleviate financial responsibilities. Sen. Vogel asked, “Are the prison properties part of that situation as well? Or are they a separate deal?” Sec. McNeil replied, “No, they’re a part of it as well, but they’re not a part of the disposition plan at this point because the first step in all of that would be for the agencies to declare the property surplus.”

Sen. Sharif Street (D-Philadelphia) remarked on the “bone-chillingly horrific” attack on the governor and his family, thanking the department for its work. He noted the Shapiro administration’s commitment to diversity, equity and inclusion (DEI) measures. He asked, “Can you discuss both the value of those programs in terms of making sure we’re taking advantage of women-owned businesses, Black and brown businesses and all of the diversity of businesses that can come out of people who come from communities of color, and what the commonwealth is doing in that regard?” Sec. McNeil discussed the rebranding of the Bureau of Inclusion Supplier Diversity Office to the Business Inclusion Supplier Diversity Office and its oversight role in procurements, highlighting over a billion dollars spent on small, diverse and veteran business enterprises. He acknowledged the need for process improvements to support small business growth and introduced a pilot program with the Pennsylvania Advisory Council for Inclusive Procurement (PACIP) to increase access for small businesses. Sen. Street commended the administration for working with small, diverse businesses, emphasizing the importance of such investments in community development and job creation.

Sen. Joe Picozzi (R-Philadelphia) asked about measures being taken to ensure the safety and security of those visiting and working at the Capitol and other state buildings. Sec. McNeil explained the department’s approach to ensuring safety and security, including collecting intelligence on threats and adjusting security measures. He mentioned a budget request of \$550,000 to consolidate security contracts under CPD’s oversight. Sen. Picozzi inquired about the current state of security contracts before consolidation and which agencies are providing these services. Sec. McNeil stated the goal is to manage security contracts centrally due to their oversight responsibilities across the Capitol. Sen. Picozzi sought clarification on the efforts to consolidate security contracts under CPD and inquired whether the CPD had sufficient resources to protect the Capitol building, its staff and the public. Sec. McNeil emphasized the need for more personnel for Capitol Police due to a general decline in law enforcement recruitment and the importance of adapting security measures to changing vulnerabilities. Sen. Picozzi asked about the challenges in recruiting more

Capitol Police officers, referencing similar issues faced by the Philadelphia police. Sec. McNeil discussed the challenges in recruiting for CPD, including lower salaries compared to local law enforcement, and mentioned covering training costs for police force cadets through Act 120 to encourage more recruits. Sen. Picozzi asked if there is currently a shortage of Capitol Police officers compared to the ideal number they aim to have on staff. Sec. McNeil responded that he was aware of a shortage. Kirk mentioned their staffing is about 20% below the optimal level and promised to provide the exact number at a later date.

Sen. Judy Schwank (D-Berks) expressed concerns about the disposition of vacant buildings, such as state hospitals and prisons, and asked about the guidelines for selling these properties. Sec. McNeil explained the process for disposing of state-owned properties, mentioning three disposal methods and introducing a new process for requesting a waiver for demolition. Sen. Schwank inquired about buildings in the disposition plan that have attracted interest. Sec. McNeil mentioned that they receive contacts interested in surplus property and highlighted efforts to manage these properties more effectively. Sen. Schwank asked for more specific details about the plan given to the legislature. Sec. McNeil explained that the plan lists all surplus properties and is a crucial step for due diligence before sale. He stated that once the plan is complete, DGS can cover that property through a redevelopment authority or a sealed bid. Sen. Schwank inquired about the opportunity for local community influence in the disposal process and Sec. McNeil explained that public notices are sent out to involve the community. Sen. Schwank expressed concern over a warehouse in her county purchased by the federal government for use with immigration enforcement processes without significant local input. "I wouldn't want us to be putting communities into that same kind of position, where they don't have any choice really in how that goes forward, just as an example," she said.

Sen. Tracy Pennycuick (R-Berks) inquired about the rationale behind continuing to heat and cool a vacant Hamburg property and asked about the process for transferring it to the local community. Sec. McNeil explained that a decision on the future of a property considers public feedback, legislative, gubernatorial, DGS and owning agency input and requires passing a bill to convey the property in a specific manner. Sec. McNeil mentioned that there are 27 properties in surplus. Sen. Pennycuick asked about the total value of these surplus properties. Sec. McNeil responded that he did not know the total value but stated that the cost to operate these facilities is approximately \$20.7 million. Sen. Pennycuick highlighted that Pennsylvania spends \$20.7 million annually on these properties, which does not benefit taxpayers. She then asked how to expedite the removal of these properties, suggesting their conveyance to local communities. Sec. McNeil explained that a bill must be passed to convey the surplus property. Sen. Pennycuick announced her intention to work with a fellow senator from Berks County to facilitate the sale of some properties.

Sen. Rosemary Brown (R-Monroe) asked about the purchase of automatic external defibrillators (AEDs) through the COSTARS program over the last five years, including the number bought, their cost and the savings for public entities. She inquired about the cost and savings of purchasing AEDs for public school systems compared to retail prices and requested information on the most effective cost-saving and efficiency initiatives by the agency. Sec. McNeil said he did not have the AED information on hand but could obtain it. He described efforts to improve procurement efficiency, including reducing RFP cycle times and combining procurement platforms. Sec. McNeil highlighted a pilot program aimed at supporting micro and medium-sized businesses and looked forward to a \$16.1 million budget request for SOUP, which is expected to have a \$108 million impact. Sen. Brown asked if the initiative aimed at cost savings would be the most effective for reducing expenses and inquired about other cost-saving measures implemented over the last two years. Sec. McNeil discussed the focus on updating policies and initiatives to enhance efficiency and effectiveness, including the recent update of the procurement handbook.

Sen. Timothy Kearney (D-Delaware) discussed the significant increase in utility costs in the upcoming budget, highlighting an almost 18% increase over the previous year. He expressed concern about the impact of rising utility costs on constituents and inquired about the DGS's efforts to reduce energy use and manage these costs, specifically asking if DGS is pursuing energy projects like solar or geothermal. Kirk stated that new construction and major renovations must be designed to be at least 10% more efficient than the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standards for energy consumption, and discussed advising on energy-saving measures like geothermal and building envelope improvements.

Sen. Kristin Phillips-Hill (R-York) asked about the specifics of the \$4.5 million budgeted for excess insurance coverage for state-owned buildings, including details on maximums, minimums and deductibles. Sec. McNeil explained that the coverage applies to real property valued over a million dollars, with a deductible of about \$1 million, and was notably applied in the insurance for the restoration of the Governor's Residence. He mentioned that the total real property value of commonwealth assets has been shared with their insurance company but did not know the total insured value offhand. Sen. Phillips-Hill questioned the maximum coverage limits, minimum coverage amount, deductibles and whether the policy includes a replacement cost value clause. Sec. McNeil confirmed that the policy paid replacement cost value for damage at the governor's official residence and that approximately \$4.5 million has been paid out by the insurer so far for the damage, with additional invoices pending. He could not provide specific details comparing the total repair costs to the replacement cost value but offered to gather more information. Sen. Phillips-Hill inquired about expenditures on safety and security improvements at the Governor's Mansion. Kirk provided a breakdown of the costs, including \$6.5 million for fire restoration, \$6.3 million for security measures like camera lighting, \$14 million for fence and gate construction, \$8 million for ballistic windows installation and \$4 million for fire suppression, totaling approximately \$38.7 million. Sen.

Phillips-Hill summarized the total expenditure on state-sponsored improvements to the mansion as around \$38 million. Kirk said the current projection for the project costs is \$35.7 million, though DGS is still working through some invoices.

Sen. Patty Kim (R-Dauphin) discussed the recent passage of [Act 145 of 2024](#), which directs DGS to allow a Gold Star families Memorial Monument on the Capitol grounds, fully funded by a foundation. She inquired if DGS had to spend extra on the monument. Sec. McNeil confirmed DGS's responsibility for the upkeep of the monument. Sen. Kim mentioned her support for a \$7 million reimbursement for capital fire protection, praising the fire bureau's response to the fire-bombing incident at the Governor's Mansion. She asked for the number of state-owned buildings under their fire protection responsibility. Sec. McNeil mentioned the Harrisburg Fire Department is responsible for fire protection of 14 buildings in Harrisburg and praised their response time during the emergency at the Governor's Residence. Sen. Kim asked about the next project involving the Capital Preservation Committee (CPC) in terms of preserving the Capitol complex. Sec. McNeil discussed a comprehensive accessibility study aimed at enhancing accessibility throughout the Capitol complex and outlined two approaches for implementing the study's recommendations. Sen. Kim thanked the secretary for taking accessibility "seriously."

Sen. Jarrett Coleman (R-Lehigh) sought clarification on whether the state police had consulted with them regarding repairs to the governor's residence in Abington. Sec. McNeil mentioned his limited knowledge regarding the Pennsylvania State Police's (PSP) emergency procurement for the residence in Abington and explained that they provided the state police with section 516 of the Title 62 Procurement Code, which outlines the authority for emergency procurement. Sen. Coleman sought clarification on the use of the Job Order Contracting (JOC) program for improvements to a private residence, specifically questioning why DGS permitted this for the governor's personal residence in Abington. Sec. McNeil explained that the emergency procurement authority is silent on its use but specifies it can be employed in situations posing a threat to public safety, health or property. He mentioned this guidance was provided to the PSP as the basis for their authority in emergency situations. Sec. McNeil mentioned he could not recall providing a legal opinion on the use of emergency procurement authority for the discussed situation.

Sen. Coleman asked if DGS had advised using the emergency construction Procurement Code for repairs. Sec. McNeil directed inquiries to Section 516 of Title 62. Sen. Coleman questioned the fairness of the procurement process for repairs at the Governor's Mansion, highlighting a case where costs exceeded initial estimates by \$61,000. Sec. McNeil acknowledged the lack of a comparative analysis on JOC markups. Sen. Coleman noted a situation at the governor's residence in Abington, where a contractor was preselected to profit. Sec. McNeil remarked that emergency procurement does not predetermine contractor selection. Sen. Coleman asked if the contractor in Abington was instructed to apply to be a JOC vendor outside the recommended process. He questioned the authority given to the state police for home repairs in Abington and the appropriateness of using the JOC system for emergency construction on private property. Sec. McNeil stated he was unaware of discussions differentiating private from public property and had no knowledge of who insures the equipment used at the private residence of the governor. Sen. Coleman inquired about the status of bills that went through the JOC process. Sec. McNeil confirmed that the project went through a job order contract but stated that he does not have any oversight over the project.

Sen. Dush asked what percentage of the costs DGS provides for five personnel at the Governor's Office. Sec. McNeil said he will provide specifics later. Sen. Dush asked for clarification on the \$1.5 million request for the state insurance fund. Sec. McNeil explained was for settlements of claims under \$1 million. Sen. Dush further inquired if this fund was solely for property settlements. Sec. McNeil said he believed it was for claims under \$1 million but could provide more information later. Sen. Dush expressed interest in a new Taser glove observed during police training, suggesting it as a less aggressive means of controlling behavior. Sec. McNeil replied that he can look into its use. Sen. Dush asked for an update on the East Wing escalator and elevator. Kirk explained the delay in the Capitol elevator project was due to a pause during budget hearings and contractor performance issues, with the project expected to be ready by the end of March. Sen. Dush asked about the timeline for escalator removal. Kirk said it would begin after the budget season. Sen. Dush inquired if the same contractor was involved. Kirk confirmed but noted additional personnel were hired to complete the work. Sen. Dush asked if the escalator removal was under the same contract. Kirk confirmed.

Sen. Santarsiero discussed an incident on April 13, 2025, where the Governor's Residence was attacked. "The house is rendered, as you have testified previously, uninhabitable after that," he said. "There has been an attempt on the governor's life. So, obviously, there is a concern about the governor's safety moving forward, correct?" Sec. McNeil said, "Yes." Santarsiero emphasized the urgency of finding a secure location for the governor's family due to the lack of alternative state-owned facilities. Sen. Santarsiero highlighted the emergency that the department, state police and the governor's family faced following the incident. Sec. McNeil agreed with the senator's comments.

Minority Chair Vincent Hughes (D-Philadelphia) said he had no questions. "You're doing a great job," he remarked.



Senate Appropriations Committee - Budget Hearing with DHS

02/25/2026, 9:30 a.m., Hearing Room 1, North Office Building

Pennsylvania Legislative Services

The committee held a budget hearing with the Department of Human Services.

The Department of Human Services (DHS) was represented by:

- Sec. Valerie Arkoosh, DHS
- Gloria Gilligan, director, Office of the Budget, DHS
- Stephanie Shell, deputy secretary, Office of Administration, DHS
- Shantè Brown, deputy secretary, Office of Child Development and early learning, DHS, and
- Laval Miller-Wilson, deputy secretary, Office of Children, Youth and Families, DHS.

Chair Scott Martin (R-Lancaster) noted DHS's budget of \$67.2 billion, with \$21.9 billion from state funds. He pointed out that fraudulent child care programs have been in the headlines. He asked the secretary to explain the differences in oversight between Pennsylvania and Minnesota's child care programs. Sec. Arkoosh explained that only license providers can participate in Child Care Works, which is a program to provide child care for low-income families. She highlighted Pennsylvania's high licensing standards and frequent inspections. She reported that Pennsylvania's 18 Early Learning Resource Centers are under close supervision. Chair Martin asked whether a DHS employee is responsible for conducting annual on-site inspections. Sec. Arkoosh confirmed they are, with more frequent visits if there are complaints. Chair Martin inquired if the inspections ensure child care centers operate during their claimed hours and serve the claimed population. Sec. Arkoosh explained that Pennsylvania regulates 6,510 licensed child care providers, serving 408,000 children, and requires attendance records for children receiving subsidized child care, ensuring accuracy in the inspection process.

Chair Martin remarked on the 2024 Child Care and Development Fund final rule, which encourages states to pay providers based on child enrollment rather than attendance, contrasting with Pennsylvania's practice of paying based on attendance. Sec. Arkoosh confirmed that Pennsylvania continues to pay based on attendance, as the rule regarding prospective payment was not enacted due to the anticipation of policy rollback by the Trump administration. Chair Martin mentioned the department's commitment to combating potential fraud. Sec. Arkoosh expressed confidence in their system to minimize fraud opportunities and explained that fraudulent activity is extremely rare, with suspected cases referred to the Office of State Inspector General (OSIG) or the Attorney General's Office (AG) for investigation. Chair Martin asked about the attendance threshold affecting payment for child care if a child attends only sporadically. Sec. Arkoosh explained that a family must reach a total of 40 days of non-attendance before being considered for removal from the Child Care Works program.

Chair Martin inquired about the department's general fund revenue request increase from \$20.5 billion to \$21.9 billion, specifically mentioning the impact of the Supplemental Nutrition Assistance Program (SNAP) administrative cost-sharing reduction. Sec. Arkoosh explained the immediate impacts of federal HR 1, also known as the One Big Beautiful Bill Act, noting a cost shift to Pennsylvanians for 25% of the SNAP administrative fee, increasing states' share to 75%, resulting in an \$87 million cost in this year's budget, expected to rise to \$120 million annually. She stated the increase is unrelated to the SNAP error rate and affects all 50 states. Chair Martin mentioned a \$1.3 billion increase in the general fund revenue request, attributing it to cost to carry and a reduction in SNAP administrative cost-sharing. Gilligan noted the absence of a detailed breakdown for future budget years beyond 2026-2027, mentioning factors like the SNAP administration change and a projected decrease in Medicaid enrollment from eligibility requirements. She added that the savings related to minimum wage are not included because they would be duplicative. Chair Martin asked about the impact of the Federal Medical Assistance Percentage (FMAP) change on the general fund request. Gilligan said the FMAP changes are about \$570 million from 2025-2026 to 2026-2027. Sen. Chair Martin asked if, excluding FMAP adjustments, the general fund budget could have seen a \$1.9 billion increase. Gilligan suggested that other payments might have needed adjustments without the FMAP change. Chair Martin asked if the growth from fiscal year 2024-2025 to 2025-2026 is \$1.5 billion. Gilligan confirmed and projected about 1% growth in their largest programs over the next four years, with most other appropriations held flat.

Chair Martin highlighted an administration projection of a \$200 million annual increase and asked about the average annual increase in the DHS state fund budget over 12 years. Gilligan said she did not have that information in front of her. Chair Martin stated the DHS state fund budget increased by an average of \$900 million a year over 12 years, leading to a \$7 billion shortfall in the 2026-2027 budget request. He questioned why DHS underestimates spending. Gilligan responded that uncertainties at the federal level

make budget finalization challenging and stated that the 1% growth rate is reasonable. Chair Martin expressed concern over the discrepancy between projected and actual budget increases, emphasizing the challenges it poses for Pennsylvania's fiscal stability.

Chair Martin asked if DHS still supports not implementing any parts of the 1115 waiver without legislative approval, noting its inclusion in the governor's budget. Sec. Arkoosh said, "Yes, that's why the governor has it in his proposed budget." Chair Martin highlighted the success of the Grow PA program, noting over 11,000 applications and around 5,700 recipients. He asked for ideas to promote the program to reduce student debt and meet workforce needs. Sec. Arkoosh outlined initiatives to expand the workforce in critical need areas, including easing the pathway for social workers to become licensed and leveraging Rural Health Transformation funds for training in rural communities. Chair Martin inquired about the most effective method for identifying workforce needs in the social work sector. Sec. Arkoosh admitted she is not an expert in that area but offered to provide further information later.

Sen. Arthur Haywood (D-Montgomery), minority chair, Senate Health and Human Services Committee, asked for updates on the department's activities over the past year. Sec. Arkoosh highlighted key achievements, including a 30% reduction in the adult emergency waiting list for individuals with intellectual disabilities or autism and improvements in data collection on behavioral health.

Sen. Haywood commented on the challenges faced by Pennsylvanians, including the nation's lowest minimum wage and high student loan rates. He asked for an update on SNAP enrollment following new national reporting requirements. Sec. Arkoosh explained that following HR 1, about 89,000 individuals lost access to SNAP benefits due to the expiration of work requirement waivers, with 59,000 of these losses occurring after June 1, 2025. Sen. Haywood expressed concern about potential new requirements for accessing health care and inquired about the likely impacts and mitigation measures. Sec. Arkoosh said DHS has worked to create a number of public and department tools that are easier to use. She explained that Medicaid users will need to redetermine their eligibility every six months and meet community engagement requirements or work requirements unless they're exempt. She noted the department has automated some processes so that people can go online without having to make a phone call and track the status of their application. She added that another system allows a worker to provide their most recent pay stub and upload the information to determine eligibility. "So, those things are all in place right now for SNAP, and then we'll be extended into Medicaid, and then for our own workers, again, just some of the document upload improvements have made their lives so much easier," she said.

Sen. Haywood asked whether the anticipated 1% growth was due to people losing access to food and health care. Sec. Arkoosh discussed the impacts of HR 1 on Pennsylvania, including an increase in uninsured individuals, disenrollment of lawful immigrants from Medicaid and a rise in food insecurity. She mentioned the governor's efforts to mitigate these impacts and the significant influence of federal actions on the state's DHS budget, which exceeds \$64 billion. Sen. Haywood asked about measures to support hospitals with a significant number of patients on public assistance. Sec. Arkoosh highlighted a potential \$20 billion cut in Medicaid funding starting in 2028 due to HR 1, affecting rural and urban hospitals.

Chair Martin inquired about the process for SNAP recipients to grant access to their payroll information. Sec. Arkoosh explained that Pennsylvania has established its own system for this, enhancing security and accuracy. Chair Martin asked about the potential budget increase for 2028-2029 without state or federal changes. Sec. Arkoosh explained that HR 1 could result in a \$20 billion total cut to the commonwealth's Medicaid program over a decade from 2028 to 2038.

Sen. Kristin Phillips-Hill (R-York) referred to the governor's budget address and the importance of passing the False Claims Act to reduce fraud. She mentioned an estimate of around \$3 billion in fraud and improper payments within Pennsylvania's Medicaid program around 2019 or 2020, and asked Sec. Arkoosh whether she agreed with that assessment. Sec. Arkoosh said she couldn't comment on the 2019 fraud assessment but mentioned \$486 million in cost recoveries or avoidances in the past year and a Medicaid payment error rate of 0.26%, below the national standard. Sen. Phillips-Hill expressed concern about taxpayer dollars going to improper payments and asked which industries were expected to have fraud and which had been targeted by Sec. Arkoosh's department. Sen. Phillips-Hill asked about the potential impact of proposed False Claims Act legislation on reducing fraud in programs administered by DHS, referencing recent fraud cases in other states. Sec. Arkoosh responded that she hadn't reviewed the legislation in detail but supported tools to reduce fraud. Sen. Phillips-Hill further inquired if DHS could estimate the savings from the proposed legislation. Gilligan said improper payments could involve overpayments or underpayments, noting a 0.01% eligibility rate error in their measures.

Sen. Timothy Kearney (D-Delaware) inquired about the implementation of [Act 23 of 2024](#), which he sponsored, regarding alternate methods of testimony for children in administrative hearings and the support of a child advocate. Shell explained the training and measures taken to support child witnesses in hearings. Sen. Kearney expressed concerns about due process for individuals listed on the child abuse registry and questioned the staffing and caseloads at the Bureau of Hearings and Appeals. Sec. Arkoosh discussed ongoing litigation related to pre-deprivation hearings and the potential impact on the bureau's caseload. Gilligan noted a 16-position increase in the current 1,060-position complement ceiling for the bureau but pointed out that there are unfulfilled positions due to the state budget impasse. Sen. Kearney asked if staffing and funding issues were hindering the efforts to hold pre-deprivation

hearings for everyone. Gilligan confirmed.

Sen. Cris Dush (R-Franklin) criticized the governor for not addressing Republican concerns about debt and the need for significant tax increases or cuts. He highlighted the lack of a detailed five-year financial plan as constitutionally required. He pointed out discrepancies between the governor's minimal expense projections and those of the Independent Fiscal Office (IFO) and Senate Republicans, asking for updated projections. Sec. Arkoosh indicated that the budget secretary would be better suited to address his concerns, stating that her department follows the guidance from the Budget Office. Sen. Dush stated he is "frustrated" each year over the annual requirement for departments to submit information for budget projections not being followed. Sec. Arkoosh acknowledged the complexity of the situation in her department, citing many moving parts. Sen. Dush noted that the department's budget projections have consistently differed from those of the IFO, which have been accurate for four years. Sec. Arkoosh reiterated that questions about the budget presentation should be directed to the budget secretary. Sen. Dush inquired if Sec. Arkoosh's department provides projections for outlying years and asked for the projections given to the government's budget office. Sec. Arkoosh explained that their projections include assumed reductions in the Medicaid program due to the impact of increasing the minimum wage.

Sen. Dush highlighted a statement from Sec. Arkoosh's budget briefing about HR 1, which would change Medicaid financing rules and reduce the federal share by \$20 billion over a decade starting in 2028. He asked whether the financial responsibility would fall on the state or hospitals. Sec. Arkoosh explained that HR 1 would primarily affect Medicaid and hospital assessments, indicating that significant cuts elsewhere or General Assembly intervention would be necessary if funds were cut. She mentioned that some program changes were made in anticipation of budget pressures. Sen. Dush requested Sec. Arkoosh to forward plans or a synopsis related to the changes and assessments discussed. Sec. Arkoosh mentioned that nothing has been finalized regarding HR 1 but offered to share their current understanding of it. Sen. Dush expressed a desire for advance notice on potential contingency plans. Sec. Arkoosh said she would do so.

Sen. Tracy Pennycuick (R-Berks) expressed concern about the development of a health care desert in Montgomery County due to the closure of several health departments at Pottstown Hospital. She asked Sec. Arkoosh if she had analyzed the impact of granting full practice authority to nurse practitioners on securing additional Federal Rural Health Transformation Program funds. Sec. Arkoosh explained that while Governor Shapiro supported expanding practice authority for nurse practitioners, which could enhance the state's application for the program, the lack of commitment from the General Assembly prevented them from including this provision in their application. Sen. Pennycuick asked if there was any ability to join the program after submission. Sec. Arkoosh responded that the application process was final and no changes were allowed post-submission. She added that Pennsylvania was unlikely to receive the full \$200 million from the program due to various factors but remained committed to using whatever funds were received efficiently. Sen. Pennycuick supported granting nurse practitioners full practice authority to address workforce shortages and inquired about a significant loss of revenue noted in the budget material, specifically the need for \$84 million in state funds to compensate for a reduction in pharmacy rebates. Sec. Arkoosh explained that the reduction in rebates, particularly for GLP-1 medications for obesity alone, was due to coverage changes starting Jan. 1, 2026, but suggested it still represented net savings for the Medicaid program. Sen. Pennycuick asked how President Donald Trump's drug negotiations, specifically the reduction of GLP-1 prices by Eli Lilly to \$275 a month, were factored into the budget. Sec. Arkoosh mentioned that they had not received any official guidance from CMS regarding cost savings from these negotiations and specified that the Trump RX website was not accessible for Medicaid recipients.

Sen. Patty Kim (D-Dauphin) expressed concern about the impact of increasing patient travel distances on hospitals, especially in rural areas. She asked about the potential \$50 billion Rural Health Fund from HR 1 to alleviate issues faced by rural hospitals. Sec. Arkoosh explained that the fund could not be used for hospital operating expenses and highlighted the broader impacts of HR 1, including the loss of enhanced premium tax credits, the introduction of work requirements for Medicaid and the anticipated increase in uninsured individuals. She emphasized that these changes would increase pressure on hospitals to care for uninsured patients under the Emergency Medical Treatment Act, worsening the already challenging situation.

Minority Chair Vincent Hughes (D-Philadelphia) expressed concern about the recent closure of a hospital in Bradford and the limitation of federal funds to only cover services, not hospital costs, highlighting the impact on the community. Sec. Arkoosh detailed the challenges posed by the Bradford hospital closure, including the impact on emergency services and the local economy, given the hospital's role as a major employer. Chair Hughes discussed the broader issue of hospital closures, criticizing the inadequacy of federal support for maintaining hospitals and emphasizing the interconnectedness of health care with local economies and social systems.

Sen. Elder Vogel (R-Beaver) inquired about the difference between PA Navigate and 211 systems, noting the budget allocation for 211 and questioning the purpose of PA Navigate. Sec. Arkoosh explained PA Navigate as an IT network facilitating access to medical records and referrals to community-based services, contrasting it with 211's call center service. She highlighted PA Navigate's funding through the American Rescue Plan Act (ARPA), while emphasizing the distinct roles of both systems. Sen. Vogel asked whether PA Navigate is accessible to everyone. Sec. Arkoosh responded affirmatively, detailing its support by health

information organizations and its efficiency in connecting health care providers with services like medically tailored meals.

Sen. Amanda Cappelletti (D-Montgomery) inquired about the implementation and challenges of recruitment and retention grants for child care, noting the budget increase for bonuses. Sec. Arkoosh thanked the General Assembly for creating a \$25 million recruitment and retention fund for child care workers, detailing efforts to increase child care providers' base rates and the issuance of startup and expansion grants. She expressed hope that increasing the fund to \$35 million would benefit child care providers. Sec. Arkoosh stated that more information on the success of the recruitment and retention fund for the child care workforce would be available after the funds are distributed, due to the limited timeframe since the budget's passage. Sen. Cappelletti expressed concern about the loss of more than 220 child care programs since 2019 and asked whether DHS is taking additional measures beyond the recruitment and retention grants to address this trend. Sec. Arkoosh discussed the decrease in the number of licensed child care providers post-pandemic but noted an increase in their capacity. She highlighted the issuance of 86 startup and expansion grants and mentioned a statewide needs assessment being conducted with Penn State Harrisburg. She described the support provided to child care providers through rapid response teams.

Sen. Rosemary Brown (R-Lackawanna) acknowledged DHS's role in the state budget and asked for examples of cost-cutting initiatives. Sec. Arkoosh detailed efficiency adjustments in managed care capitation rates, resulting in significant savings, pharmacy changes leading to \$348 million in savings and the Bureau of Program Integrity's recovery and avoidance of \$486 million in costs. She highlighted programs in the Adult Protective Services and the Office of Developmental Programs (ODP) that provided cost savings and avoided emergency department visits.

Sen. Lynda Schlegel Culver (R-Northumberland) discussed the Child Care Development Fund, highlighting a 23% case error rate and an 11% improper payment rate, amounting to approximately \$7.3 million. Brown mentioned that the final numbers related to the fund's case error rate and improper payment rate were around 2% and did not necessitate a corrective action plan. Sen. Culver asserted that the 2% error rate mentioned earlier actually refers to a sample, but the current cycle data shows an improper payment rate of around 23.19%. Brown mentioned that federal monitoring occurs every three years and most recently reported a 2% error rate, but she was uncertain about the document Sen. Culver referred to, noting the discrepancy in error rates. Sen. Culver stated that the document is the state's improper payments report sent to the federal government. Brown mentioned receiving positive feedback from federal authorities on their error reporting and their procedure for handling providers with challenges. Sen. Culver expressed that her focus was on understanding the reasons behind missing performance targets and review cycles, not just debating error percentages. Brown stated their department has consistently shown strong performances in federal reviews and suggested a follow-up discussion for clarification. Sec. Arkoosh said the department would speak with Sen. Culver because she doesn't "think either one of us are exactly sure what you're looking at."

Sen. Culver asked about the main factors behind missing performance targets and how to improve them. Brown mentioned she would need feedback from her team. Sen. Culver questioned why the department stopped publishing quarterly reports on child care inspections and enforcement actions in 2022. Sec. Arkoosh mentioned that certain items were moved to a different location. Brown remarked that child care inspection reports are still publicly available online under a different name and location, and the legislature can still receive these reports. Sen. Culver asked why the department still requires degrees for certain programs and specialist roles despite the governor eliminating degree requirements for most state positions. Sec. Arkoosh explained the importance of maintaining degree requirements for early learning child care providers, highlighting the correlation between strong early childhood education and future success, and mentioned the possibility of granting waivers for these requirements.

Chair Martin stated the document was sent to him and Senate Health and Human Services Chair Michele Brooks (R-Mercer) in response to a letter which indicated the percentage of cases with an error at 23.19%, the percentage of cases with an improper payment, 10.87% and then the percentage of total amount of payments for the sample that are improper payments, 2.26%. Sec. Arkoosh apologized for not having a specific report available and promised to follow up.

Sen. Devlin Robinson (R-Allegheny) questioned Sec. Arkoosh about the proposed \$16.8 million budget increase for Pennsylvania's two state centers, given their reduced bed capacity and high cost per resident. Sec. Arkoosh explained the focus on community-based care, the challenges of closing centers and the complexity of decisions involving families and stakeholders. Sen. Robinson inquired about the budget allocation for the state centers. Gilligan reported that the budget for state Intellectual Disability (ID) centers is set at \$108 million for fiscal year 2025-2026, with a \$1.9 million increase mainly for staffing and operational costs. Sen. Robinson asked about the allocation of a \$76.8 million increase in state funds for ODP. Gilligan explained the increase is due to changes in service utilization and other factors detailed in documents sent to the legislature. Sen. Robinson shifted the discussion to EBT security and asked for details on added security features to combat benefit theft. Sec. Arkoosh outlined efforts to address SNAP benefit theft, including educating retailers, providing an app for recipients to lock their cards and considering a transition to chipped cards, despite technical difficulties and increased costs estimated at \$17 million. Sen. Robinson asked about the total financial loss compared to the cost of updating SNAP benefit cards. Sec. Arkoosh explained that after COVID-19, the federal government reimbursed stolen SNAP benefits upon validation, but this program has ended, and the state no longer tracks these claims due to resource constraints. She highlighted the Office of State Inspector General's success in combating benefit theft.

Sen. Joe Picozzi (R-Philadelphia) asked about the ChildLine initiative, which involves a \$658,000 appropriation for enhancements, including 20 new positions. Sec. Arkoosh described ChildLine as a 24/7 reporting line for child abuse suspicions, emphasizing efforts to improve the service through better training, staffing and triage processes. She expressed hope for support of this initiative to reduce workload on county Children and Youth agencies.

Sen. Picozzi inquired about potential cost savings at the county level from these enhancements. Sec. Arkoosh discussed the importance of reducing unnecessary case volumes to alleviate staffing challenges faced by county children and youth agencies, especially due to COVID-19. Sen. Picozzi requested an update on the rate study, which aimed at understanding the gap between state-approved and actual rates paid to providers by counties. Miller-Wilson mentioned that the rate study was completed and submitted, with ongoing discussions about the recommendations with the Pennsylvania Children and Youth Services Providers Association (PCCYFS). Sen. Picozzi shifted the discussion towards issues faced by Pennsylvanians with behavioral health challenges and intellectual disabilities concerning door-to-door transportation services, asking for solutions to problems like missed pickups and miscommunications. Sec. Arkoosh explained that the non-emergent medical transport system is county-administered and that her office is willing to assist with improvements but emphasized that management should remain at the county level.

Chair Martin asked Sec. Arkoosh to define the triaging process for ChildLine workers, inquiring about their role in investigations and adherence to reporting requirements and deadlines. Sec. Arkoosh said DHS would sift through details, however the investigations would still occur at the county level.

Chair Hughes asked Sec. Arkoosh about the support provided to ChildLine workers, emphasizing the intensity of their work and how they are assisted in managing their responsibilities. Sec. Arkoosh discussed the challenges faced by ChildLine workers, mentioning recent improvements in recruitment that have reduced vacancy rates, the past issue of mandatory overtime and the importance of maintaining staffing levels. She stressed the need for enhancing professional development to support these workers. Sen. Hughes highlighted the importance of supporting ChildLine workers to help them cope with the emotional toll of their duties, emphasizing the concept of “healing the healers.” Miller-Wilson compared ChildLine workers to air traffic controllers, highlighting the extensive training they undergo and the significant supervision provided to manage the demanding job effectively. Sec. Arkoosh emphasized the goal of achieving greater consistency across the commonwealth in handling child welfare reports by centralizing more triage work at the state level, aiming to professionalize the system and ensure uniform responses.

Sen. Haywood asked Sec. Arkoosh about achieving a low error rate compared to the national average, the need for remapping patient access due to hospital closures and the expected impact of the governor’s \$3 million investment in health initiatives. Sec. Arkoosh discussed the remapping of hospital catchment areas, the impact on EMS, Medicaid’s commitment to maintaining network adequacy standards, the role of rigorous processes and an AI module in achieving a low payment error rate and the potential for cost savings and improved health outcomes through the governor’s health initiative investments. She noted a similar approach has been successful in North Carolina.

Sen. Phillips-Hill pointed out a discrepancy between the governor’s criticism of federal officials over SNAP benefits and a significant mail failure within his administration that led to over 3.4 million pieces of mail, including SNAP renewal notices, not being delivered for a month. She questioned the accuracy of the reported number of affected mail pieces, suggesting it was actually 1.7 million. Sec. Arkoosh acknowledged the issues raised were related to budget impasses at both the federal and state levels. Sen. Phillips-Hill asked Sec. Arkoosh to confirm the number of mail pieces impacted by the failure. Sec. Arkoosh confirmed it was 1.7 million. Sen. Phillips-Hill highlighted the personal impacts of the state’s mail failure, mentioning individuals who lost state-funded care and medical insurance due to delayed mail. She inquired about the total number of people who temporarily lost their benefits during the incident. Sec. Arkoosh explained that DHS extended appeal and response deadlines due to mail delays, resulting in 249,000 Medicaid individuals experiencing mail delays. She remarked that proactive measures were taken to maintain eligibility, with 27,164 cases kept open for further information. She specified that no Medicaid recipients should have lost benefits temporarily due to these actions and mentioned being aware of a specific case reported by the Inquirer. Sen. Phillips-Hill asked about the number of administrative hearings that had to be rescheduled due to the failure to deliver notices. Sec. Arkoosh replied that approximately 1,300 hearings were rescheduled.

Sen. Timothy Kearney (D-Delaware) discussed the crisis facing rural hospitals in Delaware County, including the closure of four out of six hospitals and its impact on emergency medical services. He suggested seeking federal assistance and addressed the funding challenges faced by Child Advocacy Centers (CACs) in Pennsylvania, noting a funding gap of \$14.5 million identified in a 2023 report. He asked, “Is there anything that that you Is there anything that we can do to guarantee that substantial, sustainable funding for child advocacy centers is included in this budget?” Sec. Arkoosh expressed her support for CACs, acknowledging their crucial role in providing forensic interviews for child victims and their efficiency in supporting law enforcement and medical personnel. She emphasized the importance of considering support for CACs, especially in rural communities. “I think that anything that we can do to make it easier and more efficient for everybody in the community that is engaged in a situation like this to come together efficiently, and then, of course, obviously, the impacts on the children are minimized in that way,” she said. “I think these are things that are

very important to consider.”

Sen. Dush mentioned that Pennsylvania received significant funding for rural health through a bill passed by Republicans in Congress. He asked which facilities are eligible for the Rapid Response Access Stability program, how much funding will be available and when it will be released. Sec. Arkoosh responded that details about the rural health transformation plan would be available in two to three weeks, as they are finalizing contracting with CMS and setting up internal processes. She stated that a public webinar will be hosted within the month to provide details on how to apply for the fund. Sen. Dush inquired about the timeline for hospitals to apply for the newly mentioned funds. Sec. Arkoosh stated that the program would go live immediately after the webinar is completed, with the goal to have everything ready and then to “hit go.” Sen. Dush asked about safeguards to ensure federal funds for rural areas are not diverted to urban areas and emphasized the importance of notification for both rural and urban regions. Sec. Arkoosh explained, “There will not be funding going through the preps. CMS has told us that’s not allowed, so they’ll be working with the regional care collaboratives and a staff person that we’re going to hopefully co-locate with all the preps,” she said. “So, we’ll be very much working together, but the money is going to have to come through DHS.”

Sen. Dush noted his concerns were not against urban hospitals but noted that rural areas have faced shutdowns more swiftly. Sec. Arkoosh asserted that funding is designated for HRSA-designated rural regions, and urban hospitals could participate only if a rural hospital requests their services for remote patient monitoring in specific departments, with the initiative originating from the rural hospital. Sen. Dush mentioned nursing homes in Bradford and Coudersport. Sec. Arkoosh explained that funding for Medicaid patients eligible for nursing home care is paid directly to the facilities, and 79% of individuals in the community health choices program opt to manage their care with home and community-based services. She continued that independent enrollment brokers, who help eligible individuals understand their service options, receive a flat rate without bonuses. Sen. Dush inquired about the setup of the fee for nursing homes and whether any money intended for the nursing homes is deducted to cover the fee. Sec. Arkoosh said no money is deducted.

Sen. Sharif Street (D-Philadelphia) highlighted the challenging job due to federal Medicaid cuts and asked about the impact of these cuts on resources available to high Medicaid utilization hospitals in Philadelphia, including Temple, Einstein and possibly the University of Pennsylvania. Sen. Street expressed concern over the administration’s cuts to services for vulnerable populations and speculated on the impact on child care subsidies. Sec. Arkoosh responded that long-term services for seniors remain unaffected. Sen. Street asked about the reduction in federal support for SNAP administrative costs and its impact on Pennsylvania taxpayers and services for vulnerable populations. Sec. Arkoosh explained that the proposed budget shifts the cost-sharing from a 50/50 split to 75% covered by states, resulting in an \$87 million cost shift to Pennsylvania for the fiscal year 2026-2027, expected to increase to \$120 million in 2027-2028. Sen. Street described HR 1 as a tax increase on Pennsylvanians to fund tax cuts for billionaires and asked about its impact on Medicaid funding for substance abuse and addiction services. Sec. Arkoosh stated it’s too early for specific impacts but highlighted proactive steps, including cost reductions in Medicaid and investments in health to prioritize preventive care. She noted plans to convene a work group to explore options for potential difficult choices ahead. Sen. Street said he appreciated the efforts to maintain services for vulnerable Pennsylvanians despite federal budget cuts.

Sen. Kim asked if the governor’s proposal for a \$15-minimum wage would result in savings for the department. Sec. Arkoosh responded that it could lead to 49,000 to 50,000 individuals no longer being eligible for Medicaid. She mentioned budgeted savings in the Medicaid program for 2026-2027 due to the minimum wage increase. Gilligan reported a savings of about \$59 million in the fiscal year 2026-2027, increasing to \$306.3 million in 2027-2028 if the increase in the minimum wage is passed. She said the savings would be reflected in the capitation line of the budget, with the state share being significantly less. She continued that the increase in minimum wage would also result in some individuals, including children, moving from Medicaid to the Children’s Health Insurance Program (CHIP), leading to increased costs in the CHIP line and child care services, though these are minor compared to overall Medicaid savings. Sen. Kim inquired about the implications of work requirements for Medicaid in some southern states. She explained that Pennsylvania could forecast some of the effects by learning from those examples. Sec. Arkoosh explained that work requirements in SNAP have existed for a while, and there have been attempts to introduce them into Medicaid. She noted that two states had previously attempted to pilot work requirements for Medicaid but stepped back due to significant disenrollment issues, not necessarily because people were not working but because of their inability to navigate the bureaucratic process. She emphasized efforts in Pennsylvania to simplify reporting requirements for Medicaid and asked for assistance in disseminating information to ensure people can maintain their benefits, warning that failure to report could lead to disenrollment and increase the number of uninsured individuals needing hospital care.

Chair Martin asked why, despite significant wage increases by businesses across the state to address workforce shortages, there hasn’t been a corresponding decrease in Medicaid enrollments. Sec. Arkoosh explained that Medicaid enrollment has indeed been decreasing since the previous spring, around March or April, attributing this trend to the gradual wage growth across the commonwealth. Chair Martin discussed the relationship between minimum wage increases and Medicaid enrollment, noting that despite significant wage increases in certain sectors to compete for workers — which should theoretically reduce Medicaid enrollment if the minimum wage were raised — this correlation has not been observed. He suggested that analyzing data from the past five to six years, during which there was a historic jump in wages, could provide insights into this dynamic. Sec. Arkoosh

mentioned that there have been decreases in the Medicaid population, specifying that these reductions are separate from the unwinding process, indicating a continuous decline.

Chair Martin explained that many Pennsylvanians are frustrated that children who are funded by taxpayers may not attend school for up to 40 days, while unfunded students can only have up to six unexcused absences. He asked if the guidelines are set by the federal government or if the state can seek a tighter framework. Sec. Arkoosh stated the guidelines in question are set by federal regulations. She noted uncertainty regarding the state's ability to modify these guidelines. Brown mentioned that the 40-day attendance requirement for child care is likely a federal mandate. She noted her team was verifying this information to ensure accuracy, but she was almost certain that the requirement applies to the entire year of the program. Sec. Arkoosh mentioned that there has never been any waiver or opportunity presented that they are aware of regarding the concerns raised. Chair Martin said, "I'd like to see any information you have, because I think we share that frustration. If there was a chance that we could say, 'Hey, we're willing to make the commitment to you, but the commitments got to go both ways'."



Bullet.in.Points

GOVERNOR'S OFFICE: INCREASE IN THE MINIMUM WAGE TO BE PAID TO PERSONS EMPLOYED BY, AND BY MEANS OF CONTRACTS WITH, COMMONWEALTH AGENCIES UNDER THE GOVERNOR'S JURISDICTION EFFECTIVE JULY 1, 2026

The Governor's Office announced a minimum wage increase for certain commonwealth employees under the governor's jurisdiction due to a cost-of-living adjustment as a result of Executive Order 2016-02. Additional information is available on the *Pennsylvania Bulletin*.

STATE BOARD OF SOCIAL WORKERS, MARRIAGE AND FAMILY THERAPISTS AND PROFESSIONAL COUNSELORS: GENERAL REVISIONS

The State Board of Social Workers, Marriage and Family Therapists and Professional Counselors proposed an amendment relating to qualifications for licensure, supervisor qualifications, supervision of clinical experience, codes of ethics, professional corporations and fictitious names and continuing education. Additional information is available on the *Pennsylvania Bulletin*.

Cosponsor Memos

HCO3164 - Public Service Loan Forgiveness Awareness

Sponsor

Rep. Anthony A. Bellmon (D)

Summary

Promotes awareness of the federal Public Service Loan Forgiveness program (PSLF) by requiring governmental employers to inform their staff about the program.

Intro Date

02/22/2026

Last Action

02/23/2026 H - Cosponsor memo filed

HCO3165 - AI Public Education Campaign

Sponsor

Rep. Joe Ciresi (D)

Summary

Starts an artificial intelligence (AI) public education campaign aimed to educate the general public on various topics, including identifying AI-generated content, avoiding AI-enabled scams, understanding responsible behavior when engaging with AI chatbots, protecting personal data when using AI, awareness of bias and misinformation ingrained in AI programs and protecting children from AI misuse.

Intro Date

02/23/2026

Last Action

02/23/2026 H - Cosponsor memo filed

HCO3168 - Building & Construction Trades Pre-Apprenticeship Initiative

Sponsor

Rep. Elizabeth Fiedler (D)

Summary

Creates a workforce development partnership between the Building & Construction Trades, community colleges and career and technical centers (CTCs) to offer students pathways into skilled trades and pre-apprenticeship programs.

Intro Date

02/23/2026

Last Action

02/23/2026 H - Cosponsor memo filed

HCO3179 - Supporting Students with Pancreatic Conditions at School

Sponsor

Rep. Tarik Khan (D)

Summary

Aims to allow students to carry and self-administer prescribed pancreatic enzyme supplements at school.

Intro Date

02/25/2026

Last Action

02/25/2026 H - Cosponsor memo filed

HCO3185 - Strengthening Mental Health Support for PA Students

Sponsor

Rep. Manuel Guzman (D)

Summary

Create a new, nonclinical support role in Pennsylvania high schools to target student anxiety, depression, social isolation, and disengagement. Each high school would employ trained School Life Support Coaches to provide daily mentorship, social and emotional guidance, crisis support, and connections to school and community resources.

Intro Date

02/26/2026

Last Action

02/26/2026 H - Introduced

Basic Ed Bill Actions

HB2239 - An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in burglary and other criminal intrusion, further providing for the offense of unlawful use of unmanned aircraft.

Sponsor

Rep. Brenda M. Pugh (R)

Summary

(PN 2933) Amends Title 18 (Crimes and Offenses), in burglary and other criminal intrusion, further providing for the offense of unlawful use of unmanned aircraft. Provides for offense when operating on the grounds or aerial space of a school entity without written permission from said school entity, punishable by a fine up to \$300. Details exceptions for school security personnel during official duties. Defines "school entity" and "school security personnel." Effective in 60 days.

Intro Date

02/24/2026

Actions

02/24/2026 H - Introduced

02/25/2026 H - Referred to House Judiciary

HB2240 - An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in charter schools, further providing for contents of application.

Sponsor

Rep. Marc S. Anderson (R)

Summary

(PN 2934) Amends the Public School Code, in charter schools, further providing for contents of application. Requires the description of any physical facility where the charter school will be located. Requires the charter school to provide a school district with the address and information on ownership or lease arrangements for each physical facility and notify the school district within 10 days of any changes if all physical charter school facilities are located within the boundaries of one school district. Effective in 60 days.

Intro Date

02/24/2026

Actions

02/24/2026 H - Introduced

02/25/2026 H - Referred to House Education

HB2247 - An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in school finances, further providing for school districts lying in more than one county or in more than one municipality and limitation on total tax revenues.

Sponsor

Rep. Paul Friel (D)

Summary

(PN 2938) Amends the Public School Code, in school finances, further providing for school districts lying in more than one county or in more than one municipality and limitation on total tax revenues. Provides for alternatives when a school district lies in more than one county for school directors to set the millage rate change at a uniform rate for the entire district, due to the Taxpayer Relief Act, in the same manner as a district that only lies in one county. Effective in 60 days.

Intro Date

02/25/2026

Actions

02/25/2026 H - Introduced

02/25/2026 H - Referred to House Finance

HB2250 - An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in grounds and buildings, further providing for referendum or public hearing required prior to construction or lease.

Sponsor

Rep. Tim Brennan (D)

Summary

(PN 2943) Amends the Public School Code, in grounds and buildings, further providing for referendum or public hearing required prior to construction or lease. Includes the addition of administrative space as a secondary building in the aggregate building standard in schools. Effective in 60 days.

Intro Date

02/25/2026

Actions

02/25/2026 H - Introduced

02/26/2026 H - Referred to House Education

HB2253 - An Act requiring school life support coaches in Pennsylvania high schools; and imposing duties on the Department of Education and school districts.

Sponsor

Rep. Manuel Guzman (D)

Summary

(PN 2946) The School Life Support Coaches Act requires school life support coaches in Pennsylvania high schools; and imposes duties on the Department of Education (PDE) and school districts. Outlines legislative findings and declarations, as well as the purpose. Provides definitions. Asserts that each public high school shall employ at least one coach and establishes the ratios. Allows districts to share coaches regionally to reduce costs and optimize coverage. Prohibits a coach from performing duties assigned to counselors, social workers or psychologists. Specifies the duties of coaches. Outlines the minimum credentials that a coach shall have. Permits a licensed clinician to serve as a coach if the coaching is done in a nonclinical scope. Provides training requirements for coaches. Asserts that at least 15 hours per year of district-managed or optional department-provided modules shall be required of coaches. Details scope restrictions. Provides for compensation, funding and incentives. Stipulates that PDE should provide optional templates and guidance for recruitment and job descriptions, start-up grants through existing programs to fund initial hiring or training, templates and guidance for district reporting and program evaluation, technical assistance and training resources and assistance with determining timing and staffing based on capacity, as well as review aggregate or sample-based data every three years and may issue recommendations to the General Assembly. Requires each district to report annually to PDE, detailing the information to be reported. Permits districts to report this information using optional forms created by PDE. Outlines liability, confidentiality and reporting. Prohibits coaches from replacing or overriding counselors, social workers, psychologists or special education staff. Asserts that coaches are required to collaborate with licensed staff for referrals only. Directs PDE to provide a planned rollout, specifying what it is in accordance with. Effective in 60 days.

Intro Date

02/26/2026

Actions

02/26/2026 H - Introduced

02/26/2026 H - Referred to House Education

Higher Ed Bill Actions

HB2237 - An Act amending the act of June 23, 1999 (P.L.159, No.22), known as the New Economy Technology Scholarship Act, further providing for annual report.

Sponsor

Rep. Mary Isaacson (D)

Summary

(PN 2930) Amends the New Economy Technology Scholarship Act, further providing for annual report. Establishes that the report will be published by September 1, following the end of the fiscal year, when funds have been allocated for the program. Effective in 60 days.

Intro Date

02/20/2026

Actions

02/20/2026 H - Introduced

02/20/2026 H - Referred to House Education

Upcoming Events

TUESDAY – 03/03/2026

9:30 AM, [Senate Appropriations](#)

Budget Hearing, Hearing Room 1, North Office Building

Budget hearing with state universities in Millersville, East Stroudsburg, West Chester and Indiana.

12:00 PM, [House Democratic Policy](#)

Public Hearing, Room G-50, Irvis Office Building

Public hearing on universal pre-k.

1:00 PM, [House Appropriations](#)

Budget Hearing, House Chamber

Budget hearing with the Department of Education (PDE).

FRIDAY – 03/05/2026

9:30 AM, [Senate Appropriations](#)

Budget Hearing, Hearing Room 1, North Office Building

Budget hearing with the Department of Education (PDE).

1:00 PM, [Senate Appropriations](#)

Budget Hearing, Hearing Room 1, North Office Building

Budget hearing with the Department of Education (PDE).

WEDNESDAY – 03/11/2026

10:00 AM, [House Appropriations](#)

Budget Hearing, House Chamber

Budget hearing with the state-related universities.

1:00 PM, [House Appropriations](#)

Budget Hearing, House Chamber

Budget hearing with the Pennsylvania State System of Higher Education (PASSHE) and community colleges.

MONDAY – 03/16/2026

10:30 AM, 2026 Big 33 Capitol Celebration

Press Conference, Main Capitol Rotunda

THURSDAY – 03/19/2026

10:00 AM, [Independent Regulatory Review Commission \(IRRC\)](#)

Commission Meeting, 8th Fl. Conference Room, 555 Walnut St., Harrisburg

Public hearing on the following regulations: No. 3463 State Board of Medicine #16A-4960: Education and Volunteer Services; No. 3464 State Board of Osteopathic Medicine #16A-5337: Education and Volunteer Services; No. 3405 Department of Agriculture #2-194: Milk Sanitation; No. 3433 Unemployment Compensation Board of Review #12-120: General Requirements; No. 3476 State Board of Pharmacy #16A-5434: Immunization Updates.

In the News

[02/26/2026 - Penn State Faculty Alliance, SEIU Local 668 Reaches Stipulation Agreement for Union Election This Spring](#)

Education Recap is a comprehensive weekly report on legislative and executive actions on education related legislation in the Pennsylvania Capitol and is compiled and edited by PLS.

For subscription information, questions or more information contact PLS at mypls@mypls.com or 717-236-6984. Thank you, Deborah, Cheryl, Derek, Hattie, Sam, Grace, Aaron, Christian, Katie, Zoe, Daniel, Kyle, Nicholas, Dominic, Julia and Noah.

Copyright © 2026. All materials contained in the Education Recap are protected by US copyright law and may not be reproduced, distributed, transmitted, displayed, published, broadcast, modified, electronically forwarded or copied, in whole or in part, without prior written permission from Pennsylvania Legislative Services to purchase the rights to make or forward additional copies.

Provided by Pennsylvania Legislative Services
409 N. 2nd Street, Suite 212
Harrisburg, PA 17101
Phone: 717.236.6984
www.mypls.com