

A Communication from the Policy Information Exchange

Slice of Pie

A Slice of Pie is an ongoing publication keeping our readers informed about important public policy issues. It is the mission of the Policy Information Exchange to **educate and inform Pennsylvanians with disabilities, their families and advocates, and the general public, regarding public policy issues and to further the exchange of policy information between the Pennsylvania Developmental Disabilities Council and federal, state and local policy makers.**

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State News

Budget Season

SB 146 Fiscal Code Omnibus Bill (Act 21 of 2026)

For disability advocates, the most important parts of [Act 21 of 2026](#) are the sections that affect Medicaid programs and funding. The bill does not create new disability services, but it can affect how current services are funded and managed. In Pennsylvania, many services for people with disabilities—including long-term services and supports, intellectual disability services, autism services, and Community HealthChoices—rely heavily on Medicaid funding. As a result, changes to the Fiscal Code can have a real impact on how services are delivered.

One part of the bill changes how Medicaid pays facilities that provide institutional care, such as nursing homes and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID). These facilities rely on Medicaid funding to cover their costs. Changes to payment rules could affect staffing levels, financial stability, and the ability to accept residents. For people with significant support needs, this could affect access to care and the quality of services they receive.

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The bill also requires Pennsylvania to transition to chip-enabled Medical Assistance cards. The goal is to improve security and reduce fraud. Although this change does not affect eligibility or benefits, Medicaid recipients—including many people with disabilities and chronic health conditions—rely on these cards to access care. Advocates should monitor the rollout to ensure beneficiaries do not experience delays or problems accessing services during the transition.

Another key provision establishes a Medical Assistance Reentry Program for people leaving correctional facilities. Many returning to the community have disabilities, mental health conditions, autism, substance use disorders, or other serious medical needs. When Medicaid coverage and services are interrupted after release, people can face health crises, medication gaps, homelessness, and other challenges. The new program is designed to improve care coordination, making it easier for individuals to access healthcare, medications, behavioral health services, and community supports as they reenter society.

HB 1505 School Code Omnibus Bill (Act 20 of 2026)

From a disability and special education perspective, [Act 20 of 2026](#) does not change students' rights under special education law, Individualized Education Programs (IEPs), or the federal Individuals with Disabilities Education Act (IDEA). However, several provisions could affect students with disabilities and the schools that serve them.

One important change is the creation of a new funding program beginning in the 2026–27

school year. The program will provide \$5 million annually to help Philadelphia brick-and-mortar charter schools cover exceptionally high special education costs when a student's services exceed \$75,000 per year. This additional funding is intended to help schools meet the needs of students with significant disabilities while easing financial pressure on school budgets.

The bill also strengthens anti-bullying requirements. Schools, including charter and cyber charter schools, must include cyberbullying in their policies, investigate reports promptly, notify parents when bullying is confirmed, and provide staff training in prevention and response. These changes are especially important because students with disabilities are often at higher risk of bullying and harassment. The bill also addresses AI-generated content in cyberbullying, an emerging concern for many students.

Another provision extends the classroom monitor program through June 30, 2029. Classroom monitors can temporarily help schools address staffing shortages, but they are not a substitute for certified teachers. Certified educators must continue developing instructional materials, and monitors may not hold the same position for more than 20 days. In special education, certified teachers remain responsible for instruction, compliance, and student support, while schools gain flexibility when staffing is limited. The bill also requires reporting on monitor use, which could help state leaders better understand workforce shortages affecting schools.

The legislation also expands access to school safety and mental health grants. Charter,

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regional charter, and cyber charter schools can receive funding for safety initiatives and mental health programs. These resources may benefit students with disabilities, particularly those who need emotional, behavioral, or mental health supports.

HB 2400 Fiscal Year Budget Bill (Act 1A of 2026)

The Pennsylvania [FY 2026–27](#) budget continues to invest in services that support people with intellectual and developmental disabilities (IDD), autism, and other disabilities. The budget increases funding for many community-based programs, educational services, and employment supports, though some programs received flat or reduced funding compared with their original proposals.

The largest investment is in Home and Community-Based Services (HCBS), which help people with IDD live and participate in their communities rather than in institutional settings. Funding for the Intellectual Disability Community Waiver Program increased by \$76.8 million, bringing the total to \$2.783 billion. This increase reflects the state's ongoing commitment to community-based services.

Funding for the Intellectual Disability Community Base Program also increased by \$11.8 million, bringing total funding to \$175 million. These funds support essential community services that complement Pennsylvania's waiver programs and help strengthen the overall service system.

The budget reduces funding for Intellectual Disability State Centers to \$107 million, about

\$1.2 million less than last year. However, state law requires that any reduction in State Center funding be redirected to community-based services through the Augmentation Account. As a result, those dollars remain within the IDD service system, supporting Pennsylvania's ongoing shift toward community-based care.

Funding for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID) increased by \$15.6 million, bringing total funding to \$180 million. This additional investment supports facilities that provide care for individuals with significant medical and support needs.

Autism services also received additional funding. The budget allocates \$37.3 million to autism programs, an increase of about \$2 million from the prior year. This funding supports services for individuals with autism and their families across Pennsylvania.

Several disability-related programs outside the Office of Developmental Programs also saw increases. Funding for Medical Assistance for Workers with Disabilities rose by about \$5 million to \$120.4 million. The program helps people with disabilities maintain their healthcare coverage while working, making employment more accessible and sustainable.

The budget also includes additional support for special education. Public school special education funding increases by \$55 million, bringing total funding to \$1.582 billion. Private school special education funding rises by \$5.5 million to \$167.7 million. Preschool Early Intervention (Part B) funding increases by \$41.2 million to \$494.5 million. In addition, \$565 million is dedicated to

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helping underfunded school districts through adequacy and tax equity payments. Despite these investments, many school districts still face funding challenges due to rising costs and a statewide school funding gap.

Not every program received an increase. Funding for infant and toddler Early Intervention services was reduced by \$5.2 million. State officials have said existing funds should be sufficient to avoid service reductions, but the funding cut has raised concerns among families and providers. Early Intervention helps young children with developmental delays access services during critical years of development. At the same time, providers continue to face workforce shortages and funding challenges that can make it difficult for families to access services.

Some programs, including Behavioral Health Services and Supported Employment, remained level-funded. Although stable funding allows services to continue, providers may still face financial pressure from inflation, workforce shortages, and rising demand.

Overall, the FY 2026–27 budget continues Pennsylvania's investment in services for people with disabilities. It increases funding for community-based supports, autism services, employment programs, and special education, while maintaining the state's long-term focus on helping people live, work, and participate in their communities. At the same time, workforce shortages, service access challenges, waiting lists, and long-term system sustainability remain important issues that will require ongoing attention.

[Governor's Advisory Commission on People with Disabilities](#)

Governor Josh Shapiro announced the first 28 appointments to Pennsylvania's new commission, which will advise the Administration on disability policies, collaborate with agencies, share resources, and identify programs, funding, and supports across the state. Members include individuals with various disabilities. The commissioners will serve two-year terms and represent communities statewide. Led by Executive Director Dr. Josie Badger, the group aims to identify barriers, develop solutions, and promote the participation of people with disabilities in community life. This move enhances disability representation in government and ensures policies reflect those affected.

[Learn more](#) or contact the Commission at Disabilities@pa.gov.

Federal News

Disability-Based Organ Transplant Discrimination

A bipartisan effort in Congress advances the [Charlotte Woodward Organ Transplant Discrimination Prevention Act](#), approved by the Senate HELP Committee, aiming to ban discrimination based on disabilities in organ transplant evaluations. Named after Charlotte Woodward, a woman with Down syndrome who received a heart transplant in 2012, supporters say the bill addresses stereotypes and misconceptions influencing transplant decisions, with research indicating disabled patients are less likely to get referrals. If enacted, it would require accommodations similar to those under the Americans with Disabilities Act and ensure that decisions

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are based on medical criteria, not disability status. Advocates believe it affirms the value of every life and broadens access to care.

Home and Community-Based Services

A new [infographic](#) on the purpose, value, and impact of Medicaid HCBS is available. This resource includes an overview of key services, facts and figures on HCBS utilization and spending, and trends and growth through rebalancing efforts. This is a great foundation for conversations about Medicaid HCBS.

Mental Health Grants

A group of 15 states has [sued the U.S. Department of Education](#), alleging the agency is trying to eliminate up to \$1 billion in school mental health funding, even though a federal court previously blocked similar cuts. The grants help schools hire and train counselors, psychologists, social workers, and other mental health professionals. The states argue that the Department is attempting to make the same funding cuts that a court ruled unlawful in 2025, but is now using a different process by “terminating” the grants rather than “discontinuing” them. If the funding is lost, schools could have fewer resources to support students’ mental health needs. The outcome of the lawsuit could affect the future of federally funded school mental health programs nationwide.

Special Education

In July, the Office of Special Education and Rehabilitative Services (OSERS) held a public briefing to clarify a new agreement with the Department of Health and Human Services (HHS) to administer special education programs. The Acting Deputy Secretary clarified federal roles in special education, emphasizing that

under the Individuals with Disabilities Education Act (IDEA), local school districts handle evaluations, Individualized Education Plans (IEPs), placements, and services in collaboration with families and educators. OSERS oversees policy, monitors states, enforces compliance, and manages grants, while states supervise districts. The Deputy Secretary emphasized that federal oversight is important but does not involve individual student decisions.

The Acting Deputy Secretary said the partnership between the departments aims to improve coordination and strengthen federal capacity by leveraging HHS expertise, resources, and grant systems that support individuals with disabilities. The central message of the briefing was reassurance. The Acting Deputy Secretary repeatedly promised that students with disabilities would not lose any rights, protections, services, funding, or dispute resolution options as a result of the Department of Education’s partnership with HHS. She emphasized that IDEA remains the governing law, OSERS remains within the Department of Education, and federal oversight and enforcement responsibilities remain unchanged.

For families, the promise is that parental rights, due process protections, mediation options, and access to special education services will remain intact and federally enforced. For students, the promise is continued access to a Free Appropriate Public Education, individualized supports through IEPs, and protections against discrimination. For educators and school leaders, the promise is continuity in federal requirements, reporting systems, funding streams, and guidance, along with what the Acting Deputy Secretary described as enhanced federal capacity to

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monitor states and improve outcomes for individuals with disabilities.

In short, the Acting Deputy Secretary's position was that the federal government is not stepping away from its responsibility to enforce disability rights. Rather, it is seeking additional support from HHS to strengthen oversight, improve efficiency, and better ensure that states and local districts meet their obligations under IDEA and other disability-related laws.

Since the July briefing, the U.S. Department of Education has provided [additional details](#) on implementing the interagency agreement. Functions will be shifted to HHS, including the management of formula and discretionary grant programs under IDEA Parts B, C, and D. However, Fiscal Year 2026 grants will continue to be coordinated by the Department of Education during the transition period. Officials have also indicated that many staff members currently assigned to the Office of Special Education and Rehabilitative Services (OSERS) will be administratively relocated to HHS while continuing to support IDEA-related activities. The Department states that these changes are intended to increase efficiency and leverage HHS's existing disability-service infrastructure.

The issue has also drawn [congressional attention](#). On July 9, 2026, House Education and Workforce Committee Chairman Tim Walberg introduced a package of 10 bills to formally transfer several Education Department responsibilities to other federal agencies as part of broader efforts to reduce the department's size. Notably, however, the legislative package did not include the June 2026 special education transfer to HHS, so the OSERS-related changes remain governed by the interagency agreement

rather than by new statutory authority from Congress.

Significant questions remain about how relocating staff and administrative functions will affect long-term oversight, coordination, and accountability within the federal special education system.

State of the Workforce

The 2024 National Core Indicators [State of the Workforce for Aging and Disabilities Report](#) has been published. It provides detailed data on provider agencies and Direct Service Workers serving older adults and individuals with physical disabilities. This release offers a new chance for state aging and disabilities agencies, advocates, and researchers to analyze workforce issues, pinpoint areas needing further study, benchmark their workforce data, assess progress from policy or program changes, and compare their state's data with others.

Pennsylvania Legislative 2026 Second Quarter Review

To look up any bill online, visit <https://www.palegis.us/>

Remaining Session Dates

House

September 28, 29, 30

October 5, 6, 7, 19, 20, 21

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November 9, 10

Senate

September 28, 29, 30

October 5, 6, 7, 19, 20, 21

November 17, 18

What Was Adopted or Enacted

[House Resolution 134](#), as adopted, establishes an advisory committee to study ways Pennsylvania can make its administrative processes easier to navigate and reduce barriers that prevent people from accessing needed services and supports. The committee will review the current system and develop recommendations to improve access, efficiency, and the overall quality of services for Pennsylvanians. It will compare the service administration of the Office for Long Term Living and the Office of Developmental Programs. Its review will cover service types, support worker compensation, and payment rates for employment support organizations.

[House Bill 482](#), as enacted, will allow Pennsylvania to join the National Occupational Therapy Licensure Compact, an agreement among participating states that makes it easier for occupational therapists to work across state lines. By streamlining the licensing process, the law will make it easier for occupational therapists licensed in another compact member state to provide services in Pennsylvania and for Pennsylvania-licensed therapists to work in other member states. The goal of the new law is to increase access to occupational therapy services, reduce licensing barriers, help address workforce shortages, and give

patients more opportunities to receive the care they need.

Similarly, [Senate Bill 604](#), as enacted as Act 23 of 2026, will now allow Pennsylvania to join the National Counselor Compact, with the same goals for licensed counselors.

What is Still Moving

[House Bill 711](#) would exempt certain community homes for adults with disabilities from state sprinkler system requirements. The bill was unanimously approved by a House committee in April. The goal is to reduce the barriers to opening community homes, making it easier to operate small residential settings where adults with disabilities live and receive support. Installing sprinkler systems in a converted single-family home can be costly. Community homes play a key role in helping people with disabilities live in their communities rather than in larger institutional settings. Reducing unnecessary costs could help providers maintain existing homes and expand housing opportunities for individuals who need supportive living arrangements. At the same time, fire safety advocates may raise concerns about balancing cost savings with resident safety.

[House Bill 1045](#) passed the House 130-71 in June. It would require all school employees who have direct contact with students to complete training every two years on the signs and symptoms of a seizure and how to provide first aid if a student has one.

[House Bill 1611](#), approved by a House committee in June, would update Pennsylvania's Older Adults Protective Services Act (OAPSA), the law that helps protect older adults from abuse, neglect, exploitation, and other

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forms of harm. One important change would add Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID) to the law's definition of covered facilities. This would make it clear that older adults living in these facilities are protected under OAPSA. This change is important because it closes a potential gap in protections.

[House Bill 1902](#) would require law enforcement officers to receive training in identifying and investigating hate crimes. In June, the House Judiciary Committee approved the bill in a party-line vote.

[House Bill 1905](#) was reported from the House Judiciary Committee in June. The bill would expand Pennsylvania's current Ethnic Intimidation law into a broader hate crime law. In addition to race, color, religion, and national origin, it would cover crimes motivated by ethnicity, ancestry, sex, gender, gender identity, gender expression, sexual orientation, or disability. The bill would also allow charges not only against the person who commits the crime, but also against anyone who encourages, directs, or helps another person commit it with the intent of carrying out the offense.

[House Bill 1963](#) has moved through the legislative process unanimously. It would add a certified driver rehabilitation specialist to the PennDOT Medical Advisory Board. It was tabled on the Senate floor in June.

[House Bill 2102](#) was unanimously approved by a House committee but was later set aside by the House in April. The bill would create a new "Purple Alert" program to help locate missing people with intellectual, developmental, cognitive, or neurological disabilities. It would also update the name of Pennsylvania's Amber Alert law and extend Good Samaritan legal

protections to those who assist in situations covered by the alert system.

[House Bill 2106](#) passed the House unanimously in May and now awaits action by the Senate Judiciary Committee. The bill would require more people to be notified when a guardianship case is filed, including family members and other individuals designated by the person involved. It is intended to ensure that potential guardians and other interested parties receive clear information about guardianship petitions and court hearings.

[House Bill 2109](#) passed the House in June with some support from members of both parties. The bill would remove local limits on the number of people who can live together in certain shared housing arrangements. This change could make it easier to develop group homes and life-sharing homes for people with disabilities. This would be known as the Golden Girls Law. Senator Saval has introduced companion legislation under [Senate Bill 1263](#).

[House Bill 2136](#) would require the Department of Corrections to recognize diagnoses made before a person entered prison. This would help ensure that individuals receive appropriate accommodations and services based on their documented needs while incarcerated. The bill was approved by its original House committee in a party-line vote and is now under review by the House Rules Committee.

[House Bill 2307](#) passed the House unanimously in June. The bill would increase the share of special education funding allocated to Pennsylvania's Special Education Contingency Fund from 1% to 2%. The additional funding would help school districts cover the costs of educating students with high-cost special education needs. Funding would be distributed

based on the cost of a student's services relative to the district's overall special education spending. The bill would also limit an individual student's funding from the contingency fund to two school years.

[House Bill 2549](#) passed the House unanimously in June. The bill would allow people to donate \$5 when renewing their driver's license, state ID card, or vehicle registration online. The donations would support communication access services for people who are deaf or hard of hearing.

[Senate Bill 402](#) was approved by a Senate committee and later set aside on the Senate floor. The bill would allow school employees who are not licensed medical professionals to receive training to administer emergency seizure medication as needed.

[Senate Bill 906](#) was reported out of committee with bipartisan support. It would establish a statewide paid family and medical leave insurance program for workers.

[Senate Bill 1373](#) was unanimously approved by the Senate Health and Human Services Committee in June. The bill aims to improve oversight, accuracy, and fraud prevention for Medicaid-funded services by requiring certain Medicaid claims to include more detailed information, such as the provider's identification numbers, the date each service was provided, and the start and end times for each service. The goal is to improve documentation and accountability for services billed to Medicaid. The Senate Appropriations Committee is currently considering the bill's fiscal impact.

New Legislation Since Your Last Slice

[House Bill 2424](#) would make a student's home school district or intermediate unit responsible for conducting the initial evaluation to determine whether a charter school student qualifies for special education services. This would align the process for charter school students with the process already used for students who attend private schools. Anyone with comments or concerns about the bill can contact the House Education Committee.

[House Bill 2441](#) would create a new pathway for experienced school professionals, such as counselors and nurses, to obtain certification. Individuals with relevant work experience may receive temporary certification while they complete any remaining education or training requirements to work in public schools. The bill would recognize prior professional experience and allow applicants up to five years to meet all requirements for full certification. Advocates can contact the House Education Committee with feedback.

[House Bill 2456](#) would allow certain family members to be paid for providing personal care services to a relative receiving Medicaid benefit, if the federal government approves the program. Supporters say this could give families more flexibility in choosing who provides care and help compensate family members already assisting loved ones. Anyone with comments or concerns about the bill can contact the House Human Services Committee.

[House Bill 2477](#) would help make sure that children involved in the juvenile justice system are screened and evaluated for behavioral health needs and can receive appropriate mental health and related services. The bill would require certain screenings and discussions early in delinquency cases to promptly identify and

address behavioral health concerns. Anyone who has comments or concerns about the bill can contact the House Judiciary Committee.

[House Bill 2536](#) would provide eligible direct support professionals who assist people with intellectual or developmental disabilities with a Pennsylvania state tax credit of up to \$1,000. If you have comments or concerns about the bill, please contact the House Finance Committee.

[House Bill 2585](#) would end the practice of paying workers with disabilities less than the standard minimum wage. After reviewing the bill, advocates are encouraged to share any comments, concerns, or support with the House Labor & Industry Committee.

[House Bill 2613](#) would require insurance companies to cover at least two annual checkups and maintenance for complex wheelchairs. The coverage would also include wheelchair repairs and maintenance, as well as telehealth well visits. Anyone who would like to share comments or feedback on this bill can contact the House Human Services Committee.

[House Bill 2615](#) would allow people with disabilities to apply for and receive two disability registration plates for their vehicles. Anyone who would like to provide comments or feedback on this bill can contact the House Transportation Committee.

[Senate Bill 1341](#) would help schools provide more support services for students and families, such as tutoring, behavior support, family involvement programs, and health services, by partnering with community organizations. Schools that participate would be required to have a full-time coordinator to help connect and organize these services. The bill does not change special education laws, IEPs,

or disability rights. Instead, it adds additional supports that could work alongside the services students already receive. Advocates can contact the Senate Education Committee with any feedback.

[Senate Bill 1360](#) would ensure that health insurance plans, including Medicaid, cover medically necessary prosthetic and orthotic devices and related services. This includes devices that help people with disabilities stay active, participate in physical activities, and manage everyday tasks. The bill would require insurers to pay for these services at rates at least as high as Medicare's reimbursement rates. The bill would also prevent insurance companies from unfairly denying coverage to people with disabilities. Anyone with comments or concerns about the bill can contact the Senate Institutional Sustainability and Innovation Committee.

[Senate Bill 1415](#) would increase the penalties for certain types of abuse and neglect. If neglect causes someone to suffer a physical injury, it would be treated as a third-degree felony. The bill would also make institutional sexual assault committed by a caretaker a second-degree felony, which carries more serious penalties than the current law. Contact the Senate Justice Committee with any feedback.

Contact PIE

Contact the PIE Team with any questions, comments, suggestions, or information to share at PIE, c/o The Arc of Pennsylvania, 1007 Mumma Road, Suite 100, Lemoyne, PA 17043, by email at pie@thearcpa.org or by phone at 800-692-7258.

- o **A Slice of Pie** is available by email and contains hyperlinks for ease of accessing websites and internet documents and resources.
- o PIE Alerts, PIE Information, and PIE Job Postings are available by email to keep people informed about disability issues between newsletters.
- o Sign up for A Slice of Pie or PIE electronic messages by phone at 800-692-7258 or by emailing pie@thearcpa.org.
- o Individuals who already get A Slice of Pie and/or PIE electronic messages can make changes at any time by clicking "Update Profile/Email Address" at the end of any PIE email message.
- o A Slice of Pie is available at the Developmental Disabilities Council website www.paddc.org, by clicking on "Publications" and "Slice of Pie". Archived editions can also be found there.
- o **A Slice of Pie** is available in alternate format upon request.
- o The PIE office will download, copy, and mail information mentioned in A Slice of Pie upon request.

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A Slice of Pie

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Change of Information?

We want to be certain that you do not miss an issue of *A Slice of Pie*, so please send name or address changes either by phone 800-692-7258 or by email to pie@thearca.org. Thank you.

The PIE Team

THE ARC OF PENNSYLVANIA

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